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ANNUAL REPORT 2018

CENTRAL VIGILANCE COMMISSION

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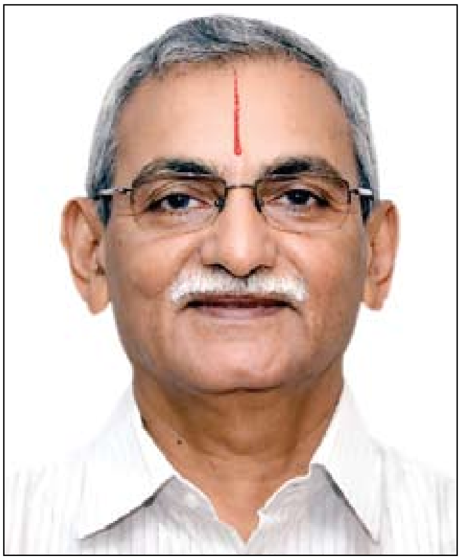
ANNUAL REPORT

01.01.2018 to 31.12.2018

CENTRAL VIGILANCE COMMISSION



Shri K.V. Chowdary
Central Vigilance Commissioner

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Vigilance Commissioner

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The 55th Annual Report of the Central Vigilance Commission is prepared under Section 14 of the CVC Act, 2003 for submission to the President of India. The report highlights the work done by the Central Vigilance Commission during the year ending 31st December, 2018 in fulfilling its mandate under the CVC Act, 2003.

(K.V. CHOWDARY)
CENTRAL VIGILANCE COMMISSIONER

(Dr. T.M. BHASIN)
VIGILANCE COMMISSIONER

(SHARAD KUMAR)
VIGILANCE COMMISSIONER

New Delhi
Dated: the 6th June, 2019

ACKNOWLEDGEMENT

The Central Vigilance Commission thanks the Government of India, its Ministries/Departments, Public Sector Undertakings, Public Sector Banks and other organizations, the team of Chief Vigilance Officers, Central Bureau of Investigation, Law Officers, the Whistle Blowers and all others connected with the Commission for their cooperation and assistance.

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Function of Vigilance Awareness Week 2018

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AN OVERVIEW

- Central Vigilance Commission is the apex integrity institution of India, created in 1964 to address governmental corruption. It has the mandate under the Central Vigilance Commission Act, 2003 (45 of 2003) to fight corruption and to ensure integrity in public administration. It has the status of an autonomous body, free of control from any executive authority, charged with monitoring all vigilance activity under the Central Government and advising various authorities in Central Government and organisations under it, in planning, executing, reviewing and reforming their vigilance work and bring out systemic improvement in governance.

  (Para 1.1)

- The Central Vigilance Commission Act, 2003 provides for constitution of Central Vigilance Commission to inquire or to cause inquiry or investigation into offences alleged to have been committed under the Prevention of Corruption Act 1988 (49 of 1988) by certain categories of public servants of the Central Government, Corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by the Central Government. The Act also empowers the Commission to exercise superintendence over the functioning of the Central Bureau of Investigation (CBI), insofar as it relates to the investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988.

  (Para 1.7)

- The Lokpal and Lokayuktas Act, 2013 has amended some provisions of CVC Act, 2003 and the Commission has been empowered to conduct preliminary inquiry into complaints referred by Lokpal in respect of officers and officials of Groups B, C & D, besides Group A officers.

  (Para 1.8 & 1.9)

- The Whistleblowers' Protection Bill, 2011 passed by Parliament, received the assent of the President and has been enacted as Whistle Blowers Protection Act, 2011 (No. 17 of 2014).

  (Para 1.17)

- All departments/organisations under Commission's jurisdiction have vigilance units headed by Chief Vigilance Officers (CVO). The CVOs act as an extended arm of the Commission. There are 195 posts of full time CVOs and 499 posts of part time CVOs of which 50 posts of full time CVOs were lying vacant on 31.12.2018.

  (Para 1.27)

- The Commission has been implementing a multi-pronged strategy to combating corruption, which encompasses preventive, punitive and participative vigilance measures. These are not mutually exclusive but are complimentary and are important elements within the broader approach for combating corruption.

(Para 2.3)

- The Commission recommended initiation of criminal proceedings in 49 cases during 2018.

(Para 2.19 & 2.20)

- The Commission tendered advices in 3162 cases during the year 2018. These include Commission's advice of initiation of major penalty proceedings in 508 cases and minor penalty proceedings in 151 cases as its first stage advice. Similarly, Commission advised imposition of major penalty in 101 cases and minor penalty in 76 cases as second stage advice.

(Paras 2.16, 2.19, 2.20 & 2.21)

- The Commission received 33645 complaints (including complaints brought forward from 2017) during 2018. The Commission received a considerable number of complaints against public servants working in the state governments and other organisations who do not come under the jurisdiction of the Commission or which are of administrative nature.

(Paras 2.32 & 2.34)

- During the year 2018, vigilance clearances were processed and issued by the Commission for the Board level appointments in 588 cases. Vigilance clearance was also provided by the Commission in respect of 2413 officials of the All India Services and other Services for empanelment to the posts of Joint Secretary and above in the Central Government and for appointments to certain Statutory Posts under the Central Government .

(Para 2.41)

- During the year 2018, penalties were imposed in 17341 cases (for all categories of officers) dealt with by the CVOs. Further, major penalty was awarded in 5595 cases and minor penalty was awarded in 11746 cases.

(Para 3.17)

- Shri K.V. Chowdary, Central Vigilance Commissioner attended the seventh session of the Assembly of Parties (AoP) to International Anti Corruption Academy (IACA) at Vienna, Austria on 27th and 28th September 2018.

(Para 2.44)

- Smt. Archana Varma, Additional Secretary, CVC attended the 9th Session of the Implementation Review Group at UNODC, in Vienna, Austria on 4th to 6th June, 2018.

(Para 2.44)

- Shri P. Daniel, Additional Secretary, CVC attended 2nd Meeting of the Anti Corruption Working Group of the G-20 Countries at Paris, France on 27th and 28th June, 2018.

(Para 2.44)

- The Vigilance Awareness Week was observed from 29th October to 3rd November, 2018 with the theme "Eradicate Corruption-Build a New India (भ्रष्टाचार मिटाओ–नया भारत बनाओ)". All PSUs / Public Sector Banks / Ministries / Departments, etc. conducted activities within their organisations as well as outreach activities for the public on a large scale. The thrust during Vigilance Awareness Week had been on outreach activities which included publicizing the Integrity e-Pledge and conducting Awareness Gram Sabhas and Awareness Campaigns in schools and colleges.

(Para 8.11 & 8.13)

- The Commission envisaged a concept of "Integrity Pledge" to enlist support and commitment of the citizens and organisations for upholding the highest standards of ethical conduct, honesty and integrity. In 2018, the Commission decided to have a common Integrity Pledge during VAW 2018 for citizens as well as public servants. As on 31.12.2018 approximately 70.5 lakh citizens and around 94118 organisations have taken the e-pledge online.

(Para 8.14)

- "Awareness Gram Sabhas" were organized where short plays, nukkad nataks, display of posters and screening of films etc., were made for dissemination of awareness in Gram Panchayats to sensitize citizens on the ill effects of corruption this year. In 2018, more than 73,655 Gram Sabhas were organized during the Vigilance Awareness Week.

(Para 8.15)

- The outreach activity focusing on inculcating greater awareness on corruption and anti-corruption measures were also held in colleges and schools including professional colleges/ institutions across the country. Activities in schools / colleges across the country in over 550 cities and towns during the week reached out to several lakh youth.

(Para 8.16)

- His Excellency, Shri Ram Nath Kovind, the Hon'ble President of India was the Chief Guest for the Vigilance Awareness Week Function held at Vigyan Bhavan on 31st October 2018. Dr. Jitendra Singh, Hon'ble Minister of State for the Prime Minister's Office and Minister of State for Personnel, Public Grievances and Pensions was the guest of honour at the function.

(Para 8.18 to 8.22)

- The Commission obtains data related to Preliminary Enquiries (PEs) and Registered Cases (RCs) in the format prescribed by it from CBI every month. During the year 2018, the Commission held monthly review meetings with CBI, wherein cases against senior officers of the Government, executives of banks/public sector enterprises and politicians were reviewed.

(Para 6.6 & 6.7)

- The Commission reviews the progress of cases pending for sanction of prosecution with various organisations, under the PC Act, 1988. CBI reported that at the end of the year 2018, 129 cases were pending for grant of sanction for prosecution under PC Act, 1988.

(Para 6.15)

- During 2018 the Commission continued and enhanced the training initiatives launched in 2016 by providing training at international institutes of repute to its officers and CVOs within the framework of the training policy. As CVOs and officers working in the Commission require specialized vigilance related training and international exposure on best practices to update and upgrade their skills and knowledge, such customized vigilance related trainings organized by the Commission are an important step for capacity building of officers.

(Para 9.4)

- The Commission, in keeping with the overall strategy of creating awareness and emphasis on preventive vigilance is also urging organisations to include a module on preventive vigilance in their induction training programmes for young officers. It is believed that this will bring a change in the organisational culture and help preempt the occurrence of corruption/misconducts.

(Para 9.14)

Function of Vigilance Awareness Week 2018

Function of Vigilance Awareness Week 2018

CHAPTER – 1

MANDATE OF THE COMMISSION

1.1 Central Vigilance Commission is the apex integrity institution of India, created in 1964 to address governmental corruption. It has the mandate under the Central Vigilance Commission Act, 2003 (45 of 2003) to fight corruption and to ensure integrity in public administration. It has the status of an autonomous body, free of control from any executive authority, charged with monitoring all vigilance activity under the Central Government and advising various authorities in Central Government and organizations under it, in planning, executing, reviewing and reforming their vigilance work and bring out systemic improvement in governance. The Commission is a multi-member body primarily responsible to inquire or causing an inquiry or investigation into offences alleged to have been committed by certain categories of public servants under the Prevention of Corruption Act, 1988 or an offence with which a public servant may, under the Code of Criminal Procedure, 1973, be charged at the same trial. The Commission is vested with the powers of superintendence over the CBI's functioning in so far as it relates to the PC Act, 1988 as well as superintendence of vigilance administration in the Central Government and its organisations. In addition, the Commission in its outreach pursuits also endeavours to create awareness amongst the common man, especially among the youths, towards the avowed policy of achieving transparency, accountability and corruption free governance. The Commission is fully committed to implement the policy of "Zero Tolerance against Corruption".

I Genesis

1.2 Central Vigilance Commission was initially constituted by the Government of India through a Resolution dated 11th February, 1964 as an apex body for prevention of corruption in India and exercising general superintendence over vigilance administration. The debate in Parliament and concern over corruption led to setting up of a Committee by Shri Lal Bahadur Shastri, the then Minister for Home Affairs under the Chairmanship of Shri K. Santhanam, Member of Parliament to review the existing instruments with a view to prevent corruption in central services and suggest steps for effective anti-corruption measures. The Santhanam Committee identified four major causes of corruption:

(i) Administrative delays;

(ii) Government taking upon themselves more than what they could manage by way of regulatory functions;

(iii) Scope for personal discretion in the exercise of powers vested in different categories of government servants; and

(iv) Cumbersome procedures in dealing with various matters which were of importance to citizens in their day to day affairs.

1.3 The recommendations of the Santhanam Committee were considered and the Central Vigilance Commission was set up by the Government of India (Ministry of Home Affairs) vide Resolution No. 24/7/64-AVD dated 11.02.1964.

1.4 Subsequently, Supreme Court of India, in criminal Writ Petition Nos. 340-343/1993 *(Vineet Narain and others Vs. Union of India and others)* popularly known as Jain Hawala case, had inter-alia given directions on 18.12.1997 that statutory status should be conferred upon the Central Vigilance Commission.

1.5 Pending legislation, the Central Government notified “The Central Vigilance Commission Ordinance, 1998” conferring statutory status on the Commission. It was followed by CVC (Amendment) Ordinance dated 27.10.1998, CVC Ordinance dated 08.01.1999, DoPT Resolution No. 371/20/99-AVD-III dated 04.04.1999 and DoPT Resolution No. 371/20/99-AVD-III dated 13.08.2002 while the CVC Bill was under consideration of both the Houses of Parliament.

1.6 The Central Vigilance Commission Bill was passed by both the Houses of Parliament and received the assent of the Hon’ble President on 11thSeptember, 2003. It came on the statute book as THE CENTRAL VIGILANCE COMMISSION ACT, 2003 (45 of 2003).

II The Central Vigilance Commission Act, 2003

1.7 The Central Vigilance Commission Act, 2003 provides for constitution of Central Vigilance Commission to inquire or to cause inquiry or investigation into offences alleged to have been committed under the Prevention of Corruption Act 1988 (49 of 1988) by certain categories of public servants of the Central Government, Corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by the Central Government and for matters connected therewith or incidental thereto. The Act also empowers the Commission to exercise superintendence over the functioning of the Delhi Special Police Establishment (DSPE), now called Central Bureau of Investigation (CBI), insofar as it relates to the investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988 (49 of 1988) and to give directions to the CBI for discharging responsibility entrusted to them under sub-section (1) of Section 4 of the DSPE Act, 1946. The Commission while discharging the function of superintendence over the CBI, primarily focuses on maintenance of objectivity in the mechanism of CBI’s working in corruption matters i.e. monitoring cases taken up by them for investigation; progress of the investigation; cases in which charge sheets are filed and their progress and progress of all cases moved by the CBI for sanction of prosecution of public servants which are pending with the competent authorities especially those in which sanction has been delayed or refused. Further, the Commission exercises superintendence over the vigilance administration of the various Ministries / Departments/Public Sector Enterprises / Public Sector Banks and autonomous organisations under the Central Government.

1.8 The Lokpal and Lokayuktas Bill passed by Parliament received the assent of the President on 1st January, 2014 and came on the statute book as The Lokpal and Lokayuktas Act, 2013 (1 of 2014). The Act provides for establishment of a body of Lokpal for the Union and Lokayuktas for States to inquire into allegations of corruption against certain public functionaries and for matters connected therewith. The jurisdiction of Lokpal includes the Prime Minister, Ministers, Members of Parliament, Groups A, B, C and D officers and officials of the Central Government. The Lokpal has powers to inquire or cause an inquiry or investigation into offences alleged to have been committed under Prevention of Corruption Act, 1988 by the categories of public functionaries prescribed in Section 14 of the Lokpal and Lokayuktas Act, 2013.

1.9 The Lokpal and Lokayuktas Act, 2013 has amended some provisions of CVC Act, 2003 and the Commission has been empowered to conduct preliminary inquiry into complaints referred by Lokpal in respect of officers and officials of Groups B, C & D, besides Group A officers. The Commission's additional functions would include conducting preliminary inquiry into the complaints referred by Lokpal in respect of Gr. 'A', 'B', 'C' & 'D' officials for which a Directorate of Inquiry for making preliminary inquiry is to be set up in the Commission. The preliminary inquiry reports in such matters referred by Lokpal in respect of Group A and B officers are required to be sent to the Lokpal by the Commission. Further, as per mandate, the Commission is to cause further investigation into such Lokpal references in respect of Gr. 'C' & 'D' officials and decide on further course of action against them.

Functions and Powers of the Central Vigilance Commission under the Central Vigilance Commission Act, 2003

- *Exercise superintendence over the functioning of the Delhi Special Police Establishment (CBI) insofar as it relates to the investigation of offences under the Prevention of Corruption Act, 1988; or offences under the Cr. PC for certain categories of public servants -section 8(1)(a);*
- *Give directions to the Delhi Special Police Establishment (CBI) for superintendence insofar as it relates to the investigation of offences under the Prevention of Corruption Act, 1988 - section 8(1)(b);*
- *To inquire or cause an inquiry or investigation to be made on a reference by the Central Government - section 8(1)(c);*
- *To inquire or cause an inquiry or investigation to be made into any complaint received against any official belonging to such category of officials specified in sub-section 2 of Section 8 of the CVC Act, 2003 - section 8(1)(d);*
- *Review the progress of investigations conducted by the DSPE into offences alleged to have been committed under the Prevention of Corruption Act, 1988 or an offence under the Cr. P. C. - section 8(1)(e);*
- *Review the progress of the applications pending with the competent authorities for sanction of prosecution under the Prevention of Corruption Act, 1988 - section 8(1)(f);*
- *Tender advice to the Central Government and its organisations on such matters as may be referred to it by them - section 8(1)(g);*
- *Exercise superintendence over the vigilance administrations of the various Central Government Ministries, Departments and organisations of the Central Government – section 8(1)(h);*
- *Shall have all the powers of a Civil Court while conducting any inquiry - section 11;*

- *Proceedings before Commission to be judicial proceedings - Section 12;*
- *Call for reports, returns and statements from Central Government / PSUs / Organisations under its jurisdiction - Section 18;*
- *Respond to Central Government on mandatory consultation with the Commission before making any rules or regulations governing the vigilance or disciplinary matters relating to the persons appointed to the public services and posts in connection with the affairs of the Union or to members of the All India Services - Section 19; and*
- *Conducting preliminary inquiry into the complaints referred by Lokpal in respect of Gr. 'A', 'B', 'C' & 'D' officials for which a Directorate of Inquiry for making preliminary inquiry is to be set up in the Commission.*

Other salient features

- *Multi-member Commission consisting of a Central Vigilance Commissioner (Chairperson) and not more than two Vigilance Commissioners (Members);*
- *The Central Vigilance Commissioner and the Vigilance Commissioners are appointed by the President on the recommendations of a Committee consisting of the Prime Minister (Chairperson), the Minister of Home Affairs (Member) and the Leader of the Opposition in the House of the People (Member);*
- *The term of office of the Central Vigilance Commissioner and the Vigilance Commissioners is four years from the date on which they enter their office or till they attain the age of 65 years, whichever is earlier;*
- *The Central Vigilance Commissioner (CVC) is the Chairperson and the two Vigilance Commissioners alongwith concerned Secretaries of Administrative Ministries are the Members of the Selection Committees, on whose recommendation the Central Government appoints officers to the posts of the level of SP and above in the CBI and to the posts of the level of Deputy Director and above in the Directorate of Enforcement;*
- *The Committees concerned are also empowered to recommend, after consultation with the Director CBI / Director of Enforcement, the extension or curtailment of tenure of such officials in CBI and Directorate of Enforcement; and*
- *The Commission is the designated agency under the Public Interest Disclosure and Protection of Informers' (PIDPI) Resolution to undertake or cause an inquiry into complaints received under PIDPI Resolution and recommend appropriate action.*

III Jurisdiction of Central Vigilance Commission

1.10 In terms of Sections 8 (1) (d) and 8 (2) (a) of the Central Vigilance Commission Act, 2003,the Commission's jurisdiction in respect of suo-motu inquiry extends to members of All India Services serving in connection with the affairs of the Union, Group 'A' level officers of the Central Government and such level of officers in the corporations, Government companies, societies and other local authorities of the Central Government as may be notified by the Central Government separately from time to time. The Central Government (DoPT) has so far notified the following level / categories of officers which are tabulated at Serial Number (2) to (8) of the box below:

Commission's jurisdiction under the Act

(1) Members of All India Services serving in connection with the affairs of the Union and Group 'A' officers of the Central Government;

(2) Chief Executives and Executives on the Board and other officers of E-8 and above in Schedule 'A' and 'B' Public Sector Undertakings of the Central Government;

(3) Chief Executives and Executives on the Board and other officers of E-7 and above in Schedule 'C' and 'D' Public Sector Undertakings of the Central Government;

(4) Officers of the rank of Scale V and above in the Public-Sector Banks;

(5) Officers in Grade 'D' and above in Reserve Bank of India, NABARD and SIDBI;

(6) Managers and above in respect of General Insurance Companies;

(7) Senior Divisional Managers and above in Life Insurance Corporation of India; and

(8) Officers drawing salary of Rs. 8700/- per month (pre-revised as on 12.09.2007) and above on Central Government DA pattern, as may be revised from time to time, in societies and local authorities owned or controlled by the Central Government.

1.11 Commission has made a reference to DoPT in the year 2014 for notifying u/s 8(2)(b) of CVC Act, 2003 the levels/categories of officers of the Regulatory/Statutory Authorities like TRAI, IRDA, PNGRB, SEBI, TAMP, etc. for the purpose of its advisory jurisdiction u/s 8(1)(d). Further, a reference has also been made to the DoPT in May, 2018 for notifying u/s 8(2) of CVC Act, 2003 the levels/categories of officers of Organisations of GNCTD, Societies following Central Government DA pattern, local authorities under Union Territories and Port Trusts. Notifications in this regard are awaited. However, till such time the levels of officers in these organisations are notified, all categories of employees of these organisations are deemed to be persons referred in Section 8(1)(d) of CVC Act, 2003 by virtue of proviso below Section 8(2)(b).

1.12 In view of the lack of clarity on exercise of jurisdiction of Commission over Joint Ventures/ Special Purpose Vehicles formed by Central Government/ Central Public Sector Enterprises, a reference was made by the Commission to the Government. The Government has hence clarified that the jurisdiction of the Central Vigilance Commission would extend to such companies where, in a combination of the Central Government, one or more State Government, one or more Government Companies and one or more corporations owned or controlled by the Central Government/State Government, the cumulative share of the Central Government is not less than 51% of the paid up share capital.

IV Public Interest Disclosure and Protection of Informers' Resolution (PIDPI) – 2004

1.13 In response to a PIL [Writ Petition (Civil) No. 539/2003] filed after the murder of Shri Satyendra Dubey, a whistle-blower, the Hon'ble Supreme Court directed the Central Government to put in place a suitable mechanism to act on the complaints from 'Whistle Blowers' till such time a suitable legislation is enacted to that effect. In pursuance of that direction, the

Government of India vide Gazette Notification No.371/12/2002-AVD- III dated 21.04.2004 read with Corrigendum dated 29.04.2004 notified the Public Interest Disclosure and Protection of Informers Resolution (PIDPI), 2004 which gave the powers to the Commission to act on complaints from whistle-blowers. This Resolution is popularly known as “Whistle Blowers” Resolution and it designated the Central Vigilance Commission as the agency to receive and act on complaints or disclosure on any allegation of corruption or misuse of office from whistle blowers. The Commission has been entrusted with the responsibility of keeping the identity of the whistle blowers secret who lodge complaints under PIDPI Resolution and to provide protection to them against victimisation. The Commission is also empowered as the Designated Agency to take action against whistle blowers who make motivated or vexatious complaints. The limitation of jurisdiction of the Commission under the CVC Act, 2003 to inquire or cause inquiry or investigation into the complaints against Group ‘A’ or equivalent level of officers is not applicable in case of Public Interest Disclosure and Protection of Informers’ Resolution 2004.

1.14 The Commission had earlier suggested to the Department of Personnel & Training that a proper mechanism may be put in place for Ministries/Departments to receive Whistle Blower Complaints and also to give due publicity to the scheme of Whistleblower mechanism so that people can lodge complaints. Accordingly, the Department of Personnel and Training (DoPT) vide its Resolution dated 14.08.2013 authorised the Chief Vigilance Officers in the Ministries/Departments as the Designated Authority to receive written complaint or disclosure of corruption or misuse of office by any employee of that Ministry or Department or of any corporation established by or under any Central Act, Government companies, societies or local authorities owned or controlled by the Central Government and falling under the jurisdiction of that Ministry or the Department. At present, the Central Vigilance Commission is the Designated Agency and all the CVOs of the Ministries/Departments are the Designated Authorities to receive and take action on Whistleblower complaints. The amendment authorised the Central Vigilance Commission to supervise and monitor the complaints received by the Designated Authorities in the Ministries/Departments.

1.15 DoPT vide O.M. No. 371/4/2013-AVD-III dated 16.06.2014 has laid down detailed procedure for handling of complaints under PIDPI Resolution by the Designated Authorities in the Ministries/Departments of the Central Government.

1.16 The Commission, in keeping with the spirit of PIDPI Resolution, had laid down a detailed procedure for lodging complaints. In order to create awareness among the public at large, so that they feel encouraged to come forward and make complaints/disclosures, wide publicity is regularly made by the Commission.

1.17 The Public Interest Disclosure and Protection to Persons Making the Disclosures (PIDPPMD) Bill 2010 was introduced by the Central Government in Parliament. The PIDPPMD Bill, 2010 was renamed as “The Whistle Blowers’ Protection Bill, 2011” which was passed by Parliament and received the assent of the President on 09.05.2014. The Whistle Blowers Protection Act, 2011 (No. 17 of 2014) was notified in the Gazette of India on 12.05.2014. The Act empowers the Commission as the competent authority to receive complaints relating to disclosure on any allegation of corruption or wilful misuse of power or wilful misuse of discretion against any public servant and to inquire or cause an inquiry into such disclosure and to provide adequate safeguards against victimisation of the person making such complaint and for matters connected therewith and incidental thereto. However, under Section 1(3) of the Act, the Central Government is required to notify a date for the coming into force of the provisions of the Whistle Blowers Protection Act, 2011.

V Commission's Advisory Role

1.18 The advisory role of the Commission extends to all matters on vigilance administration referred to it by the Departments/Organisations of the Central Government. It is mandatory on the part of the organisations to seek the Commission's advice before proceeding further in a matter where earlier a report was called for by the Commission.

1.19 The Commission examines the investigation reports furnished by the CVO or the CBI and depending upon the facts of each case and evidence/ records available and advises the Departments/Organisations concerned for initiation of criminal and/or regular departmental action for major or minor penalty, as the case may be, against the public servant(s) concerned. In case, disciplinary proceedings are not warranted, the Commission may advise closure of the case or administrative action against the public servant(s) depending upon facts of the case by way of first stage advice.

1.20 In cases where the Commission had advised initiation of major penalty proceedings at first stage in respect of members of All India Services, Group 'A' officers of the Central Government, prescribed categories of officers of Corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by the Central Government, such cases would not be required to be referred to the Commission for second stage advice on conclusion of the inquiry proceedings if the action taken/ proposed by the administrative authorities are in line with the first stage advice. Further, where consultation with UPSC is required on conclusion of the inquiry proceedings for imposition of penalty, such cases would not be required to be referred to the Commission for second stage advice. However, in all other cases including composite cases, if the disciplinary authorities propose to take any action which is at variance with the Commission's first stage advice, the Commission's second stage advice is required to be obtained. In addition, second stage advice of Commission is also required in cases against all categories of officers including composite cases, in respect of whom the Commission had at first stage advised initiation of minor penalty proceedings and the disciplinary authorities concerned tentatively propose to exonerate the officer(s).

VI Present composition of the Commission

1.21 In terms of the CVC Act 2003, the Commission consists of a Central Vigilance Commissioner (CVC) as Chairperson and two Vigilance Commissioners (VCs) as Members. The appointment of the CVC as well as that of the VCs is made in accordance with the provisions of Section 4 of the CVC Act, 2003 by the Hon'ble President of India on the recommendations of a Committee consisting of (a) the Prime Minister; (b) the Minister of Home Affairs; and (c) the Leader of the Opposition in the Lok Sabha. The Central Vigilance Commissioner and Vigilance Commissioners hold office for a term of four years from the date on which they enter office or till attaining the age of sixty-five years, whichever is earlier. During 2018, Shri Rajiv, Vigilance Commissioner demitted office on 26.02.2018 and Shri Sharad Kumar, IPS (Retd.) joined the Commission as the Vigilance Commissioner on 12.06.2018.

VII Staff Composition

1.22 As per Section 3(4) of the CVC Act, 2003 the Central Vigilance Commission is to be assisted by a Secretary, who is appointed by the Central Government. In addition to the Secretary, the Commission is assisted by four Additional Secretaries (officers of the rank of Joint Secretary to the Government of India) and other staff which includes twenty-eight officers in the rank of Director/ Deputy Secretary, three OSDs (Deputy Secretary level) and eight Under Secretaries. Officers of the rank of Director/Deputy Secretary also perform the function of Commissioners for Departmental Inquiries (CDIs), to conduct departmental inquiries relating to major penalty proceedings on behalf of the disciplinary authorities in disciplinary cases against senior officers.

1.23 Smt. Nilam Sawhney, IAS Secretary of the Commission was relieved on 21.05.2018 and Shri Anindo Majumdar, IAS joined the Commission as Secretary on 26.09.2018.

1.24 During the year the proposal of the Commission for augmentation of manpower was sanctioned by the Government for creation of 28 posts and abolition of 9 posts at various levels. The category-wise staff-strength of the Commission as on 31.12.2018 and related information is at **Appendix- I**. As on 31.12.2018, as compared to the sanctioned strength, there is a shortage of 20% in Group 'A' posts and 26.12% in Group 'B' posts.

VIII Technical Wing

1.25 The Chief Technical Examiners' Organisation (CTEO) is the technical wing of the Commission. CTEO wing assists the Commission in formulating its views in cases involving tendering in procurement and construction related cases. CTEO wing also undertakes intensive examination of major civil / electrical / horticulture and other projects and major procurements by the Central Government organisations. The wing comprises of two Chief Technical Examiners (of the rank of a Chief Engineer), assisted by eight Technical Examiners (of the rank of Executive Engineer), six Assistant Technical Examiners (of the rank of Assistant Engineer) and supporting staff.

IX Chief Vigilance Officers

1.26 The Commission's activities concerning inquiry or causing inquiry are normally carried out through the Chief Vigilance Officers (CVO) who head the vigilance administration in Departments/ Organisations falling under the jurisdiction of the Commission. The CVOs are the extended arms of the Commission. They provide assistance to the Heads of the Department/ Chief Executives of the organisation concerned in all matters relating to vigilance administration by tendering appropriate advice/ providing necessary expertise to them. CVOs are expected to do vigilance audit of various structures and procedures in the organisation and assist the management in establishing effective internal control systems and procedures, so that systemic failures can be reduced. Speedy processing of vigilance matters, especially disciplinary cases is an important function of the CVOs. The other activities are identification of areas prone to corruption and to ensure that officers of proven integrity are posted in those areas, preparation of list of officers of doubtful integrity, preparation of agreed list of officers, ensure periodic rotation of staff, ensure manuals / procedures are updated from time to time, conduct regular and surprise inspection in sensitive areas and also undertake review of all pending matters of vigilance complaints / cases, investigation reports, disciplinary cases, etc., every month. The Commission has a system of obtaining monthly/ quarterly reports and annual reports from the CVOs as an effective tool of communication with them, and holds annual zonal review meetings with the CVOs of all major government Departments / Organisations as a part of its review and monitoring mechanism. Besides, as and when required, the Commission invites the CVOs individually to discuss important issues relating to their organisations with them. There are posts of fulltime CVOs as well as part time CVOs.

1.27 Presently, six Departments of the Government of India, namely Central Board of Direct Taxes, Central Board of Excise & Customs, Central Public Works Department, Department of Telecom, Department of Posts, Ministry of Railways as well as majority of the Central Public-Sector Enterprises (CPSEs), Public Sector Banks and Insurance Companies have full time CVOs, while others have part-time CVOs. There are 195 posts of full time CVOs and 499 posts of part time CVOs, of which 50 posts of full time CVOs are lying vacant in various Departments/ Organisations as on 31.12.2018. Vigilance activities in Ministries / Departments and other organisations are looked into by part time CVOs, who are working in the concerned Ministry / Department / Organisations at sufficient seniority level.

1.28 The Commission attaches utmost priority to the capacity building of CVOs and other officers engaged in vigilance activities. For this purpose, the Commission conducts induction training for CVOs for equipping them with the latest vigilance / anti-corruption tools. Apart from the induction training of newly appointed CVOs, customized domestic and foreign training programmes are also organised for CVOs and other officers connected with the affairs of vigilance administration. Eminent persons with immense domain knowledge are invited to interact with the CVOs during such trainings. Officers of the Commission are also nominated / deputed to impart training courses and share their experience/expertise with CVOs, vigilance functionaries, etc.

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Visit of Delegation from People's Republic of China to the Commission

Visit of Delegation from Bhutan to the Commission

CHAPTER – 2

COMMISSION'S ACTIVITIES DURING 2018

2.1 The Commission, as the apex integrity institution of the Government of India has been leading the initiative to tackle corruption in central government departments and organisations using a multi-faceted strategy. The Commission's role as a probity institution, became important in the recent past after the judgement of Hon'ble Supreme Court in the Vineet Narain Case popularly known as Jain Hawala case. Initiatives to directly combat instances of corruption assume great significance since corruption has been identified as a major hindrance to the social and economic growth of the country and more specifically, for the healthy functioning of all Government departments and organisations. It has been the constant endeavor of the Commission to ensure transparency, objectivity and accountability in public administration.

2.2 An important component of the mandate of the Central Vigilance Commission consists of receiving complaints regarding corruption from the public, examination of these complaints and subsequently to seek investigation / action from the concerned agencies on the substance of the allegations on their merits. The investigations carried out by the Commission as well as those carried out by other organisations at the instance of the Commission form a basis for identifying corrupt actions by officials and appropriately penalizing such action in organisations within its jurisdiction and mandate.

I The Multi-Pronged Strategy

2.3 The punitive component of the Commission's work is part of its overall engagement strategy which uses a variety of initiatives targeted at diverse stakeholders. The Commission has been implementing a multi-pronged strategy to combating corruption, which encompasses preventive, punitive and participative vigilance measures. These are not mutually exclusive but are complimentary and are important elements within the broader approach for combating corruption.

2.4 As far as punitive vigilance is concerned, the Commission feels that time-bound and effective punitive action resulting in award of exemplary and adequate punishment adequately punishes wrong doers and deters others from committing such acts of misconduct. It tenders advice on issues referred to it by various organisations, it reviews the progress of vigilance work periodically through the mechanism of annual sectoral reviews and other meetings, it guides the Chief Executives and the CVOs of various organisations on issues pertaining to vigilance, it seeks organisational responses and suggests systems improvement in areas attracting complaints, conducts direct inquiries on certain sensitive complaints and also summons officials for hearings on specific issues. All this is done as part of a comprehensive effort for better vigilance administration.

2.5 The preventive vigilance component of this engagement seeks to achieve corruption free governance proactively by proposing structural remedies which would minimize the possibility of corrupt practices. Although potential areas of corruption are specific to organisations/sectors, there are some broad areas common to all organisations, such as procurement, sale of goods and services, allocation of scarce natural resources, human resource management (recruitment, promotion, transfer and postings), delivery of services to the common citizen, implementation of rules and regulations and effective grievance redressal mechanisms etc. which need attention. The generic measures to combat corrupt practices include simplification and standardization of rules, leveraging technology, rethinking the structure of core processes in order to better fulfil the objectives of the organisation and enhance transparency and accountability, regular and effective inspections, periodical rotation transfer of staff, training and awareness of employees and public etc.

2.6 Participative vigilance has been stressed by the Commission as part of the overall strategy of holistic engagement, the culmination point of which is seen during the Vigilance Awareness week wherein, the outreach activity is carried out as a large-scale coordinated programme to disseminate awareness of the benefits of honesty and ill effects of corruption on our national life. Observance of Vigilance Awareness Week every year involves encouraging all stakeholders to collectively participate in the prevention of and the fight against corruption and to raise public awareness regarding the existence, causes and gravity of and the threat posed by corruption. During Vigilance Awareness Week, organisations under the guidance of the Commission and its representatives engage in activities relevant to the theme both within their organisation as well as for outreach to the public/citizens. Further, awareness through Gram Sabhas are widely organized across the country during the Vigilance Awareness Week. Schools and colleges organize activities such as debates, elocution contests, essay writing, panel discussions, cartoon and poster making competitions on moral values, ethics, good governance practices, etc.

2.7 Central Vigilance Commission observes Vigilance Awareness Week during the week in which 31st October, the birthday of late Sardar Vallabhbhai Patel falls. The Vigilance Awareness Week was observed from 29th October to 3rd November, 2018 with the theme **"Eradicate Corruption-Build a New India (भ्रष्टाचार मिटाओ–नया भारत बनाओ)"**.

2.8 The observance of the Vigilance Awareness Week commenced with the taking of the Integrity Pledge by Shri K.V. Chowdary, Central Vigilance Commissioner, Dr T.M. Bhasin, Vigilance Commissioner and Shri Sharad Kumar, Vigilance Commissioner, at the Central Vigilance Commission, New Delhi. This pledge was webcast live by NIC and telecast on Doordarshan to enable all public servants working in the Ministries/Departments/Central Public Sector Enterprises/Public Sector Banks and all other Organisations and their field units to simultaneously take the pledge.

2.9 The Hon'ble President of India was the Chief Guest for the Vigilance Awareness Week Function held at Vigyan Bhavan on 31st October 2018. Dr. Jitendra Singh, Hon' ble Minister of State for the Prime Minister's Office and Minister of State for Personnel, Public Grievances and Pensions was the guest of honour at the function. The function was attended by senior serving and retired functionaries of various constitutional and statutory bodies, senior officers of various Ministries, Departments and other Central Government Organisations, Central Public Sector Enterprises, representatives of Professional Associations, Trade and Industry Associations and NGOs, Principals and Heads of Educational Institutions as well as students.

2.10 Central Vigilance Commissioner Shri K.V. Chowdary gave an overview of various activities undertaken in vigilance by different organisations and of the work done by the Central Vigilance Commission during the past year in his address. He reaffirmed the need of citizen participation for rooting out corruption. A documentary film on vigilance titled "The rise of a Corruption Free India" was screened during the function. Presentations were made on Preventive Vigilance Initiatives and outreach activities by various Central Government Organisations as well as an audio visual case study on skill upgradation and a Question Bank based on actual investigations.

2.11 The Hon' ble President of India gave away the Vigilance Excellence Awards for good work done by organisations in the field of punitive, preventive and participative vigilance. The Hon'ble President, in his keynote address, congratulated all award winners and said that other organisations should take inspiration from their initiatives. He reaffirmed the significance of personal and organisational integrity drawing examples from the lives of Sardar Patel and Mahatma Gandhi as epitome of integrity. He emphasized that they used the resources of the country not for personal aggrandizement, but as custodians for the people.

2.12 Dr. Jitendra Singh Hon' ble Minister of State for Personnel, Pensions and Public Grievances, in his address, commemorated Sardar Patel as a role model for integrity in public life and as a symbol of India's unity. He stated that the government had brought about institutional reforms like abolition of affidavits and promotion of self-attestation by citizens, abolition of interviews for lower posts in government as well as amendments to the Prevention of Corruption Act. The government remained resolute in its commitment towards zero tolerance to corruption, protection for honest officers and citizen participation.

2.13 The third edition of the Booklet on Preventive Vigilance Initiatives for select twenty organisations for the year 2018 was also shared with the organisations.

2.14 Another part of the strategy emphasizes capacity building for officials working in this area. For newly appointed CVOs, Induction Training is being imparted to provide suitable exposure to statutory rules and regulations and also to empower them to discharge their functions efficiently. Besides induction trainings, short-term thematic training and refresher courses are organized, both nationally and internationally to build professional competencies and inculcate personal attributes by exposing the officers to courses on leadership development, ethics and values in public governance. Eminent speakers are invited every month to share their views with a select audience comprising senior officials and CVOs of government departments and other organisations as part of the lecture series of the Commission and the proceedings of this event are webcast live by NIC to a wider audience all over India.

2.15 The themes of preventive and participative vigilance, which are part of the wider scope of the engagement strategy are discussed in detail in subsequent chapters of the report. The present chapter deals with activities falling within the area of punitive vigilance as well as some statutory activities of the Commission.

II Receipt and Disposal of Vigilance Cases

2.16 The Commission received 3133 cases and tendered its advice in 3162 cases in 2018. Commission vide circular No. 08/12/14 dated 03.12.2014 decided that in cases where the Disciplinary Authority (DA) on conclusion of disciplinary proceedings proposes to impose a penalty which is in line with the Commission's first stage advice, it need not consult the Commission for second stage advice. This has enabled expeditious disposal by administrative authorities. Cases disposed by the Commission include advice tendered as first stage advice and second stage advice as well as sanction for prosecution. Requests for reconsideration of the Commission's advice are also included. Table 2.1 shows the receipt and disposal of cases in the Commission during 2018

Table 2.1
Number of Cases Received and Disposed during 2018

Cases	Investigation Reports (First Stage Advice)	Inquiry Reports and minor penalty cases (Second Stage Advice)	Other Reports/ cases of reconsideration etc.	Total
Brought forward from 2017	1030	142	215	1387
Received	1894	402	837	3133
Total	2924	544	1052	4520
Disposed off	1889	430	843	3162
Carried forward to 2019	1035	114	209	1358

2.17 The comparative figures of cases received and disposed in the Commission during the last five years are given in Charts 2.1 & 2.2 respectively.

Chart 2.1
No. of cases received in the Commission (2014-18)

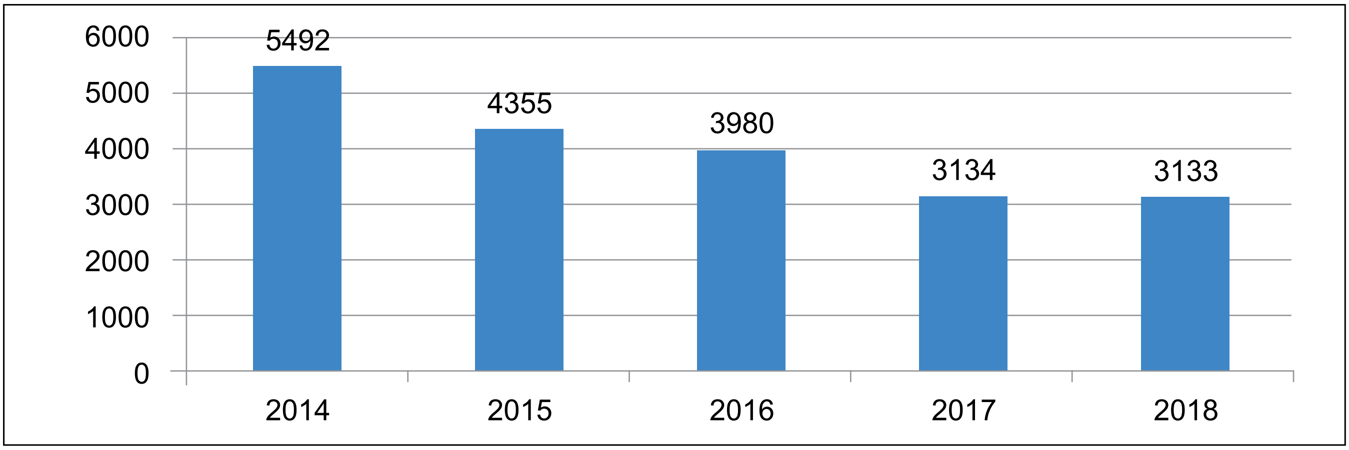
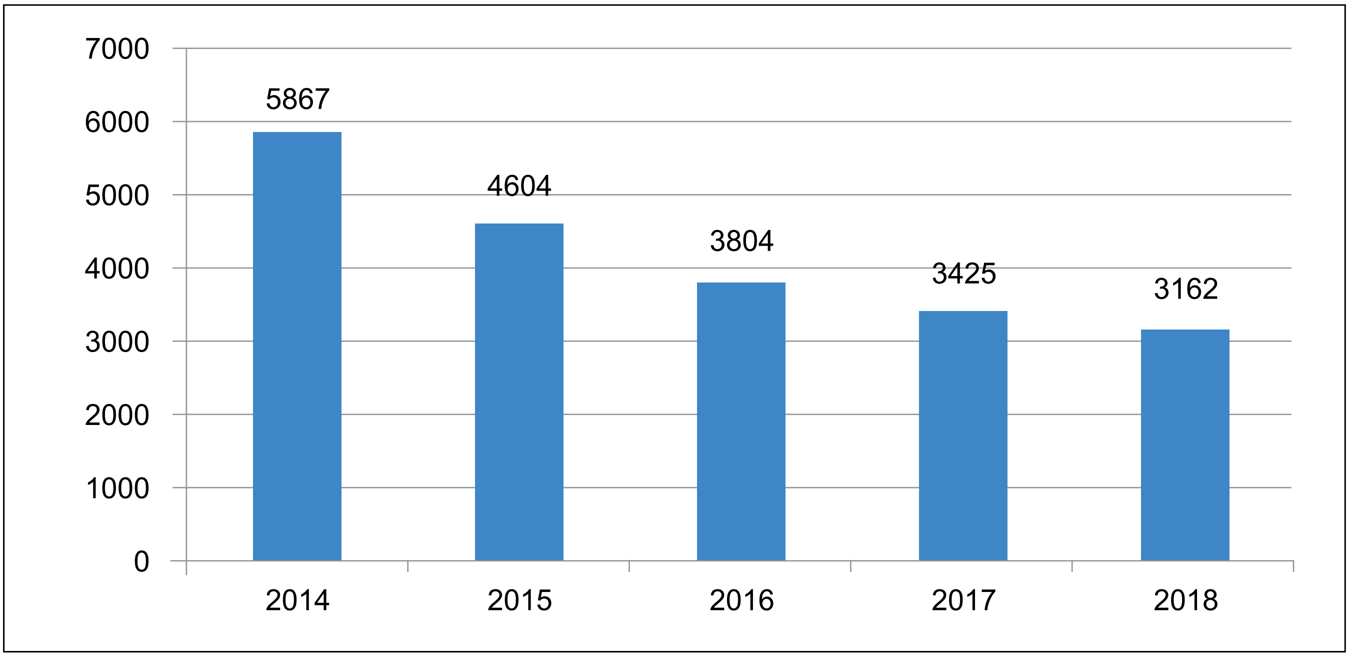


Chart 2.2
No. of cases disposed in the Commission (2014-18)



III Timeline for tendering Advice

2.18 The Commission strives to tender advices within the stipulated time period. In the year 2018, 43 % of its first stage advices were tendered within ninety days of receipt of the cases. It has been the Commission's experience that many times the organisations either fail to provide complete facts relating to the vigilance case or their recommendations or inputs are not supported by logical reasoning. This necessitates the Commission's seeking further clarifications, causing delay in tendering advice.

IV First Stage Advice

2.19 The Commission tendered first stage advice in 1889 cases during 2018. Out of these 1889 cases, 163 cases were based on the investigation reports of the CBI and 1726 cases were based on investigation reports of the CVOs concerned. In the cases investigated by the CBI, the Commission advised criminal proceedings in 42 cases and initiation of major penalty proceedings in 19 cases and minor penalty proceedings in 4 cases. In cases investigated by the CVOs concerned, the Commission advised criminal proceedings in 7 cases, initiation of major penalty proceedings in 489 cases and minor penalty proceedings in 147 cases. In the remaining cases, initiation of regular departmental action were not found to be warranted, as prima-facie, the allegations were either not established conclusively or were merely procedural in nature.

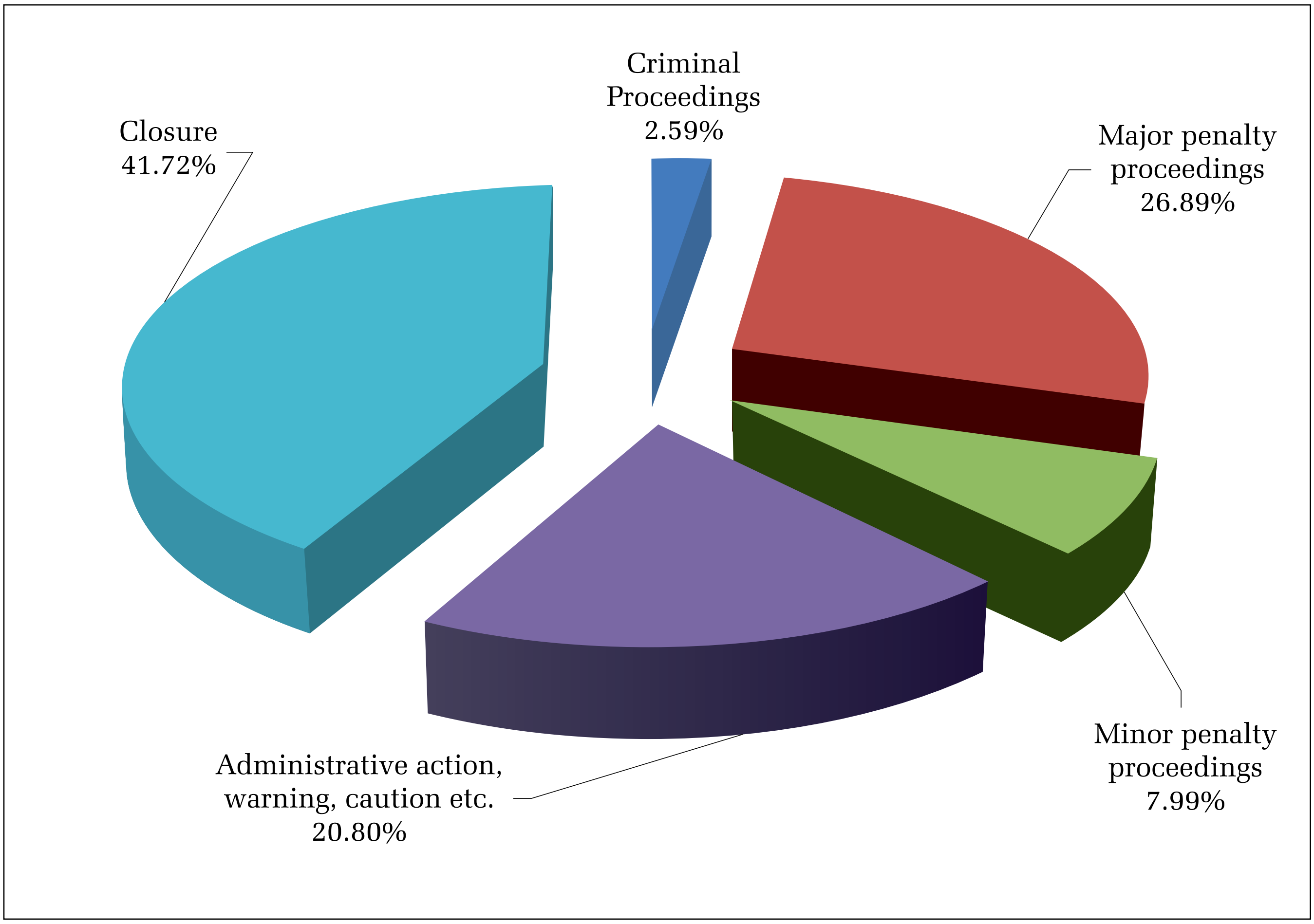
2.20 Table 2.2 provides the summary of the First Stage Advice tendered by the Commission. Chart 2.3 provides a summary of various types of First Stage Advice tendered by the Commission in percentage terms.

Table 2.2
First Stage Advice during 2018

Nature of advice	On the investigation reports of		Total
	CBI	CVO	
Criminal Proceedings	42	7	49
Major penalty proceedings	19	489	508
Minor penalty proceedings	4	147	151
Administrative action, warning, caution etc.	42	351	393
Closure	56	732	788
Total	**163**	**1726**	**1889**

The figures consist of number of cases in which the Commission has tendered first stage advice and each case may involve one or more officers.

Chart 2.3
Nature of First Stage Advice during 2018



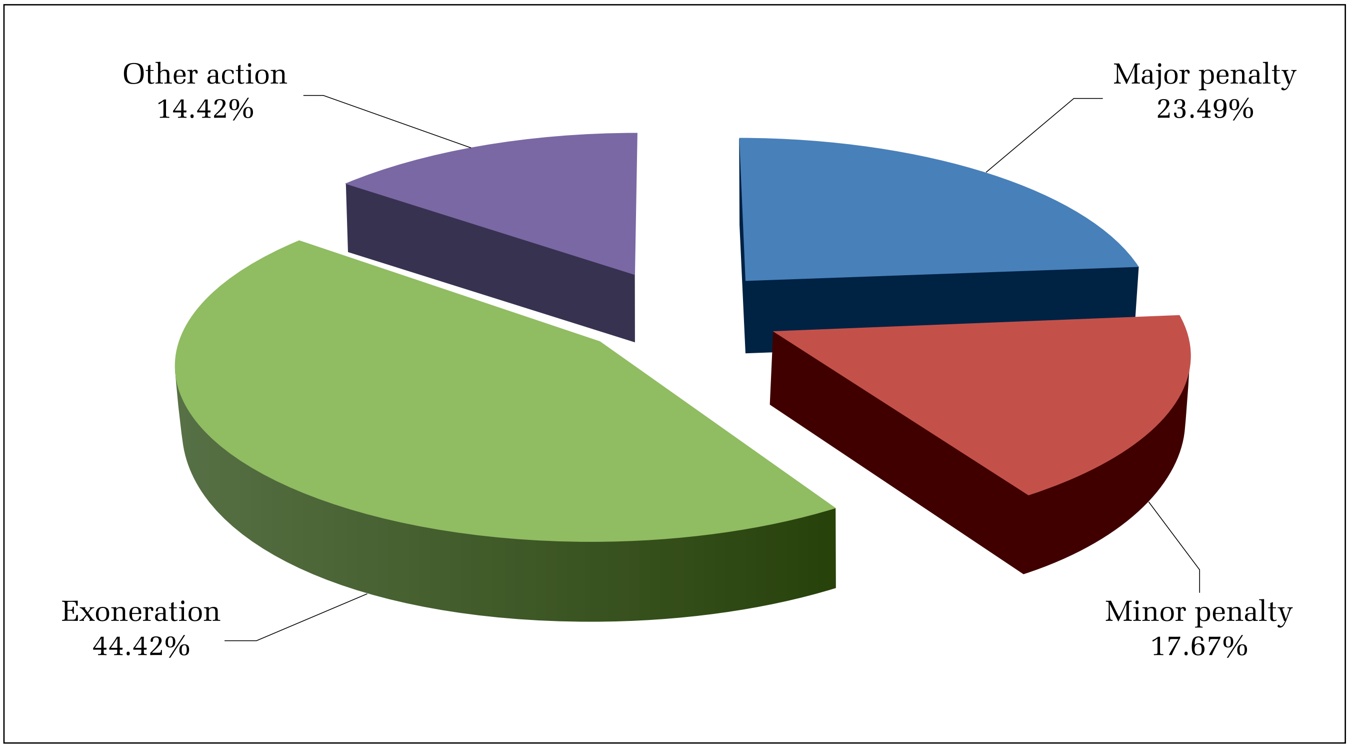
V Second Stage Advice

2.21 During the year 2018, the Commission tendered second stage advice in 430 cases. The Commission while tendering its second stage advice, recommended imposition of major penalty in 101 cases (i.e., 23.49 percent of the total) and minor penalty in 76 cases (i.e., 17.67 percent of the total) during the year 2018. In 191 cases, (i.e., 44.42 percent of the total), the charges could not be proved conclusively and in 62 cases (i.e., 14.42 of the total) other action has been advised. Table 2.3 provides a break-up of the advices tendered by the Commission, on the cases received from various disciplinary authorities at the second stage. Chart 2.4 provides a summary of various types of second stage advice tendered by the Commission in percentage terms.

Table 2.3
Second Stage Advice during 2018

Nature of Advice	On cases received for advice
Major penalty	101
Minor penalty	76
Exoneration	191
Other action	62
Total	430

Chart 2.4
Nature of Second Stage Advice during 2018



VI Punishments and Prosecution

2.22 In pursuance to the Commission's advice, the competent authorities in various organisations during 2018, issued sanction for prosecution against 108 public servants and imposed major penalties on 1100 public servants and minor penalties on 695 public servants. Tables 2.4 & 2.5 show the number of officers against whom prosecutions have been sanctioned and punishments awarded during 2014-2018. Chart 2.5 shows the nature of punishments awarded in percentage terms during 2018.

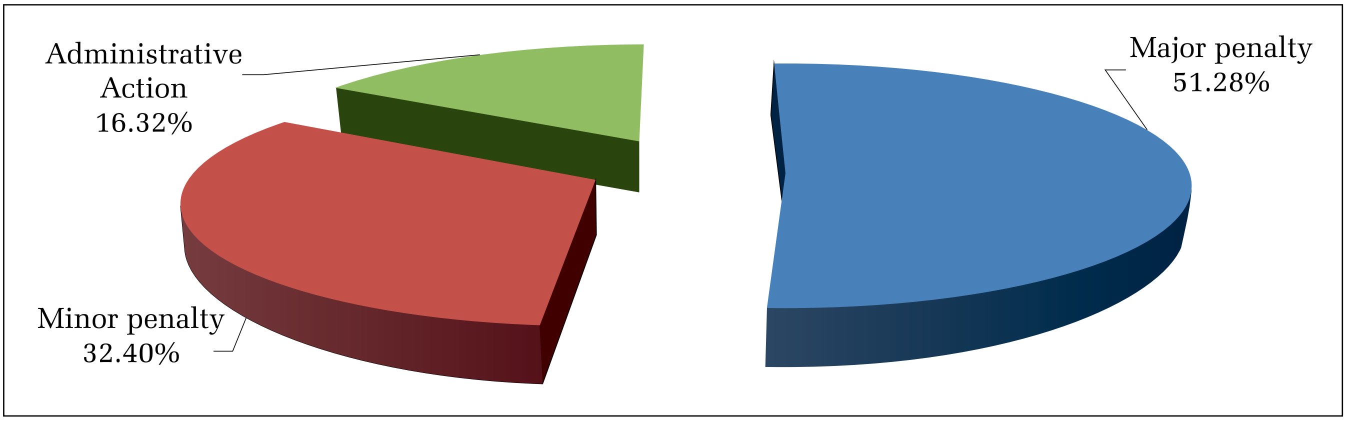
Table 2.4
No. of Prosecutions sanctioned (2014 – 18)

Year	Prosecution sanctioned to officers
2014	133
2015	132
2016	154
2017	152
2018	108

Table 2.5
No. of Punishments awarded (2014 – 18)

Year	Punishments awarded to officers			
	Major penalty	Minor penalty	Administrative Action	Total Punishments awarded
2014	863	838	443	2144
2015	1832	1346	414	3592
2016	1904	1034	358	3296
2017	1398	800	391	2589
2018	1100	695	350	2145

Chart 2.5
Punishments awarded to officers during 2018



2.23 A few cases of deterrent actions taken against senior officers based on the Commission's advice are as follows:

Sanction for Prosecution	One Additional Chief Medical Superintendent, Ministry of Railways One Principal Commissioner, Central Board of Direct Taxes One Commissioner, Central Board of Indirect Taxes & Customs One Officer of Indian Forest Service, Ministry of Environment, Forest and Climate Change One Member Secretary, Ministry of Environment, Forest and Climate Change One IPS, Ministry of Home Affairs
Dismissal/Removal from Service	One Senior DMO, Ministry of Railways One Senior DEN, Ministry of Railways One DGM, Ministry of Railways Two DGMs, Bank of Baroda One DGM, Canara Bank One DGM, Syndicate Bank One GM, Syndicate Bank One FGM, Union Bank of India One DGM, Union Bank of India Two Joint Commissioners, Central Board of Direct Taxes One Additional Commissioner, Central Board of Indirect Taxes & Customs One GM, Minerals & Metals Trading Corporation One GM, South Eastern Coalfields Ltd. One DGM, MSTC Ltd.
Compulsorily Retired from Service	One DGM, Pawan Hans Ltd. One DGM, Dena Bank One DGM, Minerals & Metals Trading Corporation
Cut in Pension	One General Manager, Ministry of Railways One Chief Security Commissioner, Ministry of Railways One CME, Ministry of Railways One PMG, Department of Posts One Senior DDG, Department of Telecom One DDG, Ministry of Civil Aviation One SE, Ministry of Shipping Three Commissioners, Central Board of Direct Taxes One Chief Engineer, Delhi Development Authority

Reduction of pay to lower stage	One Chief Engineer, Ministry of Railways One CPO, Ministry of Railways One Dy. CME, Chennai Port Trust One SE(C), Chennai Port Trust One Member (Ops), Ministry of Civil Aviation One ED(Arch), Ministry of Civil Aviation One GM, SPMCIL Two GMs, BHEL One ED, BHEL One GM, Central Coalfields Ltd. One GM, Coal India Ltd. One GM, Madras Fertilizers Ltd. One GM, Eastern Coalfields Ltd. One GM, HPCL One GM, Northern Coalfields Ltd. Two CGMs, Northern Coalfields Ltd. One DGM, ONGC Ltd. One GM, PGCIL One ED, Projects & Equipment Corporation of India Ltd. One ED, SJVNL One CGM, The State Trading Corporation of India Ltd. One CEO, Ministry of Defence One GM, Ordnance Factory Board

2.24 An overview of organisation-wise break up of penalties imposed by the disciplinary authorities concerned in cases where the Commission's advice was obtained, indicates that Life Insurance Corporation has issued sanction for prosecution in 12 cases, Department of Financial Services in 9 cases, Ministry of Railways, Central Board of Indirect Taxes and Customs and Punjab National Bank in 8 cases each and Central Board of Direct Taxes , Central Public Works Department and Ministry of Defence in 6 cases each.

2.25 During the year 2018, punishments were imposed including administrative action taken against public servants by Ministry of Railways (336), Syndicate Bank (255), Ministry of Housing and Urban Affairs (86), Canara Bank (83), Department of Telecommunications (81), State Bank of India (72), Punjab National Bank (63), Central Board of Indirect Taxes and Customs (61), Municipal Corporation of North Delhi (59), Life Insurance Corporation (50).

2.26 An analysis of the penalties so imposed reveals that major penalties of the higher order, viz. dismissal, removal and compulsory retirement from service were imposed on 88 officials by the disciplinary authorities in various organisations.

2.27 **Appendix-II** provides organisation-wise breakup of the number of cases where sanction for prosecution has been accorded and a penalty has been imposed on the public servant during 2018 in cases where Commission's advice was obtained by the organisations.

VII Handling of Complaints in the Commission

2.28 Complaints constitute an important source of information leading to the exposure of misconducts and malpractices. Complaints are received in the Central Vigilance Commission either by post from complainants or through the complaint lodging facilities available on the Commission's website or through toll free number provided by the Commission.

2.29 The Commission has a complaint handling policy for processing of complaints which is available on its website. Complaints received in the Commission are scrutinised thoroughly and wherever specific and verifiable allegations of vigilance nature are noticed, the complaints are forwarded to the CVO / CBI to conduct inquiry / investigation into the matter and report to the Commission expeditiously. Ministries / Departments / Organisations are required to furnish the report of the inquiry undertaken on a reference made by the Commission in terms of Section 17 of CVC Act, 2003. The Commission, on receipt of such reports and after taking into consideration any other factors thereto, advises as to the further course of action against the suspected public servants, besides pointing out systemic failures which allow such misconducts to take place. The Commission also suggests systemic improvements, wherever required, to avoid recurrence.

2.30 While the Commission recognizes the importance of complaints as a good source of information, many complaints received by it are frivolous, vague, non-specific, pertain to procedural lapses, or administrative violations or even against officers not within the jurisdiction of the Commission. Scrutiny of the complaints received in the Commission indicates that number of complaints on which inquiry / investigation reports have been called from the concerned Chief Vigilance Officers form a small proportion.

2.31 Also a large number of complaints being received in the Commission are anonymous / pseudonymous in nature. In many complaints, the allegations are wild or unverifiable and in some the intention of the complainant is to harass someone rather than reporting corrupt activities. Therefore, as a general policy, anonymous / pseudonymous complaints are not entertained.

2.32 In the year 2018, 33645 complaints were received (including 3666 complaints brought forward from 2017), out of which 30575 complaints were disposed off and 3070 complaints remained pending at the end of 2018. Out of the total complaints in 2018, 2922 complaints were anonymous / pseudonymous, which were filed in accordance with the Commission's complaint handling policy. In majority of these complaints the allegations were found to be either vague or unverifiable. The Commission received a considerable number of complaints against public servants working in the state governments and other organisations who do not come under the jurisdiction of the Commission or which are of administrative nature.

2.33 The comparative figures of complaints received and disposed by the Commission during the last five years are given in Chart 2.6 and Chart 2.7 below.

Chart 2.6
No. of complaints received in the Commission (2014-18)

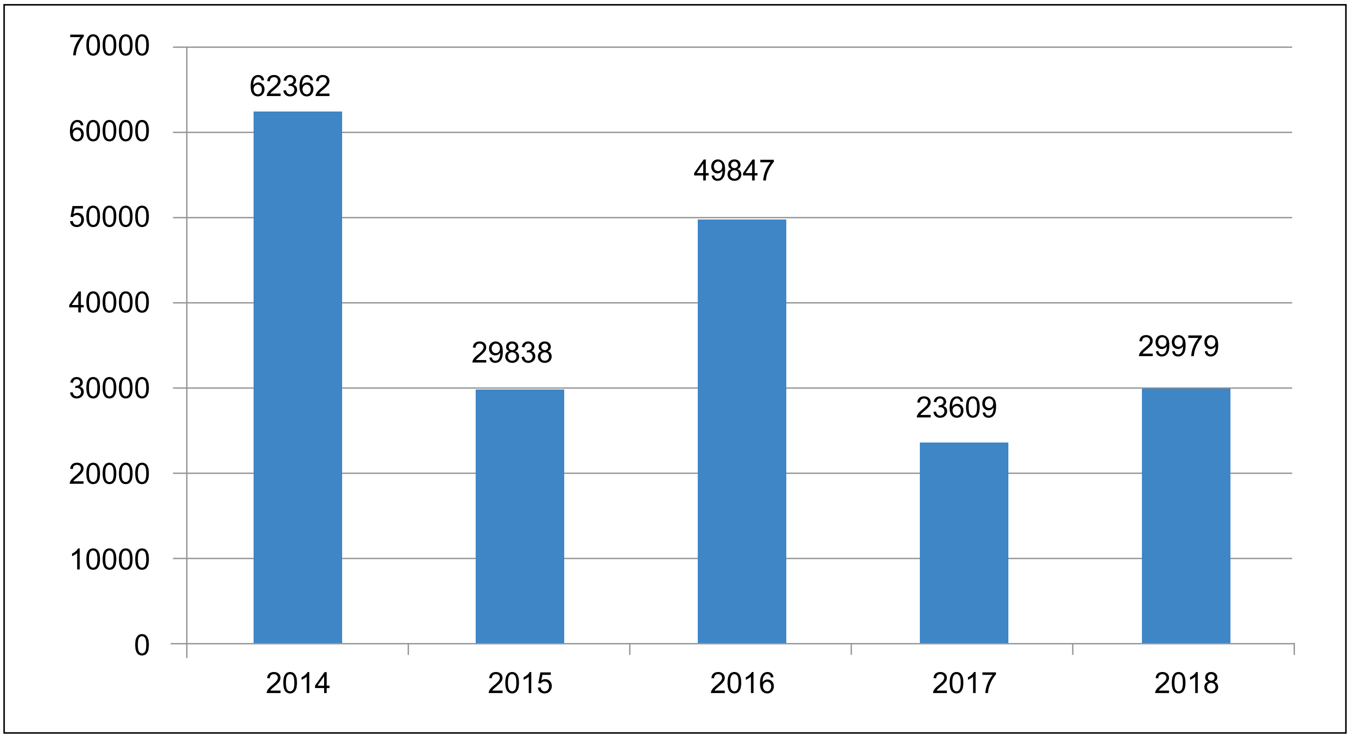
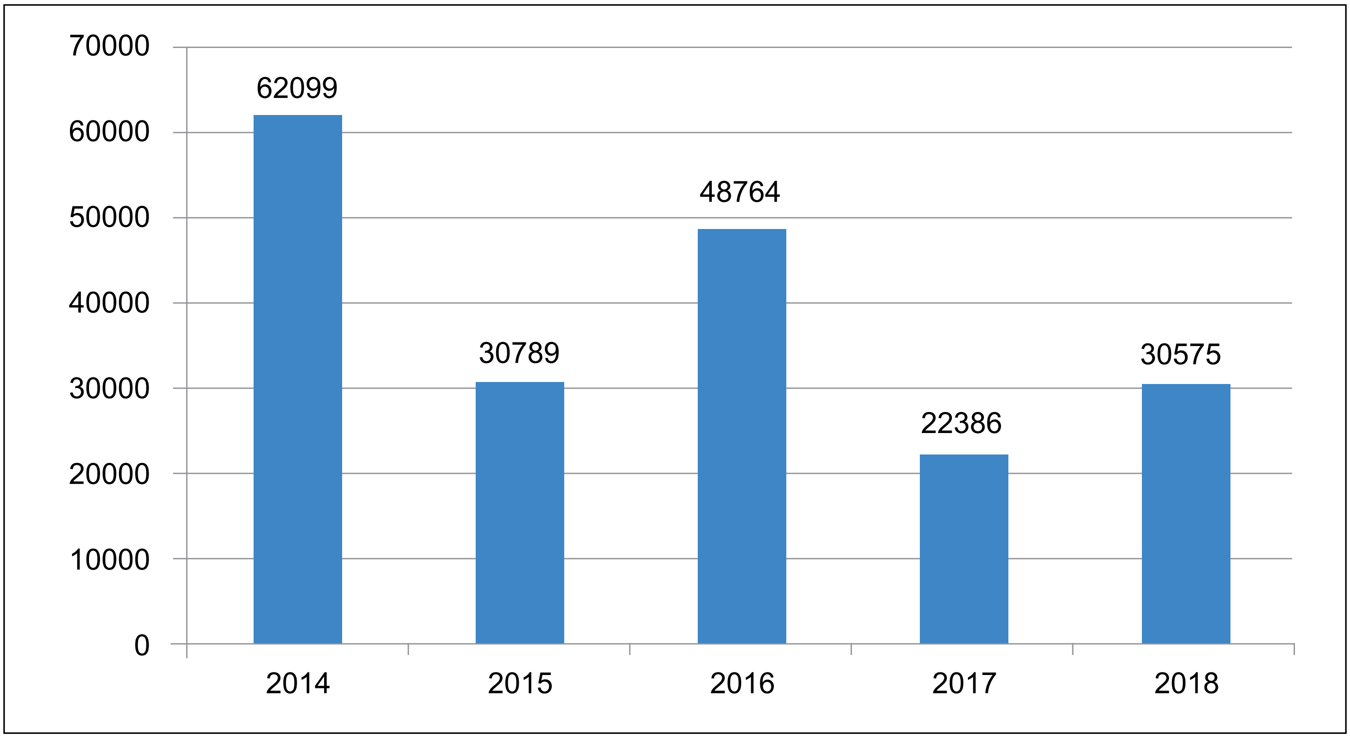


Chart 2.7
No. of complaints disposed in the Commission (2014-18)



2.34 Table 2.6 indicates the nature of complaints received and action taken thereon.

Table 2.6
Complaints received and disposed in the Commission during 2018

Complaints	Nos.
Number of complaints brought forward from 2017	3666
Number of complaints received during 2018	29979
Total number of complaints	33645
Total number of complaints disposed, of which	30575
(a) Anonymous/Pseudonymous (Filed)	2922
(b) Vague/Unverifiable (Filed)	9831
(c) Officials not under CVC / Grievances (Forwarded for necessary action)	17575
(d) Sent for inquiry/investigation to CVO/CBI	247
Number of complaints carried forward to 2019	3070

2.35 After scrutiny of complaints received, the Commission calls for inquiry / investigation reports from the appropriate agencies only in those complaints which contain serious and verifiable allegations and there is a clear vigilance angle. As per the laid down procedure, the inquiry / investigation reports are required to be sent to the Commission within a period of three months. However, it is observed that in a majority of cases there is considerable delay in finalising and submission of reports to the Commission. Inordinate delays in submission of inquiry / investigation reports to the Commission are a matter of serious concern. In such situation, the Commission may summon CEOs/CVOs concerned personally with records/ documents.

2.36 In addition, the respective organisations also receive complaints directly or through other offices/agencies. CVOs take up enquiry in appropriate cases as per laid down instructions and if vigilance angle emerges, they seek the First Stage Advice of the Commission. Similarly, if during any inspection, audit etc., the management come across any misconducts having a vigilance angle, First Stage Advice of the Commission is sought through the CVO. These also form a good portion of the work of the Commission.

VIII Public Interest Disclosure and Protection of Informers' Resolution (Whistleblower complaints)

2.37 Under Public Interest Disclosure and Protection of Informers' Resolution dated 21st April, 2004, the Central Government had designated the Central Vigilance Commission as the Agency to act on complaints from the "whistleblowers". The Commission was entrusted with the responsibility of keeping the identity of the complainant confidential. The Commission has adopted a mechanism of having a Screening Committee which meets periodically to decide on action to be taken on such complaints. The prescribed time limit for investigation and report in respect of PIDPI complaints is one month. Periodic review takes place at the highest level so as to ensure timely submission of report. In the event of any reported threat to life/physical injury, the Commission may issue directions to competent authorities for ensuring protection to whistleblowers.

2.38 Department of Personnel and Training (DoPT) vide its Resolution dated 14.08.2013 has authorised the Chief Vigilance Officers in the Ministries/Departments as the designated authority also to receive written complaints or disclosure of corruption or misuse of office by any employee of that Ministry or Department or of any corporation established by or under any Central Act, Government companies, societies or local authorities owned or controlled by the Central Government and falling under the jurisdiction of that Ministry or the Department.

2.39 The Commission has advised all organisations to give wide publicity to the PIDPI Resolution and the guidelines issued by the Commission through the websites, specially intranet of the organisations, in-house journals, publications and also to organize seminars / sensitization programmes etc. to inculcate greater awareness so as to encourage public and insiders to come forward and lodge / report information of corrupt practices or misuse of office to the Central Vigilance Commission. Sometimes, the complaints are addressed to the Commission while forwarding copies of the same complaint to other authorities concerned, thus disclosing the identity of the complainant while also seeking protection under PIDPI. At times, separate complaints are lodged containing similar allegations to authorities other than the Commission thereby compromising the secrecy and safety of the complainant. Even so, the Commission has issued guidelines asking the organisations not to subject the complainant to any kind of harassment because of his having lodged a complaint, even if, at any time, the identity of the complainant gets revealed through any source.

2.40 During 2018, the Commission received 722 complaints (includes 27 complaints brought forward from the previous year) under PIDPI Resolution. Out of these, 86 complaints were sent to the CVOs concerned or CBI for investigation / verification of facts/comments which constitute 12.40 percent of disposed complaints and 332 (47.90 percent) of these complaints were sent for necessary action leaving a pendency of 29 complaints. Table 2.7 below gives the nature of complaints received under PIDPI Resolution and action taken by the Commission on them during the year.

Table 2.7
Complaints Received and Disposed under PIDPI during 2018

Complaints Received and action taken	Nos.
Number of complaints brought forward from 2017	27
No. of complaints received during 2018	695
Total number of complaints	722
Total number of complaints disposed, of which	693
No. of complaints filed	275
Non-vigilance (Forwarded for necessary action to Organisations / Departments)	332
Taken up for inquiry / investigation by CVO/CBI	86
Carried forward to 2019	29

IX Vigilance Clearance

2.41 One of the tasks performed by the Commission is providing vigilance clearances for persons recommended for appointment to Board level posts in the Central Public Sector Undertakings/Public Sector Banks etc. During the year 2018, vigilance clearances were processed and issued by the Commission for the Board level appointments in 588 cases. Such vigilance clearance is also provided by the Commission in respect of officials of the All India Services and other Services for empanelment to the posts of Joint Secretary and above in the Central Government and for appointments to certain Statutory Posts under the Central Government and few others. During the year 2018, vigilance clearances were accorded in 2413 such cases.

X Departmental Inquiries

2.42 The Commission has been nominating its own officers to conduct departmental inquiries for various Central Government Organisations, usually in cases where the charges leveled are grave in nature. During 2018, the Commission's officers finalized 31 Departmental Inquiries, and there are 63 pending Departmental Inquiries with the Commission at the end of 2018.

XI IT Initiatives

2.43 The Commission has in place several IT process systems for enhancing operational efficiency and to provide value addition through better tracking, monitoring and storage of information. Complaints received in the Commission are being handled electronically including for dissemination to the CVOs of the organisations for further action. It has also helped in reducing the manual handling of such tasks thereby minimising time loss involved in physical movement of documents and ensuring better record keeping. The Commission also plans to put in place a multi-tenancy environment to seamlessly integrate vigilance administration with the Ministries / Departments / Organisations concerned. Apart from improving operational efficiency, the IT applications aim at making the Commission's working citizen-friendly.

XII International Cooperation

2.44 The Commission continuously engages with international anti-corruption agencies for increased sharing of information. This not only helps in exchange of international best practices but also increasing the footprint of the Commission in the global arena. Some of the international cooperation efforts made by the Commission have been detailed as below:

(i) Shri A K Kanoujia, Director, CVC attended the 1st G-20 event on Integrity in State Owned Enterprises (SOEs), which was held in Buenos Aires, Argentina on 27th and 28th Feb, 2018.

(ii) Smt. Archana Varma, Additional Secretary, CVC attended the 9th Session of the Implementation Review Group at UNODC, in Vienna, Austria from 4th to 6th June, 2018.

(iii) Shri P. Daniel, Additional Secretary, CVC attended the 2nd Meeting of the Anti Corruption Working Group of the G-20 Countries at Paris, France on 27th and 28th June, 2018.

(iv) Shri K.V. Chowdary, Central Vigilance Commissioner attended the seventh session of the Assembly of Parties (AoP) to International Anti Corruption Academy (IACA) at Vienna, Austria on 27th and 28th September 2018.

XIII Right to Information Act, 2005

2.45 In order to fulfill the provisions of the RTI Act, a separate RTI Cell has been set up in the Commission to deal with RTI applications from persons seeking information under the Act. Officers of the rank of Director / Deputy Secretary / Under Secretary are functioning as the Central Public Information Officer and an officer of the rank of Additional Secretary to the Commission functions as the Appellate Authority, in addition to their other duties.

2.46 1260 applications (includes 102 brought forward from the previous year) were received, out of which 1179 applications were disposed off according to the provisions under the Act during 2018. Further, 398 appeal cases (includes 23 applications brought forward from the previous year) as first appeal were filed with the Appellate Authority of the Commission out of which 384 appeal cases were disposed off. Further, 213 appellants (includes 175 applications brought forward from the previous year) filed appeals before the Central Information Commission (CIC) out of which 28 appeals have been disposed off. At the end of 2018, 81 RTI applications and 14 appeals to the Appellate Authority of the Commission were pending for disposal. A statement showing receipt and disposal of references under RTI Act, 2005 during 2015 to 2018 is given in Table 2.8.

Table 2.8
Receipt and Disposal under RTI Act, 2005

Year	Applications received	Disposal	First appeal references received	Disposal
2015	2146	2034	402	381
2016	1755	1593	298	268
2017	1553	1451	377	354
2018	1260	1179	398	384

XIV Progressive Use of Hindi

2.47 The Official Language Policy is being given due emphasis by the Commission for implementation of the provisions as also achievement of the objectives envisaged in the Official Language Act, 1963. All documents coming under Section 3(3) of this Act, like General Orders, Press Note, Notification, Circulars, Annual Report and Papers which were to be submitted before the Parliamentary Standing Committee were issued bilingually in both Hindi and English. Letters received in Hindi were invariably replied in Hindi.

2.48 In compliance to the official language policy of the Union, during the year 2018, three Hindi workshops were conducted in the Commission in which officers of various levels participated. Besides, two officials passed the Pragya Examination under the Hindi Teaching Scheme.

2.49 Meetings of the Official Language Implementation Committee of the Commission are held regularly. The Commission organises Hindi Week in the month of September every year. During the year under report, Message of the Central Vigilance Commissioner was circulated in the Commission on the occasion of Hindi Day and during the week Hindi Essay Competition, Debates and Poetry recitation competition were also organised in which prizes were distributed by the Commission to the winning participants.

XV Cadre Restructuring

2.50 The Central Vigilance Commission is the integrity institute mandated under the Central Vigilance Commission Act, 2003 to fight corruption and to ensure integrity in public administration. The sanctioned staff strength of the Commission was 296 as on 31.12.2017. Over the years the workload in the Central Vigilance Commission (CVC) had increased manifold without any proportionate increase in the staff strength. The re-structuring of CVC staff cadre was done twice in the past by the SIU of M/o Finance (sponsored cadre review) in the years 1983 and 1996. On three earlier occasions, Internal Work Studies had been done by the Commission in the years 1987, 1998 and 2005-06 which led to an increase of a few posts meeting the requirements of the Commission partially.

2.51 The Commission, vide OM No. 2/13/15-Admn. dated 24.5.2016 constituted a Cadre Review Committee. The Committee noted that in addition to exercising superintendence over the vigilance administration of various Ministries/Departments/Organisations, the Commission has adopted multi-pronged strategy in the fight against corruption. It is focusing on Preventive Vigilance, Participative Vigilance, Capacity Building and Training, Information Technology enabling of Core Processes/ complaint monitoring, association with global anti-corruption agencies for adopting best practices etc.

2.52 The committee also noted that the workload of the Commission has increased multiple times as compared to 1996 when the last major cadre restructuring had taken place. Increased awareness among stakeholders/common citizens has resulted in surge of complaint intake and in references received for advice. The number of complaints being received in the Commission has seen a quantum jump. This has not only increased the effort required in handling of the complaints but also in substantial rise in the examination of Investigation Reports and tendering First Stage and Second Stage advice. Over the years implementation of RTI Act, Integrity Pact and PIDPI Resolution etc. have added to the existing work-load. The Commission in order to bring in professionalism in its functioning has also taken up customized training programs for its officers and CVOs of Ministries/Departments and PSUs besides making efforts to put in place a Knowledge Management Program.

2.53 Considering the Commission's proposal, DOPT vide Order No. 399/13/2017-AVD-III-(Part-I) dated 14.12.2018 conveyed the approval of the Competent Authority for creation of 28 posts in order to strengthen the CVC Cadre.

2.54 Further, as recommended by the Commission and approved by DOPT, 9 posts have been approved for abolition as a result of the cadre review. The net resultant increase in the sanctioned strength of the Commission is 19 posts in various grades resulting in enhancement in the overall sanctioned strength from 296 to 315. Though the requirement of the Commission has not been fully met, yet the increase of 19 posts will help significantly in enhancing its efficiencies and provide scope for promotions for staff of the cadre of the Commission.

2.55 Details of the aforementioned posts sanctioned and abolished in the Commission are as under at Table 2.9 and Table 2.10 respectively:

Table 2.9
Additional posts sanctioned

Sl. No.	Name of Post to be created	Pay level	No. of posts created
1.	Officer on Special Duty	L-12	01
2.	Under Secretary	L-11	04
3.	Section Officer	L-8	05
4.	Assistant (ASO)	L-7	08
5.	Sr. PPS	L-12	02
6.	PPS	L-11	04
7.	PA	L-7	03
8.	Hindi Translator	L-6	01
Total			**28**

Table 2.10
Posts approved for abolition

Sl. No.	Name of Post to be abolished	No. of posts approved for abolition
1.	PS	05
2.	Research Officer	01
3.	Statistical Assistant	01
4.	Data Entry Operator	01
5.	Staff Car Driver	01

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Annual Sectoral Review Meetings held by the Commission with Chief Executives and CVOs of various Organisations in 2018

CHAPTER – 3

SUPERINTENDENCE OVER VIGILANCE ADMINISTRATION

3.1 Consequent to the Commission becoming a statutory body with effect from 11th September 2003, one of the functions entrusted to the Commission under Section 8(1)(h) of the CVC Act, 2003 under Chapter III is to "exercise superintendence over the vigilance administration of the various Ministries of the Central Government or corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by that Government".

3.2 Some other clauses viz., Section 8(1)(c), 8(1)(d) and 8(1)(f) supplement the scope of superintendence over vigilance administration. Further, Section 17 of the CVC Act, 2003 empowers the Commission to tender advice to the Central Government/PSUs etc., on report of inquiry forwarded to it. Section 18 of the CVC Act, 2003 enables the Commission to call for reports, returns and statements, etc., and Section 19 of the Act provides for mandatory consultation with the Commission by the Central Government in making any rules or regulations governing vigilance or disciplinary matters. Section 24 of the Act also provides for residual powers drawn from provisions of the GOI Resolution dated 11.02.1964 for continuing to discharge the functions mandated under the Resolution in so far as its functions are not inconsistent with the provisions of the Act. Some of these functions relate to appointment of CVOs, recording Accepting Authority's remarks in APARs of CVOs, resolving difference of opinion between CVO and DA, advice on policy/procedural issues, issue of guidelines on vigilance matters, framing of Vigilance Manual, providing feedback on vigilance status, amongst others.

I Vigilance Administration in Organisations

3.3 The responsibility of ensuring probity, fairness and transparency in an organisation vests with the Chief Executive, i.e., Secretary of a Ministry/Department, CEO/CMD/MD of a PSU/PSB/PSIC or Head of any autonomous body. Every organisation has a Vigilance Wing headed by a Chief Vigilance Officer (CVO) who assists the Chief Executive in vigilance related matters. The CVO functions as an extended arm of the Commission. Any vigilance function should aim at upholding the morale and protecting the value system of the organisation. A responsibility is cast on the Chief Executive who heads the organisation to set the right tone from the top management to ensure that the guilty are punished swiftly and innocents are protected from harassment. This would help prevent misconduct, unethical practices and enable the efficient functioning of the organisation. In this context, it is also important that officers and staff of any organisation are updated on the rules, regulations, systems and procedures as they are dynamic and prone to frequent revisions. The Chief Executive is expected to diligently review the vigilance work and consider the inputs provided by the CVO for better management of the institution by promoting ethical behaviour in its functioning.

3.4 The CVO not only acts as an advisor to the Chief Executive in all matters pertaining to vigilance, but is also the nodal officer of the Organisation for interaction with CVC and CBI. Vigilance functions to be performed by the CVO are of wide sweep and include collecting intelligence about the corrupt practices committed, or likely to be committed by the employees of the Organisation or others; investigating or causing investigations to be made into allegations reported to him; processing investigation reports for further consideration of the disciplinary authority concerned; referring the matters to the Commission for advice wherever necessary; taking steps to prevent improper practices and commission of misconducts, etc,. Though there are several facets of vigilance, preventive vigilance measures undertaken by the CVO are of substantial significance as these are likely to reduce the occurrence of vigilance cases.

3.5 The Commission primarily communicates with the CVOs in the matter of tendering advices and seeking reports, clarifications, etc. The Commission's impartial and objective advice aids the Chief Executive Officers/Heads of the organisations in maintaining integrity and for effective vigilance administration. In line with its advisory role, the Commission advises the organisations with regard to appropriate punitive action or preventive/corrective action, as the case may be, as and when required, based on material and verifiable records, leaving final action to the disciplinary authority concerned.

II Appointment of CVOs

3.6 CVOs in all Departments/organisations are appointed after prior consultation with the Commission and no person whose appointment in that capacity is objected to by the Commission may be so appointed. As the Commission carries out its mandate of superintendence of vigilance administration through the CVOs, it plays a significant role in empanelment and appointment of full-time CVOs in public sector undertakings, public sector banks and insurance companies, etc. The Department of Personnel & Training issued the revised procedure for appointment of Chief Vigilance Officers in Central Public Sector Enterprises (CPSEs) and other organizations under Central Ministries/Departments vide their Office Memorandum dated 28th April 2017 covering issues like tenure of CVOs, eligibility criteria and conditions, procedure for selection, procedure to be followed for extension of tenure beyond initial tenure of three years, procedure for additional charge arrangements, premature repatriation, etc. In accordance with the prescribed procedure for appointment of full-time CVOs in public sector undertakings, the Commission conducts a careful scrutiny of the character rolls and profile of the candidates forwarded by Department of Personnel and Training, apart from verification of its data base and feedback from CBI, before deciding upon the suitability of the candidate for empanelment for appointment of CVO in PSUs as well as select organisations. As regards appointment of CVOs in the financial sector, the panel of candidates shortlisted after preliminary scrutiny and interview is forwarded by Department of Financial Services to the Commission and thereafter similar procedure as done in the case of public sector undertakings is followed before deciding upon the suitability of the candidate for appointment as CVO. The Commission approves panels furnished by Ministries/Departments/autonomous bodies, etc., for appointment of part-time CVOs in their respective organisations.

3.7 During the year 2018, the Commission approved the suitability of 95 officers for appointment to the post of CVOs in various organisations. Further, it has also approved names of 10 officers as full time CVOs and 122 officers for appointment as part time CVOs in various Ministries / Departments / Autonomous Bodies. The Commission is concerned that vacancies of CVOs are not filled up promptly though there has been a significant improvement in comparison to the previous year. It is observed that during 2018, there were 49 posts of full-time CVOs that remained vacant for a period of over a month as against 118 in the previous year. These included major organisations like Cement Corporation of India, Central Board of Excise and Customs, Central Warehousing Corporation, Coal India Ltd., Chennai Port Trust, Delhi Jal Board, Delhi Development Authority, East Delhi Municipal Corporation, Eastern Coalfields Ltd., Hindustan Copper Ltd., Kandla Port Trust, National Thermal Power Corporation Ltd., Northern Coalfields Ltd., Oil & Natural Gas Corporation Ltd., Tehri Hydro Power Development Corporation Ltd., and Visakhapatnam Port Trust. Among the public sector banks and insurance companies, the post of CVO remained vacant during the year for more than a month in Allahabad Bank, Bank of India, Bank of Maharashtra, Exim Bank of India, Canara Bank, Corporation Bank, Dena Bank, State Bank of India, Oriental Bank of Commerce, National Bank for Agriculture and Rural Development, National Insurance Company Ltd, New India Assurance Company Ltd., and Oriental Insurance Company Ltd. The post of CVO in State Bank of India remained vacant for the entire year. In fact it fell vacant on 01.10.2016. Considering the size of the organisation and gravity of issues arising therein, it was advised that the CVO in SBI may be at the level of Executive Director in PSBs as against the practice of appointing officer at the level of General Manager in PSBs. The DFS have since framed the rules, accordingly, but have not yet appointed the CVO. This has adversely affected the Vigilance administration in SBI.

Moreover, as vacancy in the post of CVO for a long duration is not conducive for efficient vigilance administration, it is essential that concerted efforts are made by Departments concerned for advance action towards filling up the anticipated vacancies.

III Performance of the Chief Vigilance Officers

3.8 In addition, to closely examining the reports of CVOs in individual cases, the Commission monitors the performance of the Chief Vigilance Officers through monthly reports, annual reports and reviews conducted through the sectoral / zonal meetings convened by the Commission from time to time. In addition, the Secretary and the Additional Secretaries in the Commission also review the work done by CVOs and reconcile the pending issues invariably before the annual zonal review meetings and at periodic intervals as well, either in person or through video conference. The Commission is appreciative of the efforts made by most Chief Vigilance Officers in the efficient discharge of their duties. With a view to prevent any kind of harassment of CVOs, all complaints against CVOs need to be referred to the Commission for advice. Instructions have also been issued vide Commission's OM dated 28.03.2006 indicating steps to prevent victimisation of officials working in the Vigilance set-up of any organisation. However, in cases where the performance of Chief Vigilance Officers has been found to be deficient, the Commission has taken a serious view and either declined to recommend their extension of tenure or directed the concerned administrative authorities for their premature repatriation to their parent cadre. During the year 4 officers were prematurely repatriated.

3.9 CVOs scrutinise the complaints received from all sources in the light of the complaint handling policy. The Commission reviews the status of pending complaints with the CVOs periodically so that disposal of complaints is expedited. At the close of the year 2018, out of 3768 complaints sent by CVC (including whistle blower complaints) to the CVOs, 2644 complaints had been disposed. 1124 complaints were pending for disposal out of which 749 were pending for more than 6 months **(Appendix III(A)(i))**. As regards complaints directly received by the CVOs including CVC referred complaints, 60244 were received by them during the year and 41655 had been disposed. 18589 complaints were pending at the end of the year out of which 10390 were pending for more than six months **(Appendix IIIA(iii))**.

3.10 Wherever it has been decided after examination of the complaints to conduct a vigilance investigation, either on the advice of the Commission or otherwise, the CVO gets the investigation conducted by his officers and decides whether on the basis of the facts disclosed in the investigation report, the complaint should be dropped or whether regular departmental action should be recommended against the public servant or administrative action, viz., warning, caution etc., would serve the purpose. CVO forwards the report along with his recommendations to the disciplinary authority for appropriate decision. It is expected of the CVOs to get the investigation completed ideally within a period of three months or as soon as possible thereafter. At the end of the year 2018, in respect of such complaints that were referred by the Commission to the CVOs for investigation, reports were awaited in 503 complaints out of which 175 were pending for upto one year, 91 were pending for a period between one to three years and 237 were pending for a period of over three years **(Appendix IV)**.

3.11 Once a decision is taken for initiating disciplinary proceedings against an officer, the CVO needs to ensure that charge-sheet is carefully drawn up and issued expeditiously. He also ensures that there is no delay in appointment of Inquiry Officers. He constantly monitors the progress of the departmental inquiries and brings any inordinate delays to the notice of the concerned disciplinary/administrative authorities for corrective action. At the end of the year 2018, out of 3182 departmental inquiries against officers under the jurisdiction of the Commission, 1203 departmental inquiries had been disposed of and 1979 were pending. Of these, 1596 departmental inquiries were pending for over six months **(Appendix III-B)**. As regards 10999 departmental inquiries pending against other employees, 5952 had been disposed off during the year. Out of 5047 departmental inquiries pending at the end of the year, 2901were pending for over six months **(Appendix III-C)**.

3.12 As a preventive vigilance measure, CVOs are expected to undertake prompt scrutiny of Annual Property Returns and intimations submitted by the public servants of the respective organization under the Conduct Rules and take further necessary action, if called for.

In addition, the Internal Auditor's Reports, Statutory Auditor's Reports and CAG Audit Reports many a time reveal not only administrative and financial irregularities but also instances of corruption/lapses involving vigilance overtones. Therefore, all the CVOs have been directed by the Commission to scrutinize these audit reports of their respective organizations. In cases of observations in audit reports wherein matters of prima facie vigilance angle/corruption are noticed, the CVOs have to take further action for fixing responsibility of the suspect officials. During the year 2018, CVOs of many organizations have submitted scrutiny of such audit reports of their organizations.

3.13 The CVOs should also conduct regular and surprise inspections in the sensitive areas in order to detect if there have been instances of corrupt or improper practices by the public servants. In this regard, the Commission expects the CVO's to conduct CTE type Intensive Examinations (IEs) in their respective organisations, while functioning as extended arms of the Commission to bring about qualitative and in depth improvement, both in terms of contents and scope in vigilance administration. CVOs are required to carry out at least six CTE type IEs of contracts of different nature (supply, works, services, etc), contract values, activity centres and areas in a year.

3.14 CVOs are required to keep a watch over the status of implementation of first stage and second stage advices tendered by the Commission. Cases in which the Disciplinary Authorities have disagreed with the Commission's advice need to be brought to the notice of the Commission. Periodic reviews are undertaken by the Commission and wherever delays are observed in implementation of its advices, the matter is pursued with the concerned authorities. There were 807 cases pending for implementation of first stage advice and 206 cases pending for implementation of second stage advice for more than six months as on 31.12.2018 **(Appendix V)**.

3.15 CVOs are also required to send quarterly progress report to the Chief Technical Examiners' Organisation (CTEO) of the Commission giving details about the major purchases/ procurements/works undertaken or being undertaken by the organisation. From these reports, the CTEO selects some of the works, based on certain parameters, for intensive examination. However, as the CTEO would only be able to examine limited number of works for logistic and administrative reasons, the Commission has issued guidelines for the CVOs to conduct CTE type inspections in order to ensure that the works are awarded in a transparent and competitive manner.

3.16 Chief Vigilance Officers of Ministries/ Departments/ Organisations are required to submit Annual Reports of vigilance activities to the Commission every year. The performance of the CVOs for the year 2018, as per information reported in their annual reports, is reflected in **Appendix III (A to F)**. List of 336 organisations who have submitted their annual reports is at **Appendix III-G**.

3.17 During the year 2018, penalties were imposed in 17341 cases (for all categories of officers) dealt with by the CVOs. Further, major penalty was awarded in 5595 cases and minor penalty was awarded in 11746 cases. These details are given in Table 3.1 below.

Table 3.1
Details of penalties imposed in cases handled by the CVOs

Nature of Penalty	No. of officers
Major penalty (total)	**5595**
• Cut in pension	297
• Dismissal/Removal/Compulsory Retirement	1024
• Reduction to lower scale/rank	2784
• Other major penalty	1490
Minor penalty (total)	**11746**
• Minor penalty other than Censure	7211
• Censure	4535
Grand Total	**17341**

Note: The above data is based on annual reports sent by 336 number of organizations, tabulated at Annexure III G. CVOs of all select organisations had submitted their Annual Reports.

IV Sanction of Prosecution

3.18 On completion of investigation, if the CBI comes to a conclusion that sufficient evidence is available for launching a criminal prosecution, they shall forward the report to the CVC if previous sanction is required under the PC Act, 1988 to be issued in the name of the President. A copy is to be sent to the authority competent to sanction the prosecution, through the CVO concerned. The CVO plays an important role in processing the matter and expediting decision of the competent authority in arriving at the decision for according or declining the sanction of prosecution. 481 cases for sanction were handled by the CVOs in 2018 out of which 261 sanctions were accorded and 124 were declined by the competent authorities concerned. 96 cases were pending at the end of the year out of which 12 cases were pending for over six months. **(Appendix-III D)**.

V Annual Sectoral Review Meetings

3.19 The performance of CVOs is reviewed by the Commission through sectoral meetings every year, which provide an opportunity to CVOs to seek Commission's guidance on various issues relating to vigilance administration in their organisations. During the year 2018, the Commission held eight (8) sectoral review meetings in which 18 organisations participated. They covered Ministries/Departments/organisations under Revenue, Defence, Defence

Production, Housing and Urban Affairs, Economic Affairs, Railways, etc.

3.20 During the sectoral meetings, the Commission in general reviewed the nature of work being handled by the CVOs in the concerned organisations, areas susceptible to corruption, any milestones achieved by them, systems improvements implemented, other aspects of preventive vigilance pursued as well as focus given to punitive vigilance for expeditious completion of disciplinary proceedings. The meetings were designed for closer interaction with the organisations in order to further the objectives of systemic improvements and effective vigilance administration. Departments were also directed to take action to reconcile pendency data with the Commission for effective monitoring.

3.21 In the sectoral review meeting with Central Board of Direct Taxes (CBDT), the Commission emphasized the need to restructure the vigilance set-up in CBDT for better vigilance administration in the light of huge work-load, inordinate delays and the need to improve quality of reporting. The Commission reiterated the need for robust internal inspection and audit mechanisms and expressed concern that the percentage compliance of internal inspections and audits is low. Therefore, greater importance for study of reports on inspection internal audit/revenue audit was required to be given. Computerisation and automation brought in new types of frauds in organisations and discretionary power of officers were required to be curtailed in order to prevent such frauds. As a measure of system improvement in respect of surveys, it was suggested that CBDT may prescribe for submission of a time bound appraisal report from the officer conducting the survey and that the assessment may be transferred to another officer (other than the one who conducted the survey) in order to ensure objectivity in the process. With regard to pending complaints and departmental inquiries in non-CVC jurisdiction cases, CBDT was advised to issue instructions for disposing the complaints/departmental inquiries older than six months within a period of three months. CBDT was also advised to furnish data on cash deposits beyond prescribed limits made by the government officials in the period after demonetization at the earliest.

3.22 In the review meeting with Chairperson, CBIC, the Commission noted that it had been receiving a number of complaints on delays in the issue of show-cause notice after a search/survey/seizure by the Department. Even after issue of the show-cause notice, the adjudication proceedings are inordinately delayed. The Commission sought a report on the record and monitoring mechanism of cases arising from regulatory action. The Commission suggested that an automated surveillance system was required on which feedback was sought from the Department. CBIC was also advised to provide a feedback on the manner of operation of the whistle blower mechanism in the organisation.

3.23 In the review meeting with Department of Revenue and the Enforcement Directorate, the Commission suggested that there should be a percentage/value-based test review of quasi-judicial functions being performed by units under Department of Revenue (related to enforcement of PMLA, FEMA, etc.). The Commission also sought feedback on standard operating procedure prescribing time-limits for quasi-judicial functions (enforcement actions) particularly for initiation and conclusion of action, and assignment of priority, based on relative importance of cases. Enforcement Directorate was advised that a system be put in place for regular inspection/review mechanism. The Commission reviewed long pending cases and Department of Revenue was advised to finalise them in a time-bound manner.

3.24 While reviewing the performance of CVOs of Defence Sector, the Commission emphasised that CVOs need to pursue preventive vigilance measures in all the organisations as there is always room for systemic improvements. They were advised to examine audit reports, CAG reports and reports of internal audit, etc., for ascertaining existence of vigilance angle, if any. CVOs were encouraged to carry out CTE type inspections in various projects/procurements done by the defence PSUs. Ministry of Defence was advised that time-limits for obtaining explanations of charged officers need to be followed as prescribed under the Rules. The Commission also stressed the need for periodic rotation of officers holding sensitive posts as per norms prescribed.

3.25 In the review meeting with CVOs of Housing Sector, the Commission advised CPWD to bring out a standard operating procedure for valuers. CPWD was also advised to review the work of CPWD officers who have gone on deputation to other Departments like Income-Tax as Valuers. DDA was advised to maintain asset register of all residential, commercial and vacant land/plots & properties, constructed area of such properties including ownership details so that all further transactions/dealings and monitoring of these properties are made safe and easy.

3.26 In the review meeting with CVOs of Government of NCT Delhi (GNCTD) and Municipal Corporations of Delhi (North, South and East), the Commission advised that latest technology and digital maps may be used to monitor extent of coverage/construction, status of vacant land, etc., with the capacity to generate alert/exception reports for any unauthorised change(s). The need for proper checks/inspections in respect of Government doctors indulging in private practice was emphasised. The organisations were advised to follow proper laid down procedures while appointing guest teachers. The Commission noted that several initiatives were being taken to promote the ease of doing business by GNCTD and the municipal corporations. The Commission expressed the view that concerted measures need to be taken to strengthen and centralise the Vigilance administration of GNCTD.

3.27 In the review meeting with Department of Economic Affairs, SEBI and SPMCIL, the Commission stressed upon the need for robust internal control mechanisms in SPMCIL in procurement of sensitive items like security features in currency notes, security paper, etc. It was noted that the contracts of large value and participation of vendors was restricted in the tender process, leading to numerous complaints. SPMCIL was also advised to follow transparent procedures in recruitment and promotion of their employees. In respect of SEBI, the Commission desired that a system be put in place prescribing SOPs for various processes involved in deciding quasi-judicial matters.

3.28 In the sectoral review of Railways, the Commission advised that specific guidelines needed to be formulated for tendering cases where a principal vendor as well as its authorised agent were both bidding for a tender. Guidelines were also needed for evaluation of bids in tenders quoted in foreign currency with dynamic currency conversion rates and comparison of these bids with rupee denominated bids in tenders. The Commission pointed out that deficiencies in quality of PSC sleepers had been brought to notice in several cases. The supervision/inspection processes needed to be reviewed for procedural or operational defects. Railways was also advised to consider formation of a dedicated cell for innovation and process improvement for procurement issues, keeping in view their operational requirements. Railways was also advised to consider creating a special cell to prescribe reporting formats and for monitoring its PSUs, in order to safeguard the interest of the Government being the majority shareholder in the PSUs.

3.29 Apart from stock-taking of vigilance activities in the annual sectoral review meetings, the Commission also appreciated the efforts of CVOs, wherever due, in carrying out their functions in an effective manner. The Commission also noted the significant progress made in liquidating pendency of cases related to the Housing Sector, GNCTD and Municipal Corporations of Delhi, CBIC etc., and appreciated the efforts of the concerned CVOs and Branch Officers in the Commission. The contributions of various CVOs in the successful organisation of various events associated with Vigilance Awareness Week and administration of Integrity Pledge were recognised by the Commission and hoped the momentum would be sustained in future also.

VI. Guidelines/Instructions issued by the Commission during 2018

3.30 As a part of exercising superintendence over vigilance administration, the Commission also issues various guidelines, instructions, etc., aimed at streamlining procedures/improving efficacy of vigilance functioning in the various organisations. A few such instructions issued during the year 2018 are listed below:

(i) Applicability of Commission's guidelines on post tender negotiations with regard to projects funded by World Bank and other international funding agencies like IMF, ADB, etc. (Circular No. 98/ORD/001 dated 06.04.2018 and Circular No. 10/08/2018 dated 28.08.2018)

On applicability of the Commission's instructions dated 18.11.1998, 01.10.1999 and 28.10.2011 (on post tender negotiations) and other guidelines relating to procurements/ sales etc. to projects funded by the World Bank and other international funding agencies like IMF, ADB etc., it was clarified that any project funding originating from the Consolidated Fund of India, wholly or partially, must be subject to the Government of India's and Commission's guidelines for expenditure of public money and the same condition may be stipulated while negotiating terms with external funding agencies. Furthermore, any project funding involving future outflows of public money may also be subject to the same guidelines.

Subsequently, it was clarified that the aforementioned instructions/guidelines would not be applicable to projects funded by World Bank and other International Funding Agencies, as such external aid/loans etc received are covered under the applicable policies/legal agreement executed, as permitted under Rule 264 of General Financial Rules, 2017 (GFR), Manual for Procurement of Goods of 2017, Manual for

Procurement of Consultancy and other services, 2017 issued by the D/o Expenditure, M/o Finance, etc.

(ii) Public Procurement (Preference to Make in India), Order 2017 (PPP-MII Order) (Circular No. 01/VGL/022 dated 20.04.2018)

Department of Industrial Policy and Promotion (DIPP) has issued Public Procurement (Preference to Make in India), Order 2017 (PPP-MII Order) dated 15.06.2017 pursuant to Rule 153 (iii) of General Financial Rules, 2017, which seeks to promote domestic production of goods and services. As per this Order, restrictive and discriminative clauses cannot be included in procurement by Central Government agencies against domestic suppliers. The Commission has received a request from DIPP to widely disseminate the Order to the CVOs and IEMs to exercise oversight on all contracts over an amount of Rs. five crores.

In order to implement the PPP-MII order in letter and spirit, the Commission directed all the Chief Vigilance Officers (CVO) to exercise oversight on all contracts over an amount of Rs. five crores so as to ensure that restrictive and discriminative clauses against domestic suppliers are not included in the tender documents for procurement of goods and services and that the tender conditions are in sync with the PPP-MII Order, 2017 in their respective Departments/Organisations.

(iii) Consultation with the Commission in respect of Retired officers of Public Sector Banks (Circular No. 018/VGL/021 dated 02.05.2018)

The Commission at present is being consulted at two stages in vigilance cases / disciplinary proceedings i.e. first stage advice is obtained on the investigation reports, and second stage advice is obtained before a final decision is taken at the conclusion of the proceedings, as per extant laid down procedures.

The Commission while examining references received from various Public Sector Banks for advice has observed instances of non-consultation in matters of retired officers of SMGS-V and above of the Public Sector Banks. Though the levels/ categories of officers of SMGS-V and above have been notified for referring cases for advice of the Commission, some PSBs are not consulting the Commission for advice in all matters involving vigilance angle or before initiating action under the Pension Regulations of the respective banks, i.e., first stage advice.

It was therefore clarified that the Commission is required to be consulted at first stage as well as second stage, in matters of retired officers, i.e. officers of SMGS-V and above, as per the prescribed procedure when action is proposed to be initiated after retirement under the Pension Regulations too.

(iv) Reporting of fraud cases to police/State CIDs/Economic Offences Wing of State Police by Public, Sector Banks (Circular No. 007/VGL/050 dated 08.05.2018)

With reference to Commission's Circular No.12/06/12 dated 12th June 2012 prescribing the monetary/threshold limits for reporting Bank fraud cases by various agencies, the Commission clarified that the monetary limits, as prescribed in Chapter VI of RBI's Master Directions dated 01.07.2016 (as updated on 03.07.2017), should be followed for reporting financial frauds to Local/State Police and CBI by all Public Sector Banks.

(v) Disciplinary action against officials of State Government for misconducts committed while they were on deputation to the Central Government/organisations (Circular No. 016/VGL/006 dated 02.07.2018)

It has been observed that whenever matters of discipline arise, the Central Government/ Statutory Organizations / CPSUs, as the borrowing organization, are empowered to initiate disciplinary proceedings against the concerned officials of the State Government/Departments especially PWDs and such other set-ups and undertakings, etc., while they are on deputation. However, as per extant rules and procedures, such disciplinary proceedings are required to be concluded by the concerned administrative authorities of the State Government. Further, many a time, when disciplinary action is contemplated against such officials of the State Governments, they stand repatriated after deputation to their parent department i.e. the State Government (lending organization). In matters where no disciplinary proceedings were initiated against such officials of the State Government while they were on deputation to the Central Government /Organization and those officials stood repatriated after competition of their tenure, etc. the Central Government / Organization cannot ensure implementation of the disciplinary action by the Administrative Authorities of the respective State Governments.

The Commission has further observed that in several cases/ instances disciplinary proceedings have been found to be long pending against the officials of State Governments for misconducts committed by them while they were on deputation to the Central Government /Statutory Organisations like NHAI. AAI etc./CPSUs, etc. It may also be pointed out that in most of these cases, there is no response from the lending organization of the State Governments. Effectively therefore, it is not possible for the Commission as well as the Central Government /Organization concerned to ensure implementation of disciplinary action in respect of officials of the State Government, once they are repatriated to their parent department.

Therefore, the Commission is of the view that all such disciplinary actions initiated and matters where the Administrative Authorities of respective State Governments are required to, initiate action as requested by the borrowing organisations of the Central Government, for commission of misconduct while on deputation, needs to be brought to a logical conclusion by the State Governments. The Commission would therefore suggest that the Chief Secretaries of the States concerned may review all such disciplinary cases/matters pending against officials of the State Government and its organisations in respect of officials who were on deputation to the Central Government/ or its Organisations and had repatriated.

All Chief Secretaries are therefore requested to review such disciplinary cases/

matters pending against the officials of State Government under their jurisdiction and update the action taken status to the concerned borrowing departments of the Central Government as well as to the Central Vigilance Commission in individual cases, as the case may be.

(vi) Second stage Consultation with CVOs of Departments/ Organizations in disciplinary cases of Category B officers (Circular No. 018/VGL/038 dated 10.07.2018)

The Commission has been receiving references from Departments/ Organisations seeking clarifications/guidance whether consultation with CVO of Department / Organisation is mandatory at second stage before issue of final orders by Disciplinary Authorities (DA) in respect of disciplinary cases of Category "B" officers (i.e. in non-CVC referred cases of individual cases or composite cases) where the Disciplinary Authority's tentative opinion after completion of enquiry is in line with CVO's first stage advice.

The Commission has reviewed the consultation mechanism with CVOs of the Department/Organizations in non-CVC referable cases/matters. In order to ensure speedy finalization of disciplinary matters and to maintain uniformity in processing of disciplinary cases, the Commission would prescribe that consultation with CVO for second stage advice in respect of such cases where the Disciplinary Authority proposes to impose a penalty which is in line with the CVO's first stage advice in respect of Category B officers (in non-CVC cases/matters) may be dispensed with. However, in disciplinary cases of officers, where the DA tentatively proposes to take any action which is at variance with the CVO's first stage advice, would continue to be referred to the CVO for obtaining second stage advice.

(vii) Transparency in Works/Purchases/Consultancy contracts awarded on nomination basis (Circular No. 005/CRD/19 dated 11.07.2018)

The award of contracts/procurements/projects on nomination basis without adequate justification amounts to a restrictive practice eliminating competition, fairness and equity. The Commission reiterated its earlier instructions that award of contracts on nomination basis can be resorted to only in exceptional circumstances as laid down in Commission's Office Order No.23/7/07 dated 05.07.2007.

(viii) Adherence to time limits in processing of disciplinary cases (Circular No. 000/ VGL/18 dated 26.07.2018)

Refers to (i) Commission's Letter No.000NGL/18 dated 23.05.2000 (ii) Commission's Office Order No.51/08/2004 dated 10.08.2004 (iii) Commission's Circular No.02/01/2016 dated 18.01.2016

Timely completion and finalization of disciplinary proceedings is the prime responsibility of the Disciplinary Authority/Administrative Authorities concerned in all Departments/ Organizations. More so, such long delays in finalizing disciplinary matters are not only unjust to officials who may be finally exonerated, but helps the guilty to evade punitive action. The Commission had earlier vide its circular no.02/01/2016 dated 18.01.2016 emphasized on the various steps needed to be taken by all concerned obviating delays at different stages of the process right from investigation to finalization of disciplinary proceedings by way of regular monitoring of these cases/matters.

The Commission while reiterating the above said instructions would impress upon all concerned that the time limits prescribed by the Commission/DoPT for processing disciplinary cases at various stages may be strictly adhered to. All disciplinary authorities in each Ministry/Department/Organization need to regularly monitor the progress of individual disciplinary cases and take necessary steps as deemed appropriate to ensure that the disciplinary proceedings are completed within prescribed time-limits and are not unduly delayed,

(ix) CVO to closely monitor presentation of case by Presenting Officer before the IO (Circular No. 18/VGL/044 dated 27.07.2018)

It has been noticed by the Commission that many of the CVOs are not monitoring the presentation of cases by the Presenting Officers (PO) before the Inquiry Officers (IO). Undesirable practice of POs taking decisions contrary to the position stated in the charge-sheet without the specific consent of the Disciplinary Authority has also been noticed.

In this regard attention is invited to para 7.24.3 (xi) of Vigilance Manual 2017 whereby the Presenting Officers are required to keep the Disciplinary Authority posted with the progress of inquiry proceedings by sending a brief of work done at the end of each hearing. Attention is also invited to para 17 of Chapter 15 of the Handbook for Inquiry Officers and Disciplinary Authorities issued by ISTM (DoPT) wherein guidelines on the responsibilities of the PO during the Regular Hearing have been described in detail.

The Presenting Officer is required to lead the evidence of the prosecution logically and forcefully before the Inquiring Authority. The CVOs are required to monitor the progress of inquiry proceedings including the quality of performance of Presenting Officers before the IO on a regular basis and keep the disciplinary authorities posted about it. While examining some of the cases referred to the Commission for second stage advice, it has been noticed by the Commission that some of the Presenting Officers (POs) have taken a stand / position contrary to the stand / position stated in the charge-sheet without the explicit consent of the Disciplinary Authority. In some cases, the POs have not presented some of the listed/ relied upon documents. Further, in some cases, the POs have not even ensured that the listed witnesses are summoned and produced before the Inquiring Authority for examination and substantiating the position stated in the charge-sheet. There are also instances where the POs have not sought additional documents to be produced before the IO even though they were felt essential for sustaining the charges/imputations.

The Commission conveys that the CVOs do not become functus officio once the PO is appointed in a departmental proceeding. The CVOs need to closely monitor the presentation of the case by the PO before the IO. The Commission would therefore advise all CVOs to closely monitor the presentation of cases made by the Presenting Officers before the Inquiring Authority and ensure that the cases are suitably presented before the IO on behalf of the Disciplinary Authority. The performance of the CVOs in this regard will be closely watched by the Commission. Further, for any of the observations in the conduct of the proceedings the CVO is answerable.

(x) Simultaneous action of prosecution and initiation of departmental proceedings (Circular No. 99/VGL/087 dated 31.07.2018)

As per judgements of the Hon'ble Supreme Court and guidelines of Department of Personnel & Training issued thereon, it has been reaffirmed that there is no bar in conducting simultaneous criminal and departmental proceedings. Attention is invited to the Department of Personnel & Training G.M. No.11012/6/2007- Estt.(A-III) dated 1st August, 2007 and 21st July 2016 in this regard.

The Commission while examining the disciplinary cases referred to it for advice has noticed that in cases where simultaneous action of prosecution and initiation of departmental proceedings are advised, the departmental proceedings are unduly delayed by Departments/Organisations by keeping them in abeyance on the ground that the matter is under trial in the Court. Such an approach in finalizing disciplinary matters is a matter of serious concern and is also not a correct approach.

The Disciplinary Authority has been vested with the powers to carry out its statutory duty / obligations by initiation of appropriate departmental actions. This is as much to ensure that a delinquent public servant does not get undue benefit either by the long pendency of court proceedings or by the higher standard of proof required as it is to protect innocent public servant from vexatious proceedings. It is not open to the Disciplinary Authorities to await the outcome or decision of investigating / prosecuting agency or the Court trial.

The Commission clarified that Disciplinary Authorities are vested with responsibility to ensure that employees under their control, against whom criminal trial is pending are proceeded against forthwith for simultaneous departmental proceedings. Further, a view as to whether simultaneous disciplinary proceedings are to be initiated need to be invariably taken by the Competent Authorities at the time of considering the request for grant of sanction for prosecution itself. However, the Disciplinary Authority may withhold departmental proceedings only in exceptional cases wherein the charge in the criminal trial is of grave nature which involves questions of fact and law. In other words, in complex matters where, in case it is not possible to delineate the misconduct for the purpose of RDA. If the charge in the criminal case is of a grave nature which involves complicated questions of law and fact, it would be desirable to stay the departmental proceedings till the conclusion of the criminal case. Further, even if stayed at one stage. the decision may require reconsideration, if the criminal case gets unduly delayed. It may be noteworthy to mention that the Hon'ble Supreme Court in State of Rajasthan vs. B.K. Meena &Ors. (1996) 6 SCC 417 emphasised the need for initiating departmental proceedings and stated as below:

"*It must be remembered that interests of administration demand that the undesirable elements are thrown out and any charge of misdemeanour is enquired into promptly. The disciplinary proceedings are meant not really to punish the guilty but to keep the administrative machinery unsullied by getting rid of bad elements. The interest of the delinquent officer also lies in a prompt conclusion of the disciplinary proceedings. If he is not guilty of the charges, his honour should be vindicated at the earliest possible moment and if he is guilty, he should be dealt with promptly according to law. It is not also in the interest of administration that persons accused of serious misdemeanour should be continued in office indefinitely, i.e., for long periods awaiting the result of criminal proceedings.*"

The Commission advised all concerned Administrative Authorities that in cases where it is appropriate to initiate disciplinary proceedings along with criminal prosecution, the disciplinary proceedings must be initiated simultaneously.

(xi) Rotation of officers working in sensitive posts (Circular No. 18/MISC/02 dated 23.08.2018)

In reiteration of the instructions issued vide circular No. 03/09/13 dated 11.09.2013 and other related circulars issued, the Commission vide letter No. 18/Misc/02/378043 dated 1.05.2018 had issued an OM advising all Public Sector Banks, and vide letter No. 18/Misc/02/378044 dated 1.05.2018 advising all Public Sector Insurance Companies to effect rotational transfers in respect of those officers in sensitive posts who are continuing beyond 3 years and also to report compliance within 3 months.

Analysis of frauds that have taken place in Public Sector Banks as well as other organizations show that one of the reasons for such frauds was non-implementation of the rotational policy.

The Commission again reiterated that rotational transfers of officers continuing beyond 3 years may be strictly carried out from the sensitive seats/posts. It is clarified that the Commission's advice is for change from the sensitive seat/post, and not necessarily from the station, which is to be governed by the policy of the respective organizations.

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Swachhata Abhiyan in the Commission

CHAPTER – 4

NON-COMPLIANCE OF COMMISSION'S ADVICE AND OTHER AREAS OF CONCERN

4.1 The Central Vigilance Commission, in exercise of its functions and powers under Section 8(1)(g) of the CVC Act, 2003, tenders advice to the Central Government, Corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by the Central Government on such matters as may be referred to it. The Commission also exercises superintendence over the vigilance administration of these organisations. The advice is tendered by the Commission based on a reasoned appreciation of all the facts, documents and records relating to a particular case, which are brought to its notice by the organisations concerned. Acceptance of the Commission's reasoned advice in an overwhelming majority of cases by the Disciplinary Authorities is an indication of the objectivity and fairness of the Commission's advice.

However, in some cases of officers covered under the Commission's jurisdiction, either the prescribed consultation mechanism with the Commission was not adhered to, or the authorities concerned did not accept the Commission's advice. Further, there have been instances where the advice tendered by the Commission has been substantially diluted without approaching the Commission for reconsideration of its advice, as per extant procedure.

I Cases of non-compliance and non-consultation:

4.2 The Commission has observed that during the year 2018, there were some significant deviations from the Commission's advice. Whenever the Ministries / Departments propose to differ from / not to accept any recommendation / advice of the Commission, a procedure has been laid down in terms of the Department of Personnel & Administrative Reforms OM No.118/2/78-AVD-I dated 28.9.1978, which prescribes that in those cases of officers for whom the appointing authority is the President, (i.e. orders are required to be issued in the name of the President), a reference is to be made to the DoPT before the Ministries / Departments finally decide such cases / matters. However, cases in which the Heads of Departments of other organisations are the Disciplinary Authorities, and similar cases of officers other than Board level appointees in CPSEs / Public Sector Banks / Financial Institutions / Insurance Companies, etc., are not required to be referred to the DoPT for resolution of difference. In all such categories of cases, the concerned Disciplinary Authorities are expected to independently, after due application of mind, take a final decision keeping in view the Commission's advice / recommendations tendered in a particular case / matter.

4.3 Non-acceptance of the Commission's advice or non-consultation with the Commission vitiates the vigilance process and weakens the impartiality of the vigilance administration.

However, a few cases of deviation from prescribed procedure or non-acceptance of the Commission's advice considered fit for specific mention are presented in this report as given below:

Table 4.1

S.No.	Department/ Organisation	Commission's Advice	Action taken by the Department
1.	Ministry of Railways	Major Penalty	No Action
2.	Ministry of Railways	Major Penalty & Minor Penalty	Counselling (2 officials) and Exoneration for other officials
3.	Ministry of Railways	Major Penalty	Minor Penalty
4.	Ministry of Railways	Major Penalty	Minor Penalty
5.	Ministry of Railways	Major Penalty	Minor Penalty
6.	Ministry of Railways	Minor Penalty	Exoneration
7.	Ministry of Railways	Prosecution / Major Penalty	Closure
8.	Ministry of Railways	Major Penalty	Exoneration
9.	Ministry of Railways	Minor Penalty	Counseling
10.	Ministry of Railways	Minor Penalty (4 officials)	Minor Penalty (1 official) and no action against the others
11.	Ministry of Railways	Major Penalty (1 official) & Minor Penalty (1 official)	Exoneration (both officials)
12.	Ministry of Railways	Major Penalty	Warning
13.	Ministry of Railways	Major Penalty	Exoneration
14.	Ministry of Railways	Major Penalty	Exoneration
15.	Ministry of Railways	Minor Penalty	Counseling
16.	Ministry of Railways	Minor Penalty	Closure

S.No.	Department/ Organisation	Commission's Advice	Action taken by the Department
17.	Ministry of Railways	Major Penalty	Minor Penalty with delay of more than 6 years in seeking Commission's advice
18.	Ministry of Railways	Major Penalty	Minor Penalty
19.	Ministry of Railways	Major Penalty (two officials)	Minor Penalty (1 official) & Dropping of Charges (1 official)
20.	Mangalore Refinery and Petrochemicals Ltd.	Major Penalty (3 officials)	Minor Penalty (2 officials) and Exoneration (1 official)
21.	Ministry of Petroleum and Natural Gas	Minor Penalty	Exoneration
22.	Ministry of Textiles	Major Penalty (3 officials)	Minor Penalty (3 officials)
23.	Department of Atomic Energy	Major Penalty	Administrative Warning / Closure
24.	Madras Fertilizers Ltd.	Major Penalty & Minor Penalty	Exoneration (1 case) without Commission's consultation CBI prosecution (1 case) with Minor Penalty for 1 official Recovery of losses from official (1 case) without Commission's advice on penalty CBI investigation (1 case)
25.	State Bank of Hyderabad (since merged with SBI)	Prosecution and Major Penalty	Administrative Warning
26.	Bank of Maharashtra	Minor Penalty	Stern Administrative Warning

S.No.	Department/ Organisation	Commission's Advice	Action taken by the Department
27.	Bank of India	Prosecution	Sanction of prosecution was denied
28.	Indian Overseas Bank	Major Penalty and Proceedings against retired officials	Charges dropped without Commission's advice
29.	Central Bank of India	Major Penalty	Minor Penalty
30.	Municipal Corporation of Delhi	Major Penalty	Exoneration without Commission's second stage advice and without intimation to the Commission in last 8 years
31.	Municipal Corporation of Delhi	Major Penalty	Exoneration, no intimation to Commission for 7 years
32.	Municipal Corporation of Delhi	Major Penalty	Exoneration without Commission's second stage advice and no intimation in 8 years
33.	Municipal Corporation of Delhi	Major Penalty	Exoneration
34.	Delhi Development Authority	Major Penalty	Charges dropped without second stage advice of the Commission
35.	Ministry of Urban Development, Directorate of Postal Printing Press	Major Penalty	Exoneration without seeking Commission's second stage advice
36.	Airports Authority of India	Major Penalty (5 officials) and Exoneration (1 official)	Exoneration for all 6 officials
37.	National Highways Authority of India	Minor Penalty	Exoneration without Commission's consultation

S.No.	Department/ Organisation	Commission's Advice	Action taken by the Department
38.	National Highways Authority of India	Major Penalty	Advisory Caution despite agreement with Commission's advice
39.	Indira Gandhi National Open University	Minor Penalty	Warning
40.	Employees' Provident Fund Organisation	Imposition of suitable penalty of "cut in pension"	Exoneration
41.	Ministry of Labour and Employment	Major Penalty	Dropped charges against charged official
42.	Ministry of Labour and Employment	Major Penalty	Exoneration
43.	Directorate of Education	Major Penalty	Govt. Displeasure
44.	Department of Consumer Affairs	Major Penalty (4 officials)	No action against 2 retired officials, matter time barred

4.4 Brief details of these cases are as follows:

S.No.1

Charge

The Sr. DCM of a division did not take timely action for finalisation of fresh parking stand contract at a major Railway Station before expiry of the existing contract, and extended the existing contract for 10 months at lower rates. The existing contract was extended at the older (lower) rates for eight months, and for an additional two months, despite higher rates being obtained in fresh bidding for the parking stand. The existing vendor, who was also the sole valid fresh bidder had withdrawn his higher bid in the fresh contract and was getting repeated extensions of the previous existing contract at old (lower) rates . Thus undue advantage was extended to the contractor at the cost of Railway revenue.

Advice

In agreement with the recommendations of the Disciplinary Authority, the Commission advised initiation of major penalty proceedings against the railway official on 07.07.2017. The case was resubmitted to the Commission for reconsideration of its advice by Railway Vigilance on 10.01.2018.

The Commission reiterated its advice for initiation of major penalty proceedings against the railway official on 18.04.2018.

Brief

A contract for running of parking stand at a Railway Station was expiring on 31.12.2010. This contract was awarded at the rate of Rs. 80,32,602/- for three years. As per the Railway Commercial Circulars, the tender for fresh contract should have been initiated one year in advance. But the tender was initiated just 42 days before expiry of the existing contract. The estimated reserve price for running the stand for three years was fixed at Rs. 99,60,155/-. The tender was discharged thrice for various reasons. Despite the delay in finalization of contract, the Sr. DCM made a reference to Zonal HQ for fixing of eligibility criteria before inviting tenders second time. This was unwarranted as the eligibility criteria could have been defined by the Railway Division itself as was finally done. Moreover, the delay in finalization of contract was causing loss of revenue. Finally, in the fourth call for this tender, the contract was finalized at a total value of Rs. 1,85,09,671/- (for three years) after almost 2 years of expiry of the old contract.

In the meanwhile, as many as 10 extensions were given to the existing contractor for a total of 10 months at the old rates (Rs. 2.23 lakh per month). Further 5 extensions over a total of 8 months were granted at the rate as per revised estimates (Rs. 2.76 lakh per month) and two more extensions (total 2 months) were given at further revised rate (Rs. 4.05 lakh per month). The railway official charged in this case (Sr. DCM) was the competent authority to grant these extensions.

Outcome

The Disciplinary Authority (DA) vide order dated 09.07.2018 conveyed his decision not to take any DAR action against the railway official as no malafide or vigilance angle was observed in the actions of the official. The DA argued that the reserve price assessed by the official was in order and that he was competent to grant extensions to the existing contract. The DA did not comment on the obvious irregularities in the management of this periodic contract. The Commission has noted the deviation from its advice.

S.No.2

Charge

Estimates for a work tender were prepared on the basis of very high rates obtained from the market, while ignoring a substantially lower quotation received earlier from a capable and established firm. Subsequently, when the bids were received, the Tender Committee (TC) rejected the lowest bid stating that the firm had produced proof of similar completed work worth Rs. 17.48 lakhs only, against the requirement of Rs. 23.25 lakhs. The TC ignored the fact that the lowest bidder had actually completed exactly similar work awarded by another division and another similar work in another Zonal Railway at substantially lower rates.

Advice

In agreement with the recommendations of the Railway Board Vigilance, the Commission vide its ID Note dated 22.09.2017 advised initiation of minor penalty proceedings against the Tender

Committee members and major penalty proceedings against two other officials from the convenor department. Subsequently, the DA submitted the case for reconsideration of Commission's advice. The Commission reiterated its earlier advice on 13.07.2018.

Brief

In April 2016, an open tender for the work of 'Design, Supply, Erection, Testing and Commissioning of Light Load Run Test Facility for Traction Motor of WAP 7 Locos' was floated with the tender estimated cost at Rs. 34,62,750/- per unit on the basis of rates obtained from the market. The total estimated value of the tender was Rs. 69,25,500/-. Quotations of Rs. 17,85,570/- received earlier from another well-established firm were ignored while preparing estimated cost. These high estimates resulted in higher qualification criterion of one similar single work of a value of 35% of the subject work.

When the bids were received, the lowest bid was found to be Rs. 23 lakh per unit, whereas the second lowest bid was Rs. 30.5 lakhs per unit. The lowest bidder had submitted copy of Letter of Award (LOA) issued by another division showing that an exactly similar work was awarded to the firm for Rs. 17,47,980/-, at a much lower unit cost. The lowest bidder also submitted a work completion certificate to prove that it had completed the exactly similar work in another Zonal Railway. The firm's credentials and the difference between the lowest and 2nd lowest bid should have prompted the Tender Committee to review the tender estimates, but the Tender Committee rejected the lowest firm's bid on the grounds that the value of work completed by the firm was less than the qualification criterion. The Tender Committee recommended award of tender at a unit rate, which was higher than the rejected lowest bid by Rs. 15 lakh.

Outcome

The Disciplinary Authority vide order dated 27.09.2018 decided to take no action against the two officials of the convenor department. The DA also decided to counsel two other officials. The DA justified this deviation from the Commission's advice by stating that the firm (whose bid was rejected) had not offered rates when quotations were invited during market survey and that the Tender Committee had discussed reasonability of rates in detail, which were found to be reasonable in comparison with the rates of other Zonal Railways.

S.No.3

Charge

While determining eligibility of candidates for appointment as Commercial Clerks and Ticket Collector in Railways on the basis of marks obtained by the candidates in 10+2 level 'Vocational Course in Railway Commercial Working', the then Sr. Welfare Inspector/Personnel failed to ensure that Railway Board guidelines were followed in computation of marks. As a result, appointment was offered to candidates who had not obtained qualifying marks as prescribed by the Railway Board.

Advice

In agreement with the DA, the Commission, vide ID Note dated 01.10.2009, advised initiation of major penalty proceedings against the then Sr. Welfare Inspector/Personnel.

Brief

During year 1994-2000, the Ministry of Railways was conducting a 10+2 level 'Vocational Course in Railway Commercial Working' in collaboration with CBSE and NCERT. The course was conducted by one school in each of the nine Zonal HQs. Admission to this course was through an entrance exam conducted by Railway Recruitment Boards. Candidates were offered appointment as Commercial Clerks or Ticket Collectors in Railways, if they passed the course by securing at least 55% marks in the paper on Railway Commercial Working as well as in aggregate in specified five subjects (45% in case of SC/ST candidates, and w.e.f. 20.12.1995, in case of OBC candidates also). However, appointment was given to certain candidates, who did not secure qualifying marks as mentioned above.

Further, the Sr. Welfare Inspector/Personnel during the period from 1999-2005 computed the marks as per directions of his senior officers, but failed to ensure compliance of the Railway Board guidelines in this regard. Wrong calculations by schools of aggregate marks including calculation of aggregate marks for other than the five prescribed subjects were relied upon for offering appointments during the period.

Outcome

In agreement with the Commission's first stage advice, major penalty charge sheet was issued to the Sr. Welfare Inspector and inquiry conducted. After considering the report of Inquiry Officer, the Disciplinary Authority vide his Order dated 01.09.2018, imposed a minor penalty on the Charged Officer. The DA's order was irregular because, as per procedure, the case was required to be submitted to the Commission for second stage advice, if the DA's provisional decision is not in consonance with the Commission's first stage advice. However, the Railways had not submitted the case to the Commission. Realizing this irregularity in the DA's order, the Railway Vigilance advised the Zonal Railway to put up the case to the Revisionary Authority for taking revisionary action. However, the Revisionary Authority decided that the penalty imposed by the DA was adequate and commensurate with the gravity of offence. Therefore, the Railways not only deviated from the Commission's advice, but also failed to follow the laid down procedure.

S.No.4

Charge

A fake educational certificate was used by the son of a deceased employee of a Zonal Railway to secure appointment on compassionate grounds. On verification, it was found that the applicant had not passed standard VIII in the year 1992-93 as mentioned in the certificate submitted by him, and that he was a student of class V in another school in the year 1993-94.

Advice

At the time of first stage advice on 07.03.2012, the Commission advised initiation of major penalty proceedings against the appointee under Rule 9 of Railway Servants (D&A) Rules 1968. Again at the time of second stage advice on 27.01.2015, the Commission advised imposition of major penalty on him. On 03.03.2016, the Railway Board submitted the case to the Commission for reconsideration of advice. The Commission, after re-examining the matter, reiterated its advice for major penalty.

Brief

The Zonal Railway Vigilance conducted a vigilance check on this appointment. On verification, it was found that he had submitted certificate from a High School showing that he had passed Std. VIII in 1992-93, whereas in reality he was a student of class V in another school in 1993-94. The second school produced photocopy of Admission Register, Attendance Sheets and Progress Report in support of the claim that the charged official was studying in Std. V in that school in 1993-94. On the other hand, the High School could not produce any such document in support of its certificate. The High School claimed that the Charged Official was admitted in Std. VI on the basis of Transfer Certificate issued by a Primary School, but the school authorities failed to produce the Transfer Certificate.

Outcome

The Disciplinary Authority decided to impose a minor penalty on the appointee (charged employee), recording that the charged employee was not responsible for the school's failure to maintain the documents.

S.No.5

Charge

The then ADEN was responsible for excess payment to the contractor to the tune of Rs. 29 lakh against a contract for 'Earthwork on Cess'. He also failed to ensure that quality of earthwork was as per the laid down standards.

Advice

At the time of first stage advice in July 2012, the Commission advised major penalty proceedings against the then ADEN. Subsequently, after perusal of Inquiry Report and comments of Disciplinary Authority, the Commission, vide ID Note dated 23.06.2017, advised imposition of suitable major penalty on him. Again on 19.03.2018, the Commission reiterated the advice of major penalty after considering the proposal of Railway Board to reconsider the advice.

Brief

The then ADEN was responsible for execution of contract for 'Earthwork on Cess', awarded to a private firm in November 2005. But the then ADEN failed to follow provisions of Para 1317 of Engineering Code and procedure of surveying, while taking initial and the final levels of the earthwork. He also failed to follow provisions of Special Conditions of Contract and Para 1317 of Engineering Code regarding plotting of cross section and theoretical profile of earthwork on graph sheets to ensure that the work was done as per the theoretical requirement. He allowed execution of the Earthwork in Cess repair beyond the standard theoretical profile in violation of the contract condition and made payment of Rs. 28,95,115/- for earthwork beyond theoretical profile.

He has also violated the Railway Board's instructions by making payment of a lump sum quantity @ 67% of work order quantity without any calculations in 1st running bill.

The then ADEN, as in-charge of the work, allowed earthwork without any mechanical compaction and did not ensure carrying out of any compaction test during execution of the work, resulting in acceptance of substandard earthwork.

Outcome

The Disciplinary Authority vide Order dated 20.08.2018, decided to impose minor penalty on the then ADEN in deviation with Commission's advice for major penalty, dated 23.06.2017. The DA took cognizance of the fact that it was the first working post of the then ADEN, and that he had working field experience of only a few months.

S.No.6

Charge

During 2005-07, the then Sr. DSTE called tenders for procurement of 'Display Boards', whereas the competent authority (CSTE) had approved estimates for 'LED based Display Boards'. The Sr. DSTE did not ensure that detailed schedule with specifications for the Display Boards were prepared and, while accepting the tender, compared the rates of offered Flap Boards with the rates of costlier LED Boards, instead of obtaining the rates of already procured Flap Boards from other Railways.

Advice

On 31.12.2015, at the time of first stage advice, the Commission, in agreement with the Railway Board Vigilance, advised minor penalty proceedings against the erstwhile Sr. DSTE. Subsequently, at the time of second stage advice on 16.05.2018, the Commission advised imposition of suitable minor penalty on the erstwhile Sr. DSTE.

Brief

A preventive check was conducted by the Zonal Railway Vigilance on the functioning of passenger amenity items, i.e. Display Boards, of a Division. It was found that detailed estimates were prepared for provision of 'LED based Train Arrival/Departure Boards', but the Division prepared tender schedule for 'Split Flap Boards' without any rate analysis. Moreover, the estimated rate of costlier 'LED Display Boards' were considered as schedule rate of 'Split Flap Boards'. No efforts were made to find out the market rate for the 'Split Flap Board' at the time of preparing of tender schedule. Subsequently, Vigilance found that the rates of 'Split Flap Boards' were significantly less in a contract awarded in another Zonal Railway. However, the then Sr. DSTE, as Tender Accepting Authority, accepted the offered rates for ‘Split Flap Boards’ without any negotiation and after comparing them with the estimate prepared for ‘LED Display Boards’.

It was also noticed that eight contracts worth Rs. 2.7 crore for 'Split Flap Boards' were awarded without testing performance of these boards in railway conditions and without obtaining technical approval from CSTE before introducing a new technology on a large scale. All these Boards became non-functional soon after installation.

Outcome

The Disciplinary Authority vide Order dated 19.06.2018 concluded that the charges against the erstwhile Sr. DSTE were not established and decided to exonerate him of all the charges in deviation with the Commission’s second stage advice.

S.No.7

Charge

A CBI investigation found that the then CE/Construction of a Railway entered into a conspiracy with three private contractors for award of three contracts for Rail Over-Bridges estimated at Rs. 19.54 crore, Rs. 18.06 crore and Rs. 24.62 crore. It was found that each of the contractors submitted bids in pre-planned manner and that each of the contractors was awarded one contract each. These contractors also paid illegal gratification to the CE/Construction and to the Editors of local publications at the behest of the CE/Construction in order to avoid any adverse publicity.

Advice

In agreement with the recommendations of CBI and the Railway Board, the Commission advised sanction of prosecution against the then CE/Construction vide ID Note dated 08.06.16. The Commission further advised initiation of major penalty proceedings against the then CE/ Construction. The GM of the Railway had opined against prosecution but recommended DAR action.

Brief

Three contracts for Rail Over-bridge estimated at Rs. 19.54 crore, Rs. 18.06 crore and Rs. 24.62 crore were awarded to three different contractors. In each tender, only one bid was received, indicating that the contractors submitted bids in a pre-planned manner.

The CBI produced various recorded conversations between the CE/Construction and the contractors showing that the CE was in constant touch with the contractors to assist them in submission of bids. The recorded conversations of various contractors amongst themselves also indicated that the CE/Construction was paid bribe money.

In addition, there were recorded conversations of the CE/Construction and the contractors indicating that he asked three contractors to contribute equally to pay the Editors of a local publication to stop the publishing of adverse news. The amount was paid to the Editors through cheques. The CE of the Railway stated that he had arranged a meeting of CE/Construction with the Editors, where in the CE/Construction requested the latter to stop the publication of adverse news. There were recorded conversations of CE/Construction and the local Editors in this regard.

The CFSL opined that the recorded conversations have the voices of CE/Construction and other concerned persons

Further allegations related to the concealment by CE/Construction of a letter which could have resulted in rejection of a firm's bid. During investigation, this letter was found in the table drawer of the CE/Construction. It was also alleged that the CE/Construction inserted a fake letter to support the firm's bid in the tender file.

Outcome

In Nov 2017, the Railway Board informed the Commission that the Hon'ble Special Judge CBI had dismissed the case against the CE/Construction. The court commented that there was no direct evidence of payment of money by CE/Construction to the Editors or of demand of money by the Editors for not publishing the news. The court observed that on the basis of available evidence, which primarily comprised of telephonic conversations, there was no prima facie case of demand of 1.5 % amount as commission for recommending acceptance of tender or of receipt of bribe and that the evidence only proved that the CE/Construction accepted some amount of money from three contractors and transferred it to the Editors. Therefore, no bribe was demanded or transacted by a public servant directly or indirectly for any work and there was insufficient evidence against the accused.

In view of the judgment, the GM of the Zonal Railway took a view that there did not appear to be any appreciable ground for pursuing the case for disciplinary action and recommended to close the case. The DA also noted that in view of Hon'ble CBI court order to discharge the CE/Con, the case might be closed and there is no justification of DAR action.

The case was submitted to the Commission for reconsideration with recommendations to close the case against the CE/Construction. However, the Commission vide ID Note dated 31.01.2018 advised that there was evidence to prove the charge of bribery against CE/Construction in DAR proceedings, even though the evidence fell short of proving the criminal charge in a court of law, which demands a higher standard of proof. The Commission, therefore, reiterated its advice for continuance of the major penalty proceedings.

However, the Disciplinary Authority decided on 15.10.2018 that no DAR action was warranted against the CE/Construction in the matter. The RB closed the case without any action against the CE/Construction, in deviation with the Commission's first stage advice.

S.No.8

Charge

Irregularities committed by the then CPTM in evaluation of answer sheets for the selection of Assistant Operating Manager (AOM) Group 'B' (30% LDCE Quota) conducted by a Zonal Railway.

Advice

In its first stage advice on 08.12.2014, the Commission advised initiation of major penalty proceedings against the then CPTM. On being approached for reconsideration, the Commission reiterated its earlier advice for major penalty proceedings on 17.02.2015. Further, the Commission advised imposition of suitable major penalty in its second stage advice on 08.06.2017 and the same was reiterated by the Commission on 10.10.2017.

Brief

The then CPTM, while functioning as evaluator of answer sheets for the selection to the post of AOM Group 'B' (30% LDCE quota), did not evaluate two answer sheets on the ground that identity was disclosed by two candidates. He, however, evaluated the answer sheet of six other candidates who had revealed their identity by writing their roll number in the answer sheets and thus, failed to take a uniform stand while evaluating the answer sheets. He, therefore, violated the extant instructions on the subject due to which three candidates (out of those six candidates who revealed their identity) scored requisite passing marks. He enhanced the originally awarded marks of two candidates who had revealed their identity thus giving them an undue advantage in passing the written examination with an ulterior motive. In violation of extant instructions, the CPTM also changed/modified the marks once awarded in the answer sheets of some candidates.

Outcome

The Disciplinary Authority has closed the case against him by exonerating him from the charges levelled against him in deviation with Commission's advice of major penalty.

S.No.9

Charge

The then Director of a Railway public sector company was found responsible for violation of tender guidelines inasmuch as full quantity was awarded to a firm and the tender was processed in a very casual manner causing loss to the Railway public sector company financially.

Advice

The Commission in its first stage advice on 02.01.2018 advised initiation of minor penalty proceedings against the then Director of the public sector company. On being approached for reconsideration, the Commission reiterated earlier advice of initiation of minor penalty proceedings.

Brief

An investigation was carried out based upon a complaint relating to gross violation of tendering procedures and award of contract to limited parties at the Railway public sector company in a tender opened on 13.02.2015 for the procurement of Refractory Stopper Sleeves, Alumina Nozzle and Magnesite Ramming Mass. The Tender Committee recommended placement of full quantity on one firm for Refractory Stopper Sleeves and Alumina Nozzle in violation of tender guidelines and further favoured the same firm by recommending for award of regular order for supply of Magnesite Ramming Mass though the firm was not meeting the condition prescribed by the TC and other tenders were rejected on the same ground. The recommendations of the TC were routed through the then Director of the public sector company who failed to notice and rectify the irregularities and the TC recommendations were approved by the CMD and tenders were awarded. Thus, he failed to deal with this tender carefully while forwarding the case to the CMD which resulted in the irregularities noticed in this tender.

Outcome

The Disciplinary Authority did not implement the Commission's advice and counselled the then Director of the public sector company in deviation of Commission's advice of minor penalty.

S.No.10

Charge

The finance member and the third member of a Tender Committee (TC) had agreed with the convenor member in the case for procurement of Residual Stress Measuring Instruments, had incorrectly determined the L-1 firm in the tender. The firm, which was determined as L-1 had offered a model which met certain tender specifications only when the model was used with 'Triaxial Upgrade' for which extra price was quoted by the firm. Therefore, while arriving at the quoted price in case of this firm, the Tender Committee should have included the price of 'Triaxial Upgrade'. However, the tender committee failed to do so.

Advice

Initially, in agreement with the Railway Vigilance, the Commission, vide ID Note dated 19.01.2017, advised initiation of minor penalty proceedings against the convener/technical member of the Tender Committee. Subsequently on examination of the case, the Commission, vide ID Note dated 04.01.2018, also advised initiation of minor penalty proceedings against the Tender Accepting Authority (TAA) and two other members of the Tender Committee.

Brief

A global tender (two packet system with pre-bid conference) was floated by RDSO for supply, installation and commissioning of Residual Stress Measuring Equipment based on X-Ray diffraction method for Railway wheel. The estimated cost was Rs. 1.45 crores. Three bidders participated in the tender and two of them were found technically suitable.

The firm, which was determined as L-1 had offered a model, which met certain tender specifications, only when the model was used with 'Triaxial Upgrade' for which extra price was quoted by the firm. Therefore, the Tender Committee should have included the price of 'Triaxial Upgrade', while arriving at the quoted price in case of this firm. If the price of this upgrade was included in the firm's bid, the firm would have become L-2. There was no ambiguity about the firm's financial bid, but the Tender Committee members agreed to the suggestion of the technical member to disregard the price of the 'Triaxial Upgrade' and did not include the price of this item for determination of L-1. The Commission, in agreement with the Railway Vigilance, advised initiation of minor penalty proceedings against the convener/technical member of tender committee and advised the Railway Board to seek first stage advice in case of TAA and other members of the tender committee.

The Commission noted that no fact related to financial bid was concealed from the members of the Tender Committee. The Commission also noted that the finance member of the Tender Committee had the most important role in determination of L-1, and that the two members were required to question the views of the technical member, if these were not in accordance with the tender conditions. Therefore, the Commission observed that the two members were as responsible as the technical member, against whom initiation of minor penalty proceedings had been advised by the Commission on 19.01.2017.

Outcome

The Disciplinary Authority, in agreement with the Commission's advice imposed minor penalty on the technical member of the Tender Committee. However, in case of other members of the tender committee , the concerned Disciplinary Authorities did not agree with the advice of the Commission and referred the case back for reconsideration of the Commission's advice. After considering the reasons submitted by the respective DAs, the Commission, vide ID Note dated 31.08.2018, reiterated the advice of initiation of minor penalty proceedings against both the other members of the Tender Committee. However, the DA for one official decided vide Order dated 03.10.2018 that no D&AR action was warranted against the finance member of the tender committee. The DA for the other official also decided vide Order dated 02.11.2018 that no D&AR action was warranted against the third member of the tender committee.

No proceedings could be initiated against the Tender Accepting Authority as the case against him had become time-barred in December 2014 itself.

S.No.11

Charge

The then Railway Adviser had issued a certificate of inspection on 02.10.2014 on the basis of manufacturer's work test certificate of conformance without conducting any physical inspection at the Germany based premises of Original Equipment Manufacturer (OEM) leading to supply of spurious material by the firm to a production unit. The then CMM of the unit failed to clarify the aspect of discontinuation of manufacturing of specific material from the OEM and also failed to insist upon submission of principal's proforma invoice by the firm in violation of the tender condition.

Advice

In its first stage advice on 29.11.2018, the Commission advised initiation of major penalty proceedings against the then Railway Adviser and initiation of minor penalty proceedings against the then CMM.

Brief:

The then Railway Adviser issued Inspection Certificate in favour of an Indian firm on the basis of Manufacturer's Test Certificate purportedly issued by the OEM without actually conducting any inspection of goods at the premises of the OEM or it's licensee in that country. The genuineness of the certificates were not verified from OEM, even though the certificates had been received by post by the office of the Railway Advisor from the licensee/ intermediary firm and not from the actual approved OEM. On the basis of the inspection certificate issued by the Railway Adviser, the firm made supplies to the production unit, which were later found spurious and not manufactured by the OEM.

The then CMM was the convener of the TC at the time of final TC recommendation for award of contract. At the time of making final recommendation for placing the order on the firm, the TC collectively had to clarify the aspect of discontinuation of manufacturing of the item from the OEM and also should have insisted upon submission of principal's proforma invoice by the firm. The TC had collectively failed to do a due diligence and did not obtain factual position from OEM which could have detected the forgery at an early stage.

Outcome

The Disciplinary Authority has closed the case against the then Railway Adviser and the then CMM by exonerating both the officers from the charges levelled against them in deviation from Commission's advice of major penalty and minor penalty respectively.

S.No.12

Charge

The case pertains to improper evaluation of answer sheets of trainee traffic apprentices at a zonal training institution by the then Senior Traffic Manager. The STM also failed to uniformly evaluate the answer-sheets and awarded less marks to some trainees, while giving more marks to others for the same questions. The wrong evaluation of the papers resulted in award of less marks to the answers written by a particular trainee candidate, which led to wrongful termination of that trainee candidate.

Advice

In July 2015, the case was submitted for the Commission's first stage advice. The Disciplinary Authority and Railway Vigilance recommended initiation of major penalty proceedings against the then STM. However, the Commission sought further information before tendering advice. The case was resubmitted to the Commission in February 2018. Considering all facts of the case, the Commission, vide ID Note dated 14.06.2018, advised initiation of major penalty proceedings against the then STM.

Brief

The Zonal Railway Vigilance received a complaint from a trainee candidate regarding demand of money in return for according pass marks to the trainees and alleging leakage of question papers at a zonal training institution. During a surprise preventive check at the examination hall, two candidates were caught red-handed by Railway Vigilance while in possession of solved question papers. After the preventive check, the Railway Vigilance got source information that the complainant candidate had been discharged from the training course as a retaliatory action against him on the ground that he had failed in the examinations held at the end of the course as well as in two repeat tests. The Railway Vigilance conducted another preventive check at the same zonal training institution and found that there were irregularities in setting of question papers as well as in evaluation of answer sheets, particularly those of the complainant candidate. The Vigilance found that there were concerted efforts on part of the Principal and the examiners to ensure that the complainant candidate failed to secure pass marks.

It was found that the then STM had adopted an approach to award average marks to the candidates irrespective of the merit of their answers. Had the then STM evaluated the answer-sheets properly, the complainant candidate would have passed the examination. Therefore, there was reason to believe that the act of the STM was not merely on account of his careless approach towards evaluation, but rather was a part of the conspiracy to expel the complainant candidate.

Outcome

The Disciplinary Authority, vide Order dated 11.09.2018, disagreed with the views of his predecessor as well as the Commission's first stage advice and issued a 'show cause notice' to the erstwhile STM. After considering the representation submitted by the erstwhile STM, the DA took a view that though the then STM had evaluated the answer scripts of 36 trainee apprentices in a casual manner, there was no ill motive in evaluation of the said answer scripts. The DA considered the past professional record of the then STM and decided to issue a warning to him in deviation from the Commission's advice for initiation of major penalty proceedings.

S.No.13

Charge

The then Sr. DEN/Coordination of a division was advised by his HQ to contest a court order dated 07.08.2004 of Hon'ble High Court/Madras, but he did not initiate action to file the counter affidavit or appeal against the court order. In yet another case, in disregard to the directions issued by his HQ, he did not take any action for more than 2 ½ years to vacate a stay obtained by a contractor against legal proceedings initiated by Railway Board for banning business with Railways.

In addition, the Sr. DEN/Coordination, as technical member of a Tender Committee in a tender dated 22.06.2007 for the work of Collection and Supply of 50mm Size Machine Crushed Stone Ballast, extended undue benefit to the contractor by preparing revised inflated estimates for the work, after first round of negotiation, and then by recommending exorbitant rates for acceptance.

Advice

The Commission vide ID Note dated 15.01.2010, advised initiation of major penalty proceedings against the Sr. DEN/Coordination. The Disciplinary Authority and the Railway Vigilance had recommended 'Stiff Minor Penalty' against the then Sr. DEN/Coordination.

After conclusion of the Inquiry into the charges against the erstwhile Sr. DEN/Coordination, the Disciplinary Authority took a view that the Charged Officer may be exonerated. The case was sent to the Commission for second stage advice, and after perusal of the Inquiry Report, Defence Brief and DA/GM's comments, imposition of major penalty on the erstwhile Sr. DEN/Coordination was advised vide Commission's ID Note dated 18.08.2017.

Brief

In the performance of a contract, the ballast supplied by a contractor was tested in Railway laboratory and it was not found to be conforming to the contract specifications. Moreover, the progress of the supply/work was not satisfactory. Hence the Railways initiated action for termination of contract. Aggrieved by this action, the contractor filed a series of Writ Petitions, which were disposed of by the Hon'ble High Court of Madras by a common order dated 07.08.2004. Since the High Court order was not favourable to the Railways, the Sr. DEN/Coordination was directed by his HQs to file necessary affidavit in order to challenge the court order. But the Sr. DEN did not take any action in this regard.

In the same contract, the Railway Board issued a show cause notice to the contractor asking him to explain why the Railway should not ban business dealings with him for a period of 5 years as the ballast supplied by him was of inferior quality. The contractor filed a Writ Petition against the show cause notice and obtained interim stay on 09.03.2005 from Hon'ble High Court. The Sr. DEN did not take necessary action to vacate the stay despite repeated instructions/letters dated 16.03.06, 01.10.07 and 30.10.07 from his Zonal HQ.

In another case, the Division invited tenders for supply of ballast in 2007. The estimated value of work was Rs. 2,84,05,000/-. The same contractor, to whom the Sr. DEN had earlier extended favour by not contesting the stay order, was the sole bidder in this tender. Rates quoted by the contractor were 54.79% higher than the Estimated Rates. The Sr. DEN issued directions for recalculation of the Estimated Rates. The concerned ADEN prepared revised estimates by taking undue charges into account. On the basis of these inflated estimates, the Sr. DEN justified the contractor's bid and recommended award of contract.

Outcome

The DA did not agree to the Commission's advice and submitted the case to the Commission for reconsideration of earlier advice of imposition of major penalty. After considering the DA's views , the Commission reiterated its advice for major penalty for the charged officer. Finally, the DA vide Order dated 06.11.2018, decided to exonerate the erstwhile Sr. DEN/Coordination of all the three charges in deviation from the Commission's advice.

S.No.14

Charge

The then Sr. DSTE of a division, as Tender Accepting Authority (TAA) awarded a work in September 2009 at rates which were considerably higher than those awarded by an adjacent division only a few months earlier. This action was in violation of Railway Board guidelines regarding consideration of Last Accepted Rates (LARs) in award of tenders.

Advice

In agreement with the DA, the Commission, vide ID Note dated 29.12.2016, advised initiation of major penalty proceedings against the then Sr. DSTE. On being approached for reconsideration of advice, the Commission, reiterated advice of major penalty proceedings vide ID Note dated 03.05.2017

Brief

On 30.03.2013, the CBI registered a Regular Case (RC) against 3 private firms and 11 Railway officials for their role in award of tenders for supply, installation & commissioning of Electronic Train Indication Boards (ETIB) with RDSO specifications at 26 stations of a division. The CBI recommended 'Action as deemed fit' against the then Sr. DSTE of the division , who had awarded one tender for three stations on 14.09.2009 at unduly high rates. He did not consider the Last Accepted Rates (LARs) of similar work executed only a few months earlier in the adjoining division. He did not ask the Tender Committee to seek analysis of market rates to arrive at reasonability of rates and accepted the recommendations of TC without doing rate analysis of the items independently as well.

Outcome

The Disciplinary Authority issued minor penalty charge sheet in deviation of the Commission's reconsidered advice for initiation of major penalty proceedings. After considering the written statement submitted by the then Charged Officer, the DA exonerated him vide Order dated 14.05.2018. The DA considered the facts that the CO had accepted the lowest valid offer, which was lower than the estimated value of the tender (fixed before the CO joined the division) and that the Tender Committee had verified reasonability of the rates with respect to three similar works recently awarded in the division immediately before the tender under consideration.

S.No.15

Charge

Irregularities in Re-engagement of retired staff on daily remuneration basis in Railway Electrification.

Advice

The Commission advised initiation of Minor penalty proceedings on 05.05.2015. On being approached for reconsideration, the Commission reiterated its first stage advice on 25.05.2016.

Brief

The advertisement for engagement of retired employees to the vacant posts was given without mentioning the eligibility criteria which resulted in engagement of non-technical person to a technical post of SSE (Electrical). No reasons were recorded by the selection committee in the minutes as to why 18 out of 24 applicants were declared ineligible for the advertised posts. The selection committee of three members duly constituted to carry out selection recommended an applicant who had applied for a non technical post for appointment against a technical post. Thus the selection committee failed to exercise due diligence resulting in the re-engagement of non technical staff against vacancy of technical post and recommended appointment of an ineligible candidate.

Outcome

The Disciplinary Authority did not implement the Commission's advice and decided on the action of Counselling the concerned charged official on 04.01.2017.

S.No.16

Charge

The then Chief Material Manager (CMM) acting as convener member of Tender Committee (TC) was responsible for not drawing up TC minutes even after one month of conducting negotiations and for putting up the case file directly to Tender Accepting Authority (TAA), bypassing the TC. The then CMM failed to refer the decision taken by TAA which was in violation of the procurement policy, back to the TAA or to the TC and instead forwarded the same to the Dy. CMM for issue of Letter of Intent to the firm.

Advice

In its first stage advice on 27.08.2018 Commission had advised initiation of minor penalty proceedings against the then CMM.

Brief

The then CMM while functioning as convener of the TC for procurement of PTFE Short Neutral Section Assembly, failed to prepare the TC minutes even after one month of the negotiation and the case was put up by him directly to the TAA, by-passing the TC. Further the decision taken by TAA in violation of procurement policy, for issue of Letter of Intent for supply of bulk quantity to a part II source was executed by the then CMM without apprising TAA or raising any objection, thereby becoming an accomplice in the issue of an irregular order. He thus failed to perform his duties.

Outcome

The Disciplinary Authority took the view that the then CMM had acted under the direction of his superior official and that he did not have any other option but to put up the file as instructed. The DA therefore closed the case against the then CMM who was convener member of TC, in deviation from the Commission's advice of minor penalty.

S.No.17

Charge

The Senior Material Manager (SMM) had initiated risk purchase action against a firm within the expiry of the delivery period and even after supply from the firm had materialized, he placed risk and cost purchase order on another firm, which could have caused loss to the tune of Rs. 408844/- on account of double procurement of material had the second order placed on the firm not been cancelled.

Advice

In its first stage advice on 19.07.2010, the Commission advised initiation of major penalty proceedings against the SMM. On being approached for second stage advice, the Commission advised imposition of suitable major penalty on the then SMM on 24.04.2012 and the same advice was reiterated by the Commission during reconsideration on 22.05.2018.

Brief

The then SMM was found responsible for initiating risk and cost procurement within the prescribed delivery period of an existing supply contract even when there was no breach of the contract. Supply had been made by the private firm within the delivery period of the supply contract and sufficient stock was available, yet the SMM placed a risk and cost purchase order on another private firm which could have caused loss of Rs. 408844 had the risk and cost purchase order not been cancelled. The SMM also appeared involved in a fraudulent act in collusion with the same private firm on which the risk and cost purchase order was placed by replacing the original offer of the firm and changing the rate of another firm after opening of tender and removing the comparative statement to hide evidence of the original offers to give undue favour to a private firm.

Outcome

The Disciplinary Authority had held one article of charge proved and the other one as not proved. DA observed that the charge related to initiation of risk and cost procurement without any breach of contract and placement of risk and cost purchase order even after the supply had materialized may not be proved against the then SMM as from the representation and documents submitted by the CO it appears that the item was critically important and order was placed after the delivery period for the earlier contract was over. DA further held that the direct role of the then SMM in replacing the offer/tampering with the documents has not been established, however, the charge related to indulgence in fraudulent act to give undue favour to the firm against the then SMM is partly proved as the report of GEQD confirms the tampering of bid documents and the then SMM being an accepting authority failed to check the discrepancy in the bid documents.

The DA therefore, decided to close the case against the then SMM by imposing minor penalty on him in deviation with Commission's advice of major penalty.

Commission wishes to further report the inordinate delay in implementation of the second stage advice tendered and seeking of reconsideration of the case after 6 years.

S.No.18

Charge

The then CWM was found responsible for misusing railway manpower for personal work.

Advice

In its first stage advice on 08.09.2017, the Commission advised initiation of major penalty proceedings against the then CWM. On being approached for reconsideration, the Commission reiterated its earlier advice for major penalty proceedings on 04.04.2018.

Brief

An investigation was conducted on the basis of a PIDPI complaint alleging misuse of Railway Employees, misuse of metal token and duty card pass, misuse of official vehicles and various other irregularities by the officers and staff of an Engineering Workshop. The allegation that the then CWM was involved in unauthorized use of railway employees for his personal use was proved during a joint check at his residence. The allegation of misuse of official position by some of the other officers and staff was also substantiated. It was observed that the then CWM was not only responsible for misuse of railway employees for his personal use but also responsible for letting the other officers adopt the same practice and to give them leeway to misuse their official position.

Outcome

The Disciplinary Authority has closed the case against the then CWM by imposing minor penalty on him in deviation with Commission's advice of major penalty.

S.No.19

Charge

The RDSO authorities colluded with the sole RDSO-approved Part-I firm (eligible for bulk supply) to get two RDSO-approved Part-II firms (eligible for supplying smaller quantity) delisted, thereby rendering the sole Part-I firm as the only supplier of that particular item. The delisting of two part-II firms left the sole Part-I firm in a monopolistic situation and resulted in constant hike in prices of the item. The then Dy. Director RDSO and the ARO/RDSO were found responsible for (i) delayed scrutiny of renewal applications of two Part-II firms, (ii) facilitating temporary delisting of these two firms in a hasty manner without giving the firms reasonable opportunity, (iii) Arbitrarily raising the qualification criteria for registration as Part-I firm in order to prevent entry of other firms. In addition, the then ARO/RDSO was also found responsible for helping the sole existing approved firm in securing approval for its manufacturing unit by carrying out Schedule of Technical Requirement (STR) verification, Quality Assurance Plan (QAP) verification and sample testing of its unit in hasty and casual manner (i.e. within less than 2 days).

Advice

In agreement with recommendations of the DA and the Railway Vigilance, the Commission vide

ID Note dated 24.01.2014 advised initiation of major penalty proceedings against the then Dy. Director and the ARO. After conclusion of inquiry into the charges against these officers, the case was submitted to the Commission for second stage advice, and the Commission vide ID Note dated 28.11.2017 advised imposition of major penalty on both officials.

Brief

Two firms, already registered for a particular item, submitted applications for renewal of their registration with RDSO. The Dy. Director and the ARO delayed scrutiny of their renewal applications. They wrote to one of the firms to submit documents with respect to change of the firm's name, but ignored the firm's letter when the firm submitted the documents. After a few days, the firm was delisted for this deficiency. In case of the other firm, the ARO failed to attach necessary documents, while apprising the firm of certain deficiencies in the latter's application. No further correspondence followed the letters written to each of the firms to submit the documents. Thus, both these firms were delisted without any prior notice and despite the fact that there was no urgency for such delisting, especially when it led to a monopolistic situation for the sole remaining firm. Furthermore, minimum quantity required to be supplied by a firm for its registration as Part-I firm was enhanced from 5000 to 30000 items arbitrarily and without justification and this increase rendered both these firms ineligible for registration as Part-I firms.

The ARO, in the same period, showed undue haste and casual approach in carrying out STR verification, QAP verification and sample testing of the remaining sole firm's unit in contrast with the delay shown in the scrutiny of renewal application of other two firms.

Outcome

In case of the Dy. Director, the DA vide Order dated 25.07.2018 imposed minor penalty on the charged official in deviation with the Commission's advice of major penalty. The DA concluded that though the CO committed administrative lapses, there was no malafide intention on the part of the CO.

Since the ARO had retired before second stage advice of the Commission, the case was submitted for order of Disciplinary Authority under Rule 9 of Railway Servants (Pension) Rules 1993. The Disciplinary Authority held that the delisting of firms was in order as the CO had followed the first come first served principle and that the CO had not violated any provisions of the vendor approval guidelines. Thus all articles of charge were found to be 'not proved' by the DA and vide Order dated 02.04.2018, the DA decided to drop the charges against the ARO in deviation from the Commission's advice of major penalty.

S.No.20

Charge

The case has arisen from vigilance scrutiny of housekeeping tender at MRPL, Mangalore. The contract was awarded to a firm for upper plateau housekeeping for the period from August, 2011 to July, 2012 and extended for an additional year up to July, 2013. Various fraudulent activities were observed.

Advice

In August, 2014 the Commission advised initiation of major penalty proceedings against Sr. Manager (HR), Manager (HR) and Sr. Executive (HR).

Brief

The Sr. Manager (HR) was involved from beginning in the finalisation of tender. He exercised full control over all housekeeping activities. He was responsible for all the lapses of the contractor. He had shown gross negligence in discharging his duties which has resulted in inadmissible payment of Rs.25,21,708/- to the contractor.

The Manager (HR) was responsible for field verification of workmen's deployment, consumables, etc., but he had shown negligence of duties assigned to him, which had resulted in various discrepancies and causing MRPL to pay additional amounts to the firm. He had failed to inform his superiors about irregularities being done by the contractor. He had not maintained absolute integrity and devotion to his duty.

Sr. Executive (HR) was assisting Dy. Manager (P&A) in compiling data entry. He had, however, signed some documents related to the payments made to the contractor which he was not authorised to do. Neither Dy. Manager (P&A) nor Sr. Manager (HR) had objected to his actions, indicating collusion of the officials with the contractor.

Outcome

The Disciplinary Authority did not implement the Commission's advice and vide its Order dated 17.03.2017, imposed minor penalty on Sr. Manager (HR), Manager (HR) and exonerated the Sr. Executive (HR) without obtaining the Commission's second stage advice.

S.No.21

Charge

Irregularities in shifting of Directorate General of Hydrocarbons (DGH) office from rented accommodation in New Delhi to rented accommodation at Noida.

Advice

In March, 2017 the Commission second stage had advised imposition of minor penalty against the then Chief Manager of the organisation.

Brief

The then Chief Manager at the office of Directorate General of Hydrocarbons (DGH), during the years 2005-2008, gave undue favour to certain private parties for hiring premises at Noida and considered their late offer, not supported by proof of ownership and prepared the Comparative Statement of Tender (CST) in such a way so as to portray that their bid was the only eligible bid, resulting in award of contract, worth Rs. 6.69 Crores to an ineligible party which was not the owner of property.

Further, while issuing letter dated 08.02.2007 and signing of lease agreement with the private parties he had not taken any safeguards for readiness of building for shifting of office of DGH to Noida in time thereby caused an additional expenditure of Rs. 1.815 Crores on the DGH, Govt. of India and showed undue favour to the party.

Outcome

The Disciplinary Authority did not implement the Commission's advice and exonerated the then Chief Manager from the charges levelled against him vide Order dated 20.07.2017. The Commission has observed that the laid down procedure for consultation before disagreeing with the advice of the Commission was not followed in the case and has decided to include in the Annual Report as a case of deviation.

S.No.22

Charge

The Quality Assurance Officers (Labs), QAO (EP&QA) and JQAO (Lab) extended undue favour to private firms and cheated the Department of Customs to the tune of Rs. 2.54 Crores by way of evasion of Customs Duty.

Advice

In February, 2010, the Commission in agreement with recommendation of DA and the CVO had advised initiation of major penalty proceedings against QAO (Labs), QAO (EP&QA) and JQAO (Lab) as its first stage advice.

Brief

The accused firms had falsified the invoices of imported carpets and the QAO(Labs), QAO (EP&QA) and JQAO (Lab) of the Textile Committee had prepared faulty test findings in respect of the test conducted on the sample of 100% Polypropylene carpets received from the Dy. Commissioner of Customs, Inland Container Depot, CONCOR in respect of the Test Reports declaring the carpets to be of tufted ones with a view to cause undue financial benefit to private party and corresponding loss to the Department of Customs to the tune of Rs. 2.54 crores by way of evasion of Customs Duty payable on non-tufted carpets.

Outcome

The Disciplinary Authority vide Order dated 29.12.2017 had imposed a minor penalty of withholding of one increment for the period of one year on QAO(Labs), QAO (EP&QA) and JQAO (Lab) without consulting the Commission. Since the final decision of the DA is at variance with the Commission's first stage advice, the case is included in the Annual Report as a case of deviation and non-consultation with the Commission.

S.No.23

Charge

Irregularities in finalization of a tender by Uranium Corporation of India Ltd. for 'removal of overburden/waste and extraction of Uranium Ore at an open cast mine'

Advice

The Commission advised initiation of major penalty proceedings against TEC and Members of the Board i.e. GM(OP), GM(T&P), Manager (Accounts) and Dy. Superintendent (Mines) on 25.07.2017 as its first stage advice.

Brief

While finalizing the tender for removal of overburden/waste and extraction of Uranium Ore, there was deliberate attempt to disqualify the potential L-1 to favour the L-2 bidder. The Commission observed that :

(i) In the cases of 3 of the bidders, there was a discrepancy between the unit rates (quoted) for certain items. The rate in figures and words did not match. At the bottom of the relevant table where they were required to quote the rate in words, they had quoted the amount (i.e., the gross amount which is the multiple of quantity & rate) in words, for the 2 individual parts of the works tendered. But they had correctly quoted the amount of the tendered work in words and figures.

(ii) The total amount for which the bidders bid the contract does not contain any inconsistency and in fact the evaluation statement depicts absurd and astronomical figures arrived by the TEC (termed as derived value as against quoted value) because of which 3 of the bidders including the potential L-1 who quoted about 15% less than the tendered amount were disqualified and L-2 which was about 10% more than the tendered amount was awarded the contract. The fact that 3 of the tenderers committed the same error shows that there was a defect in framing of the tender.

(iii) Loss to the UCIL of close to Rs. 46 crores was established beyond doubt. When the bid was called for a single work and there was no dispute / doubt on the amount quoted for the work, it was a clear misreading to do otherwise. The Commission was of the view that members of the TEC and Members of the Board did not exercise due diligence and did not discharge their functions in the best interest of the company.

(iv) The investigations prima facie found inappropriateness of causing wrongful loss to the UCIL to the tune of Rs. 45,94,50,000/- in addition to cost escalation and recommended such action as deemed fit.

Outcome

The DA in disagreement with the Commission issued administrative warning to the then GM (OP), GM (T&P) and Manager(Accounts) on 06.09.2018 and 28.09.2018 respectively and no action against Dy. Superintendent (Mines) as he had already resigned and was relieved from the PSU.

S.No.24

Charge

On examination of the cases, Commission observed that the DA did not follow laid down procedures.

Advice

(i) In respect of irregularity in plant upkeep, the Commission had tendered advise for initiating major penalty proceedings against one DGM and for minor penalty against another DGM, besides advising Administrative Warning for 3 officials.

(ii) In respect of Labour supply contract, the Commission had advised initiating major penalty proceedings against a DGM and minor penalty proceedings against a GM level official.

(iii) In respect of renovation of electrical fittings contract, the Commission had advised initiating major penalty proceedings against 2 DGMs besides Administrative warning for 4 other officials.

(iv) In respect of CMD of the organisation, the Commission had observed misconduct of grave nature and advised major penalty in respect of 6 allegations. However, it was also pointed out that in respect of 3 out of 6 allegations action was not possible as 4 years time limit had expired. It was pointed out that action in respect of some of the misconducts got barred by limitations due to delay by Ministry of Chemicals & Fertilizers who referred the case to an officer who was not entrusted with vigilance work, for enquiry after the CVO had sent a detailed report about the misconduct.

Brief

The matter pertains to irregularities in various tenders committed by officials of Madras Fertilizers Ltd. (MFL) in procurement of oil free screw compressor, procurement of reformer tubes, supply of HDPE bags, plant upkeep services and renovation contracts.

Outcome

The Commission observed that there was complete disregard to procedures in the handling of cases i.e. procurement of oil free screw component, procurement of reformer tubes, procurement of oil free instrument air compressor, supply of HDPE bags, plant upkeep services and renovation contracts by MFL.

In the plant upkeep services case, despite FSA of major penalty, the DA had exonerated the official without consultation with the Commission. On the basis of CVO's disagreement with the DA's findings, the Appellate Authority had reviewed the case *suo motu*, imposed fines and sent a draft speaking order to CVO to recover loss amount from the CO's settlement dues.

On procurement of tubes case, the CBI had filed an FIR and the officer had been included as an accused in the case. However, in this case a charge sheet was issued to the officer and penalty of

Censure was imposed. Despite the CBI registering a case, no parallel investigation was got done and no first stage advice was sought.

In the case of procurement of oil free screw compressor & HDPE bags matter, first stage advice of the Commission was not sought as officer was superannuating and charge sheet was issued and initially officer was exonerated/censured by DA and subsequently based on CVO's disagreement, Appellate Authority sent a draft speaking order recommending deduction of a token sum from his terminal dues.

In the matter of procurement of reformer tubes and grids, vigilance department did not complete the investigation to seek first stage advice as CBI had taken over the case.

Commission observed that this is a clear case where disciplinary procedures have been flagrantly violated and decided to include in the Annual Report for (i) deviation in Commission's advice from major penalty to that of exoneration in the plant upkeep services case and (ii) for flagrant violation of department procedures by the DA in handling of these cases.

S.No.25

Charge

Matter relates to State Bank of Hyderabad (since merged in SBI) and pertains to a complaint lodged by the Bank with CBI for investigation against a firm for defrauding the Bank of Rs. 48.53 crores by committing criminal offences of conspiracy, forgery and cheating.

Advice

The Commission advised prosecution as well as regular departmental action for major penalty proceedings against the then Accountant.

Brief

Competent Authority declined to accord the sanction of prosecution. Bank without referring the matter to Expert Committee, referred the matter to DOPT. DOPT opined that it would be better if the officer is tried in a court of law. Bank's request for referring the matter to Expert Committee, when DOPT order for prosecution was already communicated, was not agreed to by the Commission and left the matter to discretion of the Bank to take a final view in the case and allowed the matter to rest.

Outcome

The DA took a view to warn the official administratively and accordingly final order was issued. The Commission decided to treat the case as a deviation from its advice and include the same in the Annual Report of the Commission.

S.No.26

Charge

Matter relates to irregularities in purchase of cheques, delay in lodging them and re-lodging the cheques. Charges were also levelled against the official for irregularities in short-term loan account.

Advice

The Commission advised initiation of minor penalty proceedings against the Chief Manager.

Brief

DA sought second stage advice proposing stern Administrative Warning. Since the proposed punishment was not in tune with the first stage advice, the CVO returned the case to DA for reconsideration. DA again referred the matter to vigilance department proposing the same punishment with the justification that the account was closed with full recovery and the official also acted as per the instructions of the Zonal Manager which was also confirmed by higher authority. In view of the above justification, the CVO concurred with DA's views.

Outcome

DA accordingly issued the final order without referring the case to the Commission for its advice. The Commission decided to treat the case as a deviation from its advice and include the same in the Annual Report of the Commission.

S.No.27

Charge

In a CBI trap case it was alleged that a Branch Manager of a Bank had demanded and accepted bribe from the complainant for processing and sanctioning a loan. CBI registered the case on the basis of a written complaint and conversation between the accused and the complainant was recorded by CBI. The demand for bribe and the negotiation of bribe amount was recorded in the conversation and the voice of the accused had been corroborated through expert opinion. CBI recommended grant of sanction for prosecution against the accused Branch Manager.

Advice

On examination of the case in its entirety, the Commission advised grant of sanction for prosecution against the accused Branch Manager.

Brief

The Competent Authority was of the view the sanction may not be accorded for prosecution. The matter of disagreement between the Competent Authority and Commission's advice was referred to DoPT through DFS by the Bank as per paid down practice. DoPT had advised grant of sanction for prosecution in this case.

Outcome

The advice of DoPT was conveyed by the CVO to the Competent Authority who reiterated his earlier stance and denied sanction for prosecution. The Commission decided to treat the case as a deviation from its advice and of non adherence of the advice of DoPT.

S.No.28

Charge

Investigation by CBI brought out that the officials disbursed loans to non-existent suppliers and a major part of the loan was diverted to associate/group companies of the promoters. Periodical inspections were not carried out or when conducted at a later stage, a misleading picture about the status of the company was presented to higher authorities.

Advice

On examination of the case in its entirety, the Commission advised initiation of proceedings for gross misconduct under Pension Regulations against retired officials along with major penalty proceedings against serving officials.

Brief

The matter pertains to irregularities in a borrowal account under Consortium Arrangement with 10 banks. The irregularities committed in the account were investigated by CBI. In addition to seeking grant of sanction for prosecution of several officials of a Bank, CBI recommended initiating major penalty proceedings for gross misconduct against retired officials (under Pension Regulations) as well as serving officials.

Outcome

Departmental Inquiries were conducted in respect of various officials including 3 GMs who had already retired. Upon conclusion of the Inquiries, the Inquiry Authority held the charges against these 3 retired GMs as "Not proved". The DA dropped the charges against these officials. As the decision of the DA to drop the charges against these officials was not in line with the first stage advice tendered by the Commission, the DA should have referred the case to the Commission seeking its second stage advice. The action of the DA for not seeking second stage advice from Commission has been treated as a deviation by the Commission.

S.No.29

Charge

The credit facilities amounting to Rs. 25 crores was sanctioned by Zonal Level Credit Committee (ZLCC) of a Public Sector Bank for one of its borrowers. It was alleged that the concerned AGM had recommended sanctioning the credit facilities to the borrower despite the following : (i)

The account was Irregular/Special Mention Account (SMA) with another bank (ii) Pre-sanction inspection of collateral security was not done properly (iii) Certified copies of title deeds were not obtained from the office of the Registrar of Assurances (iv) Submission of unconditional compliance certificate without complying various terms and conditions of sanction and (v) End use of funds was not ensured.

Advice

The Commission advised initiation of major penalty proceedings against the AGM who had recommended the proposal to the Zonal Level Credit Committee.

Brief

The charges have been held as not proved in the inquiry and the DA has accepted the IOs report and had proposed to exonerate the concerned AGM. As the CVO was not in agreement with the recommendations of the DA, the case was referred to the Commission seeking second stage advice. The Commission observed that the IO's report is not in order as the IO has overlooked the non-compliance of laid down procedures as a routine practice. Commission observed that the CVO has brought out specific points of misconduct in his letter to the Commission which are worth the DA's consideration. Accordingly, the Commission advised imposition of major penalty in disagreement with recommendations of the DA.

Outcome

The IO held all the four charges as not proved. However, the DA has held two charges (out of the four) as proved and DA proposed and imposed minor penalty on the AGM as against major penalty advised by the Commission. The Commission decided to treat the case as a deviation from its advice and to include the same in the Annual Report of the Commission.

S.No.30

Charge

The charges against one Assistant Zonal Inspector (AZI) of Municipal Corporation of Delhi (MCD) and one Junior Engineer (JE) working in MCD, on deputation from Delhi Development Authority (DDA) were that they, along with other officials of MCD, failed to detect unauthorized construction and also failed to take required action against the property/ owner under various provisions of the DMC Act in one property at Delhi in the year 2002-03.

Advice

The Commission advised initiation of major penalty proceedings against the concerned JE and AZI in agreement with the recommendation of Disciplinary Authority, MCD, along with 4 other officials on 17.02.2004.

Brief

A civil suit was filed for stopping unauthorized construction in a building in 2003. Though the Court dismissed the case but it directed MCD to investigate the role of its officials in not booking the unauthorized construction and also for not taking action for its demolition. Accordingly, the matter was investigated by MCD and major penalty proceedings against six officials (1 EE, 2 AE, 2 JE & 1 AZI) and minor penalty proceedings against two officials (Head Clerks) were initiated. After the inquiry major penalty was imposed on four officials and two officials were exonerated by their respective Disciplinary Authorities in MCD and DDA. In the case of the JE, after considering the inquiry report which held the charges as not proved, the DA (in DDA) decided to exonerate the official. Similarly, the concerned AZI was also exonerated by MCD. In both the cases second stage advice of the Commission was not sought by the DDA and MCD before issuing the order for exoneration.

Outcome

The Disciplinary Authority (in DDA) exonerated the JE as the charges could not be proved as per the Inquiry Report and orders were issued in April, 2010 without seeking second stage advice of the Commission and without intimation to the Commission during last 8 years. The Disciplinary Authority (in MCD) also informed about exoneration of the concerned AZI in July 2013 without seeking second stage advice of the Commission. Being a violation of the procedure/guidelines regarding consultation with CVC, the same has been treated as a deviation from the Commission's advice.

S.No.31

Charge

The charges against one JE (C) working in MCD (on deputation from DDA) was that he, in connivance with other MCD staff, officials and the local police allowed unauthorized construction by a builder by converting residential property into commercial property in Radio Colony and Mukherjee Nagar in 2003. The investigation had revealed that the official had allowed the owners/ builders to carry out and complete unauthorized construction. He also failed to take any effective action to stop or demolish the unauthorized construction at the initial or ongoing stage and also failed to initiate action for sealing the unauthorized construction under section 345-A and for prosecution of the builder/owner under section 332/461 or 466-A of the DMC Act.

Advice

The Commission advised initiation of major penalty proceedings against concerned JE (C) along with 1 AE and 2 JEs in agreement with the recommendation of Disciplinary Authority in MCD vide its advice dated 03.08.2005.

Brief

A complaint regarding unauthorized construction by a builder by converting residential property into commercial property in Radio Colony and Mukherjee Nagar with the connivance of MCD Staff, AE, JEs and the local police was forwarded to MCD for investigation for submitting a report. Accordingly, the matter was investigated by MCD and in agreement with the DA, the Commission advised initiation of major penalty proceedings against JE (C) along with three other officers (1 AE and 2 JEs). MCD forwarded the case details to DDA for necessary action in August, 2005. But, DA (in DDA) issued charge sheet to the concerned officer in May, 2010, after a gap of about 5 years. Further, the DA after considering the inquiry report which held the charges as not proved, exonerated the officer from the charges vide Order dated 29.09.2011 without seeking second stage advice of the Commission.

Outcome

Disciplinary Authority (in DDA) exonerated the JE, as the charges could not be proved as per the Inquiry Report and orders were issued without seeking second stage advice of the Commission and no intimation was sent to the Commission in the last 7 years. Commission decided to seek reasons from DDA for issuing charge sheet after a gap of 5 years and for not seeking second stage advice of the Commission before issuing the exoneration order. Being a violation of the procedure/ guidelines the case has been treated as a deviation from the Commission's advice.

S.No.32

Charge

The charges against one JE working in MCD (on deputation from DDA) was that he along with other officials of MCD allowed unauthorized construction in various zones of MCD during 2003-2005. The investigation had revealed that the officials had allowed the owners/builders to carry out unauthorized construction in various properties in Karol Bagh Zone of MCD during the period from May2003 to September 2005. He failed to halt / demolish the unauthorized construction at the initial stage and also failed to initiate further action against the property/ owner under various provisions of DMC Act.

Advice

The Commission advised initiation of major penalty proceeding against the concerned JE and other officials of MCD in agreement with the MCD on 27.01.2010.

Brief

The case is related to various acts of omission and commission by MCD officials which had resulted in large scale unauthorized construction and commercialization in Karol Bagh Zone of MCD during the period from May 2003 to September 2005. The Commission had advised initiation of major penalty proceedings against 14 officials which included one JE (on deputation from DDA). DDA, vide their letter dated 27.04.2018 forwarded a copy of final order dated 21.06.2010, exonerating the official from the charges without consulting the Commission. Further, Commission sought reasons for not seeking second stage advice in this case and also to intimate officials responsible for the lapse.

Outcome

Disciplinary Authority (in DDA) exonerated the JE as the charges could not be proved as per the Inquiry Report and orders were issued without seeking second stage advice of the Commission and without intimation to the Commission in the last 8 years. Commission decided to seek reasons from DDA for not seeking second stage advice and non-intimation of the final orders along with identifying officials responsible for the lapse and fixing responsibility. This action has been a violation of the procedure of consultation with the Commission and has been treated as a deviation from the Commission's advice.

S.No.33

Charge

The charges against ADC (on deputation from a State Govt.) was that allotment made at the alternative site to the Tehbazari holders who were removed from Old Delhi Railway Station, was against the existing rules / norms and undue favour was extended to these three Tehbazari holders by the officials / officers of Land & Estate Department.

Advice

The Commission advised initiation of major penalty proceedings against the then ADC in agreement with the recommendation of MCD.

Brief

The detailed investigation into the matter revealed that the allotment made at alternative sites to the Tehbazari holders, who had been removed from Old Delhi Railway Station, was against the existing norms and undue favour was extended to three Tehbazari holders by the officials / officers of Land & Estate Department including the then ADC. After examining the case, the Commission, in agreement with MCD, advised initiation of major penalty proceedings against all the officers involved in the above irregularity. Subsequently, the ADC was repatriated to his parent organisation along with the records of the case. Several reminders were issued by CVO, SDMC seeking the status of disciplinary proceedings against the officer. SDMC had received a letter dated 08.08.2016 from the parent government of the official informing that he had been exonerated in the case as all his subordinate officials involved in the matter had already been exonerated. The officer had been exonerated without following the laid down procedure and the disciplinary authority had not sought second stage advice of the Commission before issuing the final order. It also appeared that a departmental inquiry had not been conducted to arrive at a logical conclusion in the matter.

Outcome

The above acts of the DA, in complete disregard to the laid down procedure and exonerating the charged officer facing charges of grave misconduct in complete violation of the mechanism for consultation with the CVC, has been treated as a deviation from the Commission's advice.

S.No.34

Charge

The charges against an SE in DDA were that he accepted and released payment for sub-standard work of red sand stone on the footpath, total negligence in supervision of work and providing undue financial benefit to the contractor.

Advice

The Commission advised initiation of major penalty proceedings against the SE in agreement with the recommendation of DA (DDA) on 15.04.1997.

Brief

The case has emanated on the basis of an inspection by VC, DDA in February 1995 which revealed poor workmanship in a work of road carpeting. VC, DDA advised concerned Chief Engineer to inspect and improve the workmanship in the construction of the road. The inspection report found various lapses on part of official involved in execution of the work. The Commission in agreement with the DA advised initiation of major penalty proceedings against the SE. DDA, vide a letter dated 27.04.2018 forwarded a copy of the final Order dated 21.08.2002, dropping all the charges against the SE without consulting the Commission. Further, the Commission sought reasons for not seeking second stage advice in this case and also to intimate names of responsible officials for this lapse.

Outcome

Disciplinary Authority (in DDA) decided to drop the charges against the SE considering the lapses as not being grave enough to warrant imposition of penalty, whereas the Departmental Inquiry had established one charge as partly proved. Final orders were issued without seeking the Commission's second stage advice; further, the Commission was not even informed of the action taken in last 16 years. Commission decided to seek reasons from DDA for not seeking second stage advice and non-intimation of the final orders as well as seeking fixing of responsibility for these lapses. This action has been treated as a deviation from the Commission's advice and included in the Annual Report of the Commission.

S.No.35

Charge

This case is the result of a CBI investigation. It has been alleged that a Deputy Manager of a Postal Printing Press (PPP) on deputation from Ministry of Urban Development, Directorate of Printing, allegedly misappropriated huge quantities of papers of different categories from the Postal Printing Press during the period from 1986 to 1992 by manipulating the Stock & Issue Register and Vouchers.

Advice

The Commission advised initiation of major penalty proceedings against the Deputy Manager, PPP in agreement with the recommendation of CBI and the Department of Posts.

Brief

CBI recommended initiation of regular departmental action for major penalty against Deputy Manager, PPP (on deputation from Ministry of Urban Development, Directorate of Printing) for alleged misappropriation of huge quantities of papers of different categories from the Postal Printing Press by manipulating the Stock & Issue Register and Vouchers. The Commission in agreement with the Department of Posts and CBI advised initiation of major penalty proceedings against all the officials involved. Further, the Department of Posts informed that departmental action had been initiated against ex. Dy. Manager, PPP on 29.10.1999. The Department of Posts forwarded a copy of the DAs Order dated 27.07.2007 exonerating the concerned official from all the charges without seeking Commission's second stage advice.

Outcome

The above act of the DA of complete disregard of the laid down procedure and exonerating the charged officer facing charges of grave misconduct has been treated as a deviation from the Commission's advice and included in the Annual Report.

S.No.36

Charge

Irregularities were committed by AAI officials in the award of work of providing comprehensive Ground Handling Services at two major Airports and other Airports to a private party. The allegations include altering tender specifications to benefit one company on stringent gross turnover criteria, non-cognizance of dues of about Rs. 100 crores, no financial commitment of lead partner, no prior approval of FIPB was taken before bidding, manipulation in submission of Bank Guarantee and non-eligibility of the lead partner, etc.

Advice

On 25.08.2011, Commission advised major penalty proceedings against one ED, two GMs and one AGM in AAI and further investigation on other issues.

Brief

Commission had received a complaint on 07.08.2010 on the above allegations and these were got investigated. On receipt of report on 14.01.2011, a further report was called for on 22.03.2011. On receipt of fresh report on 03.06.2011, the Commission considered the case and advised major penalty proceedings against 4 officials of AAI on 25.08.2011. The matter was also investigated by CBI and on receipt of their report, AAI proposed major penalty proceedings against 5 officials which was agreed to by Commission on 10.12.2012. The matter was taken to the Hon'ble High Court of Madras in 2010 and 2011 in two separate cases, the Court did not find the CBI allegations substantiated with respect to the contract irregularities. The matter was again referred to the Commission which advised continuation of disciplinary proceedings and advised seeking legal opinion on 16.01.2014. After response from AAI, Commission again reiterated its advice on 23.04.2014. The charge sheets to delinquent officials had already been issued on 10.01.2013.

Outcome

The Departmental Inquiry was conducted and second stage advice was sought from the Commission, proposing exoneration of the officials. The Commission agreeing with D.A., advised exoneration of one officer on 12.09.2018 and disagreeing with the D.A. advised imposition of major penalty on 5 officials on 20.07.2018 on the grounds that tender conditions were violated, because as per NIT conditions the credentials of the lead partner alone was to be evaluated, therefore the credentials of only the lead partner in the consortium / JV should have been considered for eligibility of the offer. However, this was not done, instead turnover figures for all 3 group companies were taken into consideration while considering the award of the tender. Moreover, dues from one firm were to be recovered which is a sister concern of one of the participating firms. Further, the JV agreement was back dated and bid was submitted by two parties. The agreement was signed by a party other than the leading partner, which was highly objectionable as legal enforcement of an ab initio void bid is not possible. This discrepancy was not pointed out by the AAI officials while granting financial concurrence. The DA did not agree with the advice of the Commission and exonerated all the 5 officials vide Order dated 08.10.2018. Commission has treated this as deviation from its second stage advice. The decision of the Disciplinary Authority to exonerate all the five officials against whom Commission had advised imposition of major penalty is a wilful act. The Commission therefore decided to include this case as deviation from its second stage advice in its Annual Report.

S.No.37

Charge

An officer of a State Government posted in NHAI on deputation during the period from 23.05.2011 to 07.09.12 and from 08.09.2012 to 13.08.2013 had allegedly committed gross misconduct with ulterior motive by not taking action as warranted in respect of court cases pertaining to a Project Implementation Unit located in his home State. The court cases of a private firm filed in the Hon'ble High Court of Kolkata were not properly attended to and counter affidavits were not submitted which was taken serious note of by the Hon'ble High Court, Kolkata.

Advice

On 24.07.2015, Commission had advised initiation of minor penalty proceedings against the said officer for lapses on his part.

Brief

The Hon'ble High Court have observed that NHAI had not taken any action in the cases for approximately 3 years either to file any affidavit or to get the stay orders vacated. Hon'ble High Court also directed CVC to inquire whether NHAI officers had any personal interest in ensuring that unconditional Bank Guarantee furnished by the contractor in favour of NHAI was not encashed causing huge financial loss to NHAI. The Commission ordered an inquiry into the matter on 4.04.2013. Vide OM dated 25.11.2014, the Commission further inquired about issue of recovery from the contractor which was furnished by NHAI on 14.05.2015. Commission advised minor penalty proceedings against 4 officials on 24.07.2015 and also advised appointing another Legal Counsel to represent all legal cases in future and further to inquire into the administrative failure of then CGM Kolkata and Chairman/NHAI to conduct a review of all the pending court cases.

Actions were taken by NHAI accordingly. A charge sheet was issued by PWD of the concerned State Government to one officer on 10.03.2017 and an inquiry was conducted.

Outcome

On receipt of inquiry report, the DA (of the State Government) noted the article of charge was not proved and exonerated the officer and dropped the departmental proceedings on account of non-substantiation of charge.

As per extant procedure, since first stage advice was given by Commission, the DA should have sought the Commission's advice before passing the final order. The action of the DA exonerating the officer was against the extant instructions and was a wilful disregard of the consultation mechanism with the Commission. Commission has, therefore, decided to treat this case as deviation from its advice.

S.No.38

Charge

CBI had registered a case on 30.03.2011 on an investigation of a complaint dated 17.03.2011 against a Superintending Engineer of Ministry of Road Transport & Highways (MoRT&H) (then CGM, NHAI) for alleged acquisition of assets disproportionate to his known sources of income. CBI had recommended sanction for prosecution as well as regular departmental action for major penalty proceedings against the officer vide its report dated March, 2012.

Advice

The Commission, vide its OM dated 08.08.2012, agreeing with the recommendations of CBI, advised MoRT&H to initiate action for major penalty under the provisions of CCS (Conduct) Rules, 1964 against the officer.

Brief

On the basis of a complaint dated 17.03.2011 against a Superintending Engineer of MoRT&H (the then CGM, NHAI) for alleged acquisition of assets disproportionate to his known sources of income, CBI had registered a case on 30.03.2011. The CBI report dated March, 2012 had recommended sanction for prosecution and regular departmental action for major penalty proceedings against him. The Ministry granted sanction for prosecution vide its Order dated 01.05.2012 and vide its letter dated 27.08.2013, declined to initiate departmental action against the said officer contending that a case on the same issue is under trial by CBI court. The Commission clarified vide its OM dated 24.03.2015 that departmental action should be initiated against the officer for not reporting assets under CCS (Conduct) Rules, 1964 and that the criminal case against the officer was a different charge. The Ministry maintained that CBI had not recommended departmental action, but CBI, vide its letter dated 24.11.2015 clarified that they had recommended regular departmental action for major penalty proceedings for possession of assets disproportionate and for non intimation of assets to the department. The Ministry accepted that the officer acquired immovable properties either in his own name or in the name of his family without intimating competent authority violating conduct rules vide its OM dated 08.04.2016. The Commission advised the Ministry to take disciplinary action against the officer vide its OM dated 07.06.2016, which was not done despite repeated reminders. Eventually, the Ministry, on 05.12.2017 intimated vide their OM dated 23.06.2016, that the explanation of the officer had been called for and that considering his reply dated 08.07.2016, and a show cause notice was issued to him on 13.10.2017 for violation of CCS (Conduct) Rules, 1964. After considering the reply of the officer and the decision of the CBI court exonerating the officer, the Ministry has stated that dragging the case further would cause humiliation and deprive him of promotion and proposed to close the case by issuing an advisory caution note to him.

Outcome

MoRT&H has delayed the departmental proceedings against the officer inordinately citing views of Ministry of Law and non-availability of records, despite agreeing with the Commission's advice that the officer has violated the CCS (Conduct) Rules, 1964 and proposed to close the case by issuing an advisory caution only. The action of the Disciplinary Authority for delaying the disciplinary proceedings against the officer and not taking any action on the misconduct is highly objectionable. Commission has, therefore, decided to treat this case as deviation from its advice.

S.No.39

Charge

Fraudulent withdrawal of money by the Programme In-charge from the accounts of Programme Study Centre (PSC) of Indira Gandhi National Open University at a state capital. Further, the said Programme In-charge also continued to function on the post and to operate bank account of PSC even after expiry of his term.

Advice

Commission vide OM dated 02.06.2006 advised initiation of minor penalty proceedings against the Regional Director of IGNOU for his failure to stop the misconduct on the part of the Programme In-charge.

Brief

Vigilance Cell of IGNOU received various complaints with respect to financial and administrative irregularities at a regional centre of IGNOU against the then Regional Director and Programme In-charge of the Programme Study Centre (PSC). CVO, IGNOU carried out investigation, which revealed that the Programme In-charge fraudulently withdrew Rs. 46,365/- by making payments in his own name instead of the name shown in the voucher sanctioned. Investigation also revealed that Regional Director, IGNOU failed to stop the Programme In-charge to continue functioning and operating the bank account of the Programme Study Centre beyond his term on 31.12.2004.

Outcome

The DA issued warning to the Regional Director, in variance to the first stage advice of the Commission. Commission, therefore, decided to treat this case as deviation from its advice.

S.No.40

Charge

Enforcement Officer, EPFO, Regional Office, Patna recommended coverage of contractor establishments without proper and thorough verification of records, as results of which EPF Numbers were allotted to those contractors on the basis of fake and forged papers.

Advice

The Commission at second stage, in disagreement with CVO and Disciplinary Authority, on 15.05.2018 advised imposition of suitable penalty of “cut in pension” against the Enforcement Officer.

Brief

Enforcement Officer while posted at a Regional Office during the year 2009-10 recommended coverage of contractor establishment without proper and thorough verification of records, inspite of categorical office order to confirm the genuineness of documents, employee contribution, etc. during pre-coverage and post coverage inspections. He submitted favourable reports in respect of three firms as a result of which EPF Code Number were allotted to these establishments on the basis of such fake /forged Work Orders and Labour License.

During the departmental proceedings, the IO held the charges as “Not Proved” against the Charged Officer. The Commission at second stage was of the view that the officer was supposed to verify the genuineness and content of the documents which were referred to him and advised imposition of suitable penalty of “cut in pension” against the Enforcement Officer.

Outcome

The DA did not implement the Commission’s advice and exonerated the Enforcement Officer by dropping the charges against him. This is a deviation from Commission’s advice and it is a case of non compliance with Commission’s advice.

S.No.41

Charge

While functioning at new Pension Cell of a Regional Office during the year 2003, the then APFC failed to exercise proper scrutiny of pension claims application for sanction of pension which resulted in fraudulent payment of pension to illegitimate beneficiaries and loss to the pension Fund.

Advice

The Commission at second stage advised imposition of suitable major penalty on the APFC in agreement with CVO and in disagreement with Disciplinary Authority.

Brief

The APFC was entrusted with the responsibility of checking 100% of claim forms with special attention towards age, service and salary. The APFC had failed to exercise scrutiny of pension claim application submitted in respect of one PF account for sanction of pension, which resulted in fraudulent payment of pension to the beneficiaries and loss to the pension Fund. During the departmental proceedings IO held the charges as "Not Proved". On the basis of records/ facts available, the Commission at second stage advised imposition of major penalty against him in view of the misconduct in scrutinizing of pension claim applications.

Outcome

The DA did not implement the Commission's advice and exonerated the then APFC by dropping the charges against him. Thus, there is deviation from the Commission's advice and it is a case of non-compliance with Commission's advice.

S.No.42

Charge

An Accounts Officer at a SRO allegedly abused official position and sanctioned amounts of Rs. 1,04,515/- and Rs. 1,10,388/- based on fraudulent claims against two PF Accounts without verifying basic details of the cases.

Advice

The Commission advised imposition of suitable major penalty against the Accounts officer on 29.01.2018 as second stage advice in view of the misconduct of sanction of fraudulent claims.

Brief

The Accounts Officer while passing the claim of Rs. 1,04,515/- failed to verify the basic details of the case and the claim was passed on the basis of a letter received for change of name of the member. In the second case, the Accounts Officer passed the fraudulent claim of Rs. 1,10,388/- without verifying the facts of the case. The Departmental Inquiry held the charges as "Not Proved" against the charged officer. The commission in its second stage advice, in disagreement with DA advised imposition of suitable major penalty against him after considering the records and facts of the case.

Outcome

The Disciplinary Authority did not implement the Commission's advice and exonerated the Accounts Officer by dropping the charges against him. Thus, there is deviation from Commission's advice and this is a case of non compliance with Commission's advice.

S.No.43

Charge

A Principal of a Delhi Government School had allegedly committed grave misconduct by giving admission to 79 students in Science stream in Class-XI in the academic session 2012-13 although their performance in the previous class were below the prescribed bench mark and they were not fulfilling the minimum eligibility criteria for admission as per guidelines issued by the Directorate of Education. Further, he did not cooperate with the Inquiry and did not provide all relevant records for scrutiny.

Advice

The Commission advised initiation of major penalty proceedings against the Principal in agreement with the recommendation of the Disciplinary Authority.

Brief

The case was initiated on the basis of an Education Department inspection report which had revealed that the Principal gave admissions to 79 students in Class-XI although their performance in the previous class was below the prescribed bench mark CGPA.

The Commission, in agreement with the DA, advised initiation of major penalty proceedings against the Principal in December, 2014. Even though charges were held as proved by the Inquiring Authority, the Competent Authority recommended issue of 'Government Displeasure'' to the Charged Officer and sought clarifications regarding the need of consultation with the Commission for obtaining second stage advice.

In June, 2017 it was pointed out to GNCTD that the second stage advice of the Commission and not that of UPSC is required before issue of final order since no statutory penalty was proposed to be imposed on the CO and the action proposed was at variance with Commission's first stage advice. It was also impressed upon GNCTD that "Government Displeasure" is not a statutory penalty and therefore, either penalty of ''cut in pension'' can be imposed or the CO can be exonerated.

In August, 2017, MHA issued final order exonerating the Principal of the two charges framed against him. DA neither obtained Commission's second stage advice which was mandatory as per extant rules, nor imposed any statutory penalty, even though charges were proved in the inquiry. It was noted that the exoneration of the CO has been ordered on the ground that he had not committed any grave misconduct where as in the Article of Charge it was alleged that he had committed grave misconduct which has been proved by the Inquiring Authority.

Outcome

The above acts of the disciplinary authority is a violation of the consultation mechanism laid down for seeking Commission's advice. It also constitutes deviation from the Commission's advice and as such the Commission has decided to include this case in its Annual Report.

S.No.44

Charge

Wrong imposition of 'Stop Marking' and cancellation of license by the officers of a regional office of Bureau of Indian Standards.

Advice

Commission advised initiation of major penalty proceedings against four officers including one Scientist-'F' and one Retired Scientist-'G'.

Brief

BIS received complaints alleging demand of bribe of Rs. 40,000/- by a Scientist-'D' at a Regional office of BIS. It was further alleged that when the demand of the Scientist–'D' was not met he discontinued the factory testing and drew two samples for independent testing at outside laboratory. It was further alleged that subsequently the licence of the complainant was cancelled on 16.02.2012 even though he submitted exhaustive explanation.

The Disciplinary Authority observed that the 'Stop Marking' and subsequent cancellation of a licence by the officers of BIS was not as per the prescribed procedure. The Disciplinary Authority further observed that though there was no evidence of illegal gratification being demanded but disciplinary proceedings had to be initiated against the officers for incorrect 'Stop Marking' and cancellation of licence.

After examining the matter on 09.12.2014, Commission advised CVO, BIS to initiate major penalty proceedings against four officers including two Scientists- 'D', one Scientist-'F' and one retired Scientist-'G'. In the meantime Scientist-F also superannuated on 31.05.2012, therefore, on 18.03.2015, CVO, BIS referred the cases of these two retired officers to Department of Consumer Affairs for initiation of departmental proceedings against them under Rule 9 of CCS (Pension) Rules 1972.

Subsequently, Department of Consumer Affairs on 23.11.2017 intimated that the Disciplinary Authority took a view that there was no reasonable ground for making the two retired officers undergo any major penalty proceedings. In the meantime the matter got barred by time limitation.

Outcome

Commission advised initiation of major penalty proceedings against two retired officers of BIS. However, the Disciplinary Authority in Department of Consumer Affairs did not initiate departmental proceedings against these officers. Thus, the advice of the Commission was not implemented by Department of Consumer Affairs. Commission, has therefore, decided to include this case in its Annual Report as a case of non compliance of its advice.

II. Irregularity

In a high value and high priority procurement case of Railway Board, the Letter of Acceptance to the L-1 bidder was issued after 8 years of opening of bids. While commenting on the delay, the Railway Board stated that the equipment being procured was new to the Indian Railways and therefore required extensive testing in domestic conditions before placement of a large scale order. However, this explanation of Railways leads to the question as to how the large scale and high value procurement was initiated without proper testing in the first instance.

Facts

A proposal of Development Directorate/Railway Board for 'System of Online Monitoring of Rolling Stock (OMRS)' was approved by the Hon'ble Minister of Railways in year 2008. This proposal was for procurement of 65 equipments of OMRS at a total cost of Rs. 250 Crore. The technology was meant for real-time monitoring of any defect in the axle-box bearings of a running train. Since the non-identification of any bearing defect in time can result into bearing failure and train accidents, the technology was of immense significance for preventing train accidents.

A global tender for 25 equipments was floated on 18.08.2008. The bids were opened on 08.10.2008. Two firms had participated in the tender. After obtaining clarifications from both the firms, Executive Director, RDSO submitted the final evaluation and found both the firms as technically suitable. However, the Letter of Acceptance to the L-1 bidder was issued as late as on 24.10.2016, i.e. 8 years after of opening of bids. The delay was despite the fact that the project was being monitored at the highest level in Railway Board and the Railway Board/Member Rolling Stock was the Tender Accepting Authority in this case.

Subsequently, it was stated by the Railways that RDSO was conducting tests of the pilot project till 2010-11. Moreover, due to the progressive electrification of the Indian Railways' network, the need was felt for testing the equipment under electrified territory to ensure that the high voltage of overhead electrification does not interfere with the performance of the equipment associated with the system. The testing in electrified territory was done during 2013-2014. Therefore, initiation of bulk procurement in year 2008, long before the proper testing of the pilot system, was an unwarranted act involving high financial risk.

Effect of the Delay

As highlighted by Hon'ble Minister of State for Railways, the delay cost the Railways an excess expenditure to the extent of Rs. 21 crores (approximately) on account of the exchange rate fluctuations itself. The L-1 bidder had quoted in Australian Dollars, which appreciated during the period of delay.

However, the more serious repercussion of the delay was in the form of accidents caused due to failure of bearings during the period. The project was so important for Railways that Hon'ble Minister of Railways had announced it in the budget speech of 2008-09. Further, it was possible that in the meantime new and cheaper technology also could have been adopted.

The Commission noted that the Railways, while preparing the comparative statement of tenders, amended the tax/duty rates quoted by the bidder on the input materials/components as well, thereby increasing the ex-factory prices quoted by the bidder. Such amendment was irregular as the tax/duty on the input material, labour, etc was not the buyer's liability and the buyer was responsible for paying to the supplier only the tax/duties applicable on the finished/final product. This increase in taxes/duties resulted in extra expenditure by Railways.

III(a) Delay in investigating the misconduct for initiating disciplinary action

- In case of a complaint against CBDT officers for their alleged irregularities in the search assessment of a business group, Commission was pursuing CBDT for a report since 07.07.2017. However, despite several reminders and conveying subsequent observations of the Commission, CBDT could not conclude the matter logically in time. CBDT sought Commission's advice recommending no action against one of the officers who was on the verge of retirement. While advising initiation of major penalty proceedings against the retiring officer, the Commission conveyed its displeasure for inordinate delay in investigating the allegations levelled in the complaint on part of CBDT in this case.

- While examining a case, Commission observed that a misconduct was reported on 11.05.2016 and on 03.12.2017 against the DDIT and it was decided by CBDT to call for the officer's version of the matter. Commission noticed that though clear criminality was alleged in the report of Pr. DIT concerned dated 11.05.2016, CVO, CBDT took 1½ years to get the officer's reply by issuing repeated reminders and sought first stage advise of the Commission in August, 2018. Commission viewed that such delay of 1½ years was avoidable. If the officer did not submit his reply in time in such cases, Department should have at best sent one reminder to the officer and finalized the matter within a fixed time frame. Therefore, Commission advised the Member (Admin.) and CVO, CBDT to review their procedures and ensure speedy conclusion of vigilance cases.

III(b) Deficient Vigilance Administration

- CBIC Vigilance conducted a surprise check on 23.07.2008 at Export Examination Unit of Jawaharlal Nehru Port where an Appraiser was found in possession of undeclared cash amounting to Rs. 15,000/- which was in excess of the permissible limit of Rs. 2000/-. During the course of investigation, the officer in his statement dated 29.07.2008 informed that his wife had started a business in an Investment company with his brother in the year 1997 and she had purchased a flat in the name of the same company in 1997. The Commission observed that CBIC Vigilance have neglected to consider these crucial issues despite documents and leads being available on record. The Commission noticed that the officer's wife was the Chairperson of a company which invested substantial amounts in a property, she conducted business in shares and securities of huge amounts not commensurate with her known sources of income, other relatives of the officer being shareholders and associates of this firm / business, yet no investigation had been conducted on the sources of the investments and activities of the company. The Commission observed that this was a very badly handled case and that CBIC chose to pursue trivial issues and sought Commission's first stage advice against the officer when he was on the verge of retirement. While advising initiation of major penalty proceedings against the officer, the Commission also advised the CBIC to take the issue regarding the sources and investment of the members of the officer's family and close relatives in the said private limited company; its activities for further detailed investigation, as apparently, there were grave doubts about the sources of these investments. The Commission also advised that in case if the department is unable to pursue the matter, they may get a case registered by CBI by providing all relevant details of the case to CBI.

- The CBIC sought Commission's first stage advice in case of an Assistant Commissioner in the month of August 2011. The Commission tendered its first stage advice on 29.08.2011 for initiation of major penalty proceedings against the officer. CBIC issued major penalty charge sheet to the officer on 05.05.2017. On asking to explain the reason for delay of more than five years in issuing charge sheet, CBIC explained that this matter was delayed initially due to non-availability of documents being sought by the officer for submission of his version which was finally recorded on 08.07.2013 and subsequently, the matter was delayed due to some clarifications sought by the Competent Authority. The Commission advised CVO, CBIC to adhere to the prescribed time-lines in concluding disciplinary proceedings cases and to fix responsibility for the delay in this case.

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Glimpses of activities held during Vigilance Awareness Week 2018 across the country

Glimpses of activities held during Vigilance Awareness Week 2018 across the country

CHAPTER – 5

CHIEF TECHNICAL EXAMINERS' ORGANISATION

I Background

5.1 The Chief Technical Examiners' Organisation (CTEO) was established in the year 1957 under the Ministry of Works, Housing and Supply, which was the predecessor of the present Ministry of Housing & Urban Affairs. The mandate of CTEO was to conduct technical audit of works undertake by the Central Public Works Department (CPWD), with the objective of achieving economy in expenditure and better technical and financial control.

5.2 The Santhanam Committee on prevention of corruption, while appreciating the contribution of CTEO, recommended strengthening it so as to make it more effective. It also recommended enlarging the jurisdiction of CTEO to cover construction works undertaken by other Ministries / Departments also and to place it under administrative control of the Central Vigilance Commission. On acceptance of these recommendations by the Government, CTEO was placed under the administrative control of the Commission in 1964.

5.3 The CTEO initially undertook intensive examination of selected civil and electrical construction works only. Subsequently, with the increasing expenditure on purchase of goods, services etc., CTEO began conducting intensive examination of supply and service contracts as well. At present, CTEO conducts intensive examinations of all contractual activities of the Central Government, Central Public Sector Undertakings, Public Sector Banks and other Central Government organizations. The scope of its examination includes execution of works, purchase of goods, hiring of services, etc. which are mainly funded by the Central Government.

5.4 At the apex level, the CTEO is headed by two Chief Technical Examiners (CTEs). One of them is responsible for examination of civil / horticulture related procurement cases. The other is responsible for all other types of procurement contracts viz., supply contracts, electrical / mechanical contracts, IT procurements, consultancy and service contracts, transport contracts etc. and related matters. The CTEs are assisted by a team of Technical Examiners (TEs), Assistant Technical Examiners (ATEs) and Junior Technical Examiners (JTEs).

5.5 The main functions of CTEO include conducting technical and financial scrutiny of various procurement cases of the different agencies, to advise the Commission on policy matters related to public procurement and matters referred to the Commission for its advice by the Ministries, Departments of the Government of India and other organisations within the jurisdiction of the Commission. As part of preventive vigilance and system improvement, CTEs / TEs participate in workshops and seminars on issues related to public procurement.

II Intensive Examination of Procurement Cases

5.6 Selection of procurement cases for intensive examination is primarily based on the Quarterly Progress Reports (QPRs) submitted by the Chief Vigilance Officers (CVOs) of various organisations, as also complaints received from various sources. Intensive examination is also done on the basis of the criticality, nature and the time and cost overrun involved in the procurement cases reported. The CVOs are required to furnish, every quarter, details pertaining to different type of procurement cases, completed or on going, with a contract value above the prescribed threshold values. As per extant instructions, the threshold values are Rs. 5 crore and above for civil and turnkey works, supply contracts, Public Private Partnerships, sale of scrap and land etc., Rs. 1 crore and above for electrical, mechanical works, maintenance and service contracts, manpower supply and consultancy contracts, Rs. 50 lakh and above for medical equipment, Rs. 10 lakh and above for horticulture works and four largest value contracts for supply of medicines. During 2018, 343 organisations submitted their QPRs. At times, intensive examination is also undertaken based on complaint alleging specific misconduct / irregularities.

5.7 During the year, CTEO undertook intensive examinations of 78 procurement cases, covering 56 organizations. The value of these procurement cases was over Rs. 18,157.49 crores, as summarised below:

Table 5.1
Intensive examinations conducted by CTEO during the year 2018

Organization	No. of Organisations	No. of Intensive Examinations
Government Departments	7	7
Banks/Insurance Companies & Financial Institutions	9	10
Public Sector Undertakings, Autonomous Bodies, etc.	40	61
Total	56	78

5.8 Some of the organizations where intensive examinations were undertaken during the year 2018, are Ministry of Home Affairs, Indian Railways, Delhi Jal Board (DJB), Ministry of Road Transport & Highways (MoRT&H), Delhi Development Authority (DDA), Prasar Bharati, Jawaharlal Nehru Port Trust, Directorate General of Married Accommodation Project (DG MAP), Indian Institute of Information Technology Design & Manufacturing (IITDM), Jabalpur, Airports Authority of India (AAI), RITES Ltd., IRCON International Ltd., Dedicated Freight Corridor Corporation of India Limited (DFCCIL), Delhi Metro Rail Corporation (DMRC), Engineers India Ltd. (EIL), North Delhi Municipal Corporation (NDMC), NLC (India) Ltd., State Bank of India (SBI), NBCC India Ltd., Central Bank of India, Canara Bank, Life Insurance Corporation of India, Bank of Baroda (BoB), Bharat Heavy Electricals

Ltd. (BHEL), NTPC Limited, Gail Gas Limited., Bharat Petroleum Corporation Ltd. (BPCL), Power Grid Corporation of India Ltd. (PGCIL), NHPC Limited, Western Coalfields Limited (WCL), Employees' State Insurance Corporation (ESIC), Steel Authority of India Limited (SAIL), etc.

5.9 On completion of intensive examination of the selected procurement case, the CTEO prepares the examination report. Deviations, if any, from the General Financial Rules, policies of Government of India, laid down guidelines of the Commission as well as of the procurement manual of the organisation are brought to the notice of the concerned procurement agency. In addition, issues related to transparency, efficiency, fair and equal treatment of bidders, overpayments, quality deficiencies, time and cost overruns, tax avoidance, etc. are included in the report. Some of the notable irregularities observed during the intensive examinations carried out during 2018 are at **Appendix VI**.

5.10 Examination reports are forwarded to the CVOs of the concerned organisation for obtaining comments from the officers, responsible for the lapses if any and recovery to be affected, improvements in system, etc. The Commission may, subsequently, refer appropriate cases involving suspected criminal culpability to CBI. Other cases of irregularities, with perceived vigilance angle, are referred to the CVO for detailed vigilance investigation and for fixing of responsibility. Seventeen such cases were referred to the CVOs during the year. Action taken on these observations resulted in a number of systemic improvements, besides punitive action against erring officials. Recovery of Rs. 65.24 crores was also made by various procuring agencies from the defaulting contractors after such deficiencies were pointed out. Some of the cases, which were referred to CVOs for detailed vigilance investigations during 2018 with the approval of the Commission, are listed at **Appendix VII**.

5.11 As a result of the observations made by CTEO in the course of the intensive examinations, a number of systemic improvements were initiated by respective organisations. These system improvements were on issues like Earnest Money Deposit, professional liability insurance, selection of consultants etc. Some of the significant systemic improvements are listed at **Appendix VIII**.

III CTE Type Intensive Examination by CVOs

5.12 The Commission decided that intensive examinations, similar to those being carried out by CTEO, be also carried out by the CVOs, in their respective organisations. CVOs carry out intensive examinations of some chosen procurement contracts, broadly representing spectrum of the core activities of the organisation and report the outcome to the Commission. As reported by the CVOs during the year, 131 organisations conducted 11815 inspections of contracts and major purchases / CTE type examinations, leading to recovery of Rs. 97.53 crores and 848 vigilance cases.

IV Examination of Vigilance Cases

5.13 While examining vigilance cases, various branches of the Commission, refer issues related to procurement / technical aspects to CTEO for inputs and advice as and when required. During the year, CTEO rendered advice in 388 vigilance / complaint cases referred to it.

V Additional works assigned by the Commission

5.14 During the year, the Commission nominated a Technical Examiner on a committee constituted under Section 8(1)(d) &11 of CVC Act 2003 to conduct Direct Inquiry in one case involving serious irregularities.

VI Important initiatives taken by the CTEO

5.15 In the year 2018, CTEO provided technical inputs to various organizations towards capacity building and sensitizing officials about various aspects of vigilance under the guidance of the Commission, in continuation of the efforts towards preventive vigilance. Topics such as tenders and contracting, estimation of rates, legal aspects in contracting, etc. were covered during training programs and seminars organised by various organisations during the year.

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Activities of CTEO during 2018

Activities held in the Central Vigilance Commission during Vigilance Awareness Week 2018

CHAPTER – 6

SUPERINTENDENCE OVER CENTRAL BUREAU OF INVESTIGATION

I Introduction

6.1 The Central Bureau of Investigation traces its origin to the Special Police Establishment (SPE) which was set up in 1941 by the Government of India. The functions of the SPE then were to investigate cases of bribery and corruption in transactions with the War & Supply Deptt. of India during World War II. Even after the end of the War, the need for a Central Government agency to investigate cases of bribery and corruption by Central Government employees was felt. The Delhi Special Police Establishment Act was therefore brought into force in 1946. This Act transferred the superintendence of the SPE to the Home Department and its functions were enlarged to cover all departments of the Govt. of India. The jurisdiction of the SPE extended to all the Union Territories and could be extended also to the States with the consent of the State Government concerned. The DSPE acquired its current name, Central Bureau of Investigation (CBI), through a Home Ministry resolution dated 1.4.1963.

6.2 As the CBI, over the years, established a reputation for impartiality and competence, demands were made on it to take up investigation of more cases of conventional crime such as murder, kidnapping, terrorist crimes, etc. Apart from this, the Supreme Court and the various High Courts of the country also started entrusting such cases for investigation to the CBI on petitions filed by aggrieved parties. Taking into account the fact that several cases falling under this category were being taken up for investigation by the CBI, it was found expedient to entrust such cases to the Branches having local jurisdiction. It was therefore decided in 1987 to constitute two investigation divisions in the CBI, namely, Anti-Corruption Division and Special Crimes Division with the latter dealing with cases of conventional crime, besides economic offences.

II Superintendence of CVC over CBI

6.3 The Honourable Supreme Court in its judgement dated 18.12.1997 in the Vineet Narain case envisaged greater autonomy and objectivity in the functioning of CBI. Pursuant to the judgement, the Central Vigilance Commission was statutorily mandated to superintend the work of CBI in respect of investigations conducted under the Prevention of Corruption Act.

6.4 As per Section 8(1) of the CVC Act, 2003, the functions and powers of the Commission shall be to:

(a) exercise superintendence over the functioning of the Delhi Special Police Establishment in so far as it relates to the investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988 or an offence with which a public servant specified in sub-section (2) may, under the Code of Criminal Procedure, 1973, be charged at the same trial;

(b) give directions to the Delhi Special Police Establishment for the purpose of discharging the responsibility entrusted to it under sub-section (1) of section 4 of the Delhi Special Police Establishment Act, 1946:

Provided that while exercising the powers of superintendence under clause (a) or giving directions under this clause, the Commission shall not exercise powers in such a manner so as to require the Delhi Special Police Establishment to investigate or dispose of any case in a particular manner;

(c) review the progress of investigations conducted by the Delhi Special Police Establishment into offences alleged to have been committed under the Prevention of Corruption Act, 1988 or the public servant may, under the Code of Criminal Procedure, 1973, be charged at the same trial.

6.5 Section 4 of Delhi Special Police Establishment Act, 1946 was also amended w.e.f. 01.09.2003, which inter-alia reads as follows:

"4. Superintendence and administration of Special Police Establishment. (1) The superintendence of the Delhi Special Police Establishment in so far as it relates to investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988 (49 of 1988), shall vest in the Commission. (2) Save as otherwise provided in sub-section (1), the superintendence of the said police establishment in all other matters shall vest in the Central Government."

6.6 The Commission exercises superintendence mainly through the following modes:

(i) Monthly review meetings with the Director, CBI wherein progress of cases under investigation/inquiry, reasons for delay, status of pending prosecution sanctions, etc., are discussed;

(ii) Forwarding of complaints for inquiry where deemed necessary;

(iii) Issuing directions for investigation and report in exercise of powers under Section 8(1)(d) of CVC Act, 2003;

(iv) Examining the reports of investigation into misconducts in cases against officers within the jurisdiction of the Commission for advising the Disciplinary Authorities for initiating disciplinary proceedings and/or grant of sanction for prosecution;

(v) Reviewing progress of sanctions for prosecutions pending with the concerned authorities for expediting decision on them;

(vi) Calling for reports/returns wherever necessary;

(vii) Monitoring complaints against officers of CBI;

(viii) Recommending officers for appointment to posts of the level of SP and above and also extension or curtailment of tenure of such officers as provided for under Section 26 of CVC Act, 2003; and

(ix) Recommending appointment to the post of Director of Prosecution under Section 4BA of DSPE Act, 1946.

III Registration, Investigation, Trial and Conviction

6.7 CBI sends monthly reports of its activities to the Commission about cases registered, their disposal and cases pending for trial. A gist of CBI activities during the year 2018 is given below:

(A) Registration of cases:

6.8 899 cases comprising 765 Regular Cases (RCs) and 134 Preliminary Enquiries (PEs) were registered during 2018 as compared to 1076 cases comprising 939 RCs and 137 PEs registered during 2017. Out of 899 cases registered in respect of various types of misconduct, 156 cases were registered for demand of bribe by public servants for showing official favours and 47cases were registered for possession of assets disproportionate to known source of income. Out of the 899 cases, 533 cases were registered in Anti-Corruption Division (ACD), 190 cases in Special Crime Division (SCD) and 176 cases in Economic Offences Division (EOD).

(B) Investigation:

6.9 During 2018, investigation was finalised in 611 RCs and 109 PEs. 1541 RCs and PEs were under investigation/enquiry at the end of the year 2018 as against 1365 RCs and PEs under investigation/enquiry at the end of 2017. 898 cases were pending for investigation for more than one year as on 31.12.2018.

(C) Trial and conviction (including non-PC Act cases):

6.10 During the year 2018, judgments were received in 850 court cases under trial as compared to 894 cases in 2017. Out of these 850 cases, 544 cases resulted in conviction, 233 in acquittal, 23 in discharge and 50 cases were disposed off for other reasons. The conviction rate during the year was 68% against 66.9% in 2017. At the end of the year 2018, 9255 Court cases were pending in various Courts.

IV Cases dealt with under P.C. Act during the Year 2018

6.11 A gist of cases dealt by the Central Bureau of Investigation under PC Act 1988 during the year 2018 is as under :

Table 6.1
Cases dealt under P.C. Act during 2018

Sl. No.	Particulars		Cases
1	**Registration**		**460**
	No. of Public Servants involved in these cases		867
	No. of Gazetted Officers involved in these cases		204
2	**Disposal from investigation**		**409**
	i)	Departmental Action as well as Prosecution	126
	ii)	Prosecution only	219
	iii)	Departmental Action only	20
	iv)	Such Action	3
	v)	Closed	36
	vi)	Otherwise disposed of	5
3(a)	**Disposal from Trial (Court Case wise)**		**611**
	(i)	Conviction	379 (62%)
	(ii)	Acquittal	183 (30%))
	(iii)	Discharge	18 (3%)
	(iv)	Otherwise disposed of	29 (5%)
3(b)	**Break up of No. of Public Servants and Private Persons involved in cases disposed off from trial**		**2589**
	(i)	Conviction	1206
	(ii)	Acquittal	860
	(iii)	Discharged	138
	(iv)	Otherwise disposed off	385
4	**Total No. of cases under investigation (as on 31.12.2018)**		**795**
5	**No. of pending Trials (Court Case wise)**		**6262**

6.12 The CBI is normally required to complete investigation of a registered case within one year. Completion of investigation would imply filing of charge sheets in courts wherever warranted, after receipt of sanction from the competent authority. The Commission has observed that there have been delays in completing investigations in certain cases. Some of the reasons for such delays include delay in investigation due to work overload, inadequacy of manpower, delay in obtaining responses to Letters Rogatory (LRs), verification of documents/ title deeds, etc., in disproportionate asset cases, delay in obtaining forensic reports from forensic laboratories and reports from other experts, delay in receipt of prosecution sanction from competent authorities, etc. Details of PC Act cases pending under investigation is at Table 6.2 .

Table 6.2
Pending PC Act cases under Investigation as on 31.12.2018

Length of pendency	As on 31.12.2018
Less than one year	310
More than one year but less than 2 years	275
More than two years but less than 3 years	136
More than three years but less than 5 years	54
More than 5 years	19
Total	**794**

Delays in disposal of cases under trial before Courts

6.13 The Commission is concerned about the slow progress of disposal of the large number of cases pending trial in different courts for long periods, at times for over twenty years. Such inordinate delays in investigation defeat the very purpose of efficient vigilance administration and are an impediment to the fight against corruption. It has also been noticed that at times the investigation completed and the CBI submits a report, the officer is retired and while prosecution is possible, departmental action may get barred by limitation. The Commission has been emphasising that effective measures are required to be taken to increase the disposal of pending PC Act cases under trial/appeals/revisions in order to effectively combat corruption. The pendency of these cases have been brought to the notice of the authorities concerned with a request for such appropriate action as are possible to expedite the finalisation of such cases. The Commission has also advised CBI to keep track of retirements and limitations in the matter of initiation of disciplinary proceedings in respect of cases under investigation. Details of PC Act cases pending under trial, appeal and revision are at Tables 6.3. and 6.4.

Table 6.3
PC Act cases pending Trial

Length of pendency	As on 31.12.2018
Less than 3 years	1525
More than 3 years and upto 5 years	1250
More than 5 years and upto 10 years	1847
More than 10 years and upto 20 years	1465
More than 20 years	175
Total	**6262**

Pendency of trials for long periods is a matter of grave concern. The Commission has brought such long pendencies to the notice of various authorities. There is a need to create more courts to complete the trials in a reasonable time-frame.

Table 6.4
Appeals and Revisions pending in PC Act cases in various courts as on 31.12.2018

	Additional Session Court		Session Court		High Court		Supreme Court		Total
	CBI	Accused	CBI	Accused	CBI	Accused	CBI	Accused	
Appeal	2	0	5	4	530	8807	72	180	9600
Revision	0	1	0	1	254	806	32	17	1111
Total	**2**	**1**	**5**	**5**	**784**	**9613**	**104**	**197**	**10711**

Age wise analysis of pending Appeals and Revisions

Age	Appeals	Revisions	Total
Less than 2 years	2736	589	3325
More than 2 but less than 5 years	2309	320	2629
More than 5 but less than 10years	2962	147	3109
More than 10 but less than 15 years	1196	44	1240
More than 15 but less than 20 years	282	7	289
>20 years	115	4	119
Total	**9600**	**1111**	**10711**

(figures are as furnished by CBI)

V Previous Sanction for Prosecution against Central Government Employees

6.14 Section 19 of the Prevention of Corruption (Amendment) Act, 2018 lays down that no court shall take cognizance of an offence punishable under Sections 7,11,13 and 15 alleged to have been committed by a Public Servant, who is employed or as the case may be, was at the time of commission of the alleged offence, employed in connection with the affairs of the Union/State, except with the previous sanction of the authority competent to remove him from his office. The amended provision also provides that no request can be made, by a person other than a police officer or an officer of an investigation agency or other law enforcement authority, to the appropriate Government or competent authority, as the case may be, for the previous sanction of such Government or authority for taking cognisance by the court of any of the offences specified, unless – (i) such person has filed a complaint in a competent court about the alleged offences for which the public servant is sought to be prosecuted; and (ii) the court has not dismissed the complaint under Section 203 of the CrPC and directed the complainant to obtain the sanction for prosecution against the public servant for further proceeding. It has been provided further that in the case of request from the person other than a police officer or an officer of an investigation agency or other law enforcement authority, the appropriate Government or competent authority shall not accord sanction to prosecute a public servant without providing an opportunity of being heard to the concerned public servant. On receipt of a request for grant of previous sanction for prosecution under Section 19 of Prevention of Corruption Act, 1988 from the CBI or other investigating agency and while processing such requests, all the Ministries/ Departments / Organisations need to take decisions expeditiously and in accordance with the guidelines issued by the Commission vide Circular No. 005/VGL/11 dated 12.05.2005, 28.03.2012 and 25.05.2015. The amended PC Act also stipulates that the appropriate Government or any competent authority shall, after the receipt of the proposal requiring sanction for prosecution of a public servant, endeavour to convey the decision on such proposal within a period of 3 months from the date of its receipt and in case where, for the purpose of grant of sanction of prosecution, legal consultation is required, the period may be extended for a further one month for reasons to be recorded in writing. The Commission in terms of its powers and functions under Section 8(1)(f) of the CVC Act, 2003 issued directions that all administrative authorities should scrupulously follow the guidelines while considering and deciding requests for sanction for prosecution.

6.15 The Commission reviews the progress of cases pending for sanction of prosecution with various organisations, under the PC Act, 1988. CBI reported that at the end of the year 2018, 129 cases were pending for grant of sanction for prosecution under PC Act, 1988. However, only 125 cases were pending for prosecution sanction as 4 cases were common to more than one Ministry/State Government, etc. In these 125 cases pending with Central/State Government and other Departments/Authorities, 268 separate requests had been made for prosecution sanction during the year 2018 as some of the cases involved more than one accused. The Ministry wise PC Act cases pending for prosecution sanction as on 31.12.2018 and number of PC Act cases pending for sanction for prosecution for more than 3 months as on 31.12.2018 are given below in Table 6.5.

Table 6.5
Ministry-wise PC Act Cases Pending for Prosecution Sanction as on 31.12.2018

Ministry	Cases	Officers involved	Pending for more than three months as on 31.12.2018	
			Cases	Officers involved
Ministry of Commerce and Industry	1	1	1	1
Ministry of Finance (Department of Revenue)	2	2	-	-

Ministry	Cases	Officers involved	Pending for more than three months as on 31.12.2018	
			Cases	Officers involved
Ministry of Chemicals and Fertilizers	1	1	-	-
Ministry of Civil Aviation	1	1	-	-
Ministry of Coal & Mines	1	3	-	-
Ministry of Communications (Department of Posts)	6	10	2	3
Ministry of Consumer Affairs and Public Distribution	1	1	-	-
Ministry of Defence	3	8	3	6
Ministry of Finance (Department of Financial Services)	40	112	7	24
Ministry of Finance (Customs and Central Excise)	10	10	5	5
Ministry of Finance (Income Tax)	1	2	-	-
Ministry of Food and Supply	2	2	1	1
Ministry of Health & Family Welfare	2	2	1	1
Ministry of Human Resource Development	3	4	-	-
Ministry of Industry	1	2	-	-
Ministry of Information & Broadcasting	1	2	1	2
Ministry of Labour & Employment	2	3	-	-
Ministry of Personnel, Public Grievances and Pensions	5	5	3	3
Ministry of Petroleum and Natural Gas	2	2	-	-
Ministry of Power	1	1	-	-
Ministry of Railways	9	17	1	4
Ministry of Urban Development & Poverty Alleviation	2	5	1	4
Union Territories	5	21	4	15

Ministry	Cases	Officers involved	Pending for more than three months as on 31.12.2018	
			Cases	Officers involved
Government of Andhra Pradesh	2	2	1	1
Government of Bihar	3	4	1	1
Government of Chhatisgarh	1	4	1	4
Government of Delhi	4	4	1	1
Government of Himachal Pradesh	1	1	1	1
Government of Jammu and Kashmir	1	1	1	1
Government of Punjab	1	1	-	-
Government of Tamil Nadu	1	2	-	-
Government of Uttar Pradesh	13	32	8	12
Total	**129**	**268**	**44**	**90**

6.16 The Commission regularly follows up the cases pending for sanction of prosecution pertaining to the Central Government Departments and its organisations. These details are also placed on the website of the Commission and updated every month. In respect of sanctions for prosecutions to be given by State Governments, the Commission does not exercise jurisdiction over the officers. However, in pursuance of Section 8(1)(f) of the CVC Act, 2003 which mandates the Commission to review the progress of applications pending with the competent authorities for sanction of prosecution under the Prevention of Corruption Act, 1988, and guidelines of the Honourable Supreme Court in this regard, the Commission has been taking up the matter with competent authorities in the concerned State Governments at the highest level for expediting decision on requests for sanction of prosecution pending with them. The Commission has also emphasised on the need for the competent authorities to decide upon the grant or denial of prosecution sanction by issue of valid speaking orders. In cases of difference in opinion between the competent authorities in the Ministries/Departments/Organisations and CBI/other investigating agencies, where the latter have after investigation sought sanction for prosecution of public servants, the Commission resolves such matters of difference of opinion with CBI/Investigating agencies on the basis of available documents/materials and tentative views of the competent authorities of the concerned Ministries/Departments/Organisations, as indicated vide Commission's Circular No.05/03/15 dated 16.04.2015.

VI Complaints referred by Commission to CBI

6.17 The status of the complaints referred by the Commission to CBI for investigation and report under Section 8(1)(d) of CVC Act, 2003 is indicated in Table 6.6.

Table 6.6
Complaints sent by the Commission to CBI and their disposal

Complaints forwarded by CVC for verification/ investigation/ Enquiry	MODE OF DISPOSAL				
	No. of complaints resulting into RC	No. of complaints resulting into PE	No. of complaints ending in recommendation of RDA/such action deemed fit and SCN sent to Department	No. of complaints closed	Complaints under verification
15	6	2	-	5	2

With effect from 26.07.2018, the Prevention of Corruption Act, 1988 has been amended. Newly introduced Section 17-A lays down that no police officer shall conduct any enquiry or inquiry or investigation into any offence alleged to have been committed by a public servant under this Act, where the alleged offence is relatable to any recommendation made or decision taken by such public servant in discharge of his official functions or duties, without the previous approval of the competent authority. Under Section 8(1) (d) of CVC Act, 2003, the Commission has power to inquire or cause an inquiry or investigation to be made into any complaint against any official under its jurisdiction wherein an offence under PC Act is alleged to have been committed. However, there is no exemption from the operation of Section 17-A of PC Act (of previous approval) in respect of cases referred by the Commission under Section 8 of CVC Act leading to the decision/ order of the Commission being subjected to further consideration by the competent authority under Section 17-A of PC Act. This apart from leading to an anomalous situation of Commission's orders being reviewed by a lower authority also leads to delays.

VII Review of pending cases against officers of CBI

6.18 The Commission regularly reviews cases pending against CBI officers. Pendency of cases against CBI officers reflects on the reputation and image of the country's premier investigation agency. As on 31.12.2018, 45 departmental cases against Group A officers and 29 cases against Group B and C officials were pending at various stages against CBI personnel. Details are indicated in Table 6.7.

Table 6.7
Departmental action against CBI personnel

Group A

Total pending	Less than 1 year	Between 1 year to 2 years	Between 2 years to 3 years	Between 3 years to 4 years	More than 4 years
45	06	10	09	03	17

Breakup of the total pending cases are:

(i)	Inquiry in progress	24
(ii)	Pending with DA (DoPT) for decision	04
(iii)	Pending with DA (DoPT) for appointment of IO/PO	17
	Total	**45**

Group B and C

Total pending	Less than 1 year	Between 1 year to 2 years	Between 2 years to 3 years	Between 3 years to 4 years	More than 4 years
29	05	03	02	02	17

Break-up of the total pending cases are:

(i)	Cases pending with competent authority for decision on Inquiry report	05
(ii)	Inquiry in progress	16
(iii)	Pending at initial stage	8
	Total	**29**

VIII Manpower

6.19 The total sanctioned strength of CBI as on 31.12.2018 was 7274 against which 5962 officials were in position with 1312 posts lying vacant. The vacancy position is given in Table 6.8.

Table 6.8
Overall vacancy position of CBI as on 31.12.2018

Designation of posts	Sanctioned Strength	Actual Strength	Vacancy
Executive Ranks	5000	4191	809
Law Officers	370	255	115
Technical Officers	162	70	92
Ministerial Staff	1672	1411	261
Canteen Posts	70	35	35
Grand Total	**7274**	**5962**	**1312**

IX Monthly review meetings with Director, CBI and review of specific cases

6.20 The Commission holds review meetings with the Director, CBI every month wherein progress and pendency of PC Act cases under investigation and PC Act cases under trial are reviewed. The reasons for delay in investigations/inquiry are reviewed and likely dates for completion of investigation/inquiry ascertained. Sanction for prosecution requests pending under PC Act for decision of competent authorities are reviewed and the Commission pursues the matter with concerned authorities for disposal of pending requests within 90 days in accordance with the directions of the Supreme Court.

6.21 Other issues of mutual concern are also discussed during the monthly review meetings for exchange of ideas and finding solutions to clear bottlenecks observed in the course of investigation/inquiry. Details of certain pending cases which are specifically included in the agenda are also discussed. In addition, the Commission invites the officers at the level of Joint Director or such other officer to discuss specific cases wherein the Commission, on examination of the reports of CBI, identifies certain shortcomings or advises that further investigation be conducted.

X Appointment for certain posts in CBI

6.22 Section 26 of CVC Act, 2003 read with Section 4C of Delhi Special Police Establishment Act, 1946 provides for a Committee under the Chairmanship of the Central Vigilance Commissioner with the Vigilance Commissioners, Secretary (MHA) in the Government of India and Secretary (Personnel) in the Government of India as Members, after consulting the Director CBI to recommend officers for appointment to the posts of the level of Superintendent of Police and above and also recommend the extension or curtailment of the tenure of such officers in the Delhi Special Police Establishment. The aforesaid Selection Committee met four times in the year 2018 and made their recommendations to the Central Government in respect of 6 officers for appointment to the post of Joint Director, 2 officers for appointment to the post of DIG and 11 officers for induction as SPs. The Committee also considered proposals in respect of 13 officers for extension of tenure and 4 officers for repatriation/curtailment of tenure in various ranks during the year.

6.23 The Government forwarded a complaint dated 24.8.18 to the Central Vigilance Commission on 31.8.2018 containing certain serious allegations against the then Director, CBI for urgent appropriate action. After seeking confirmation of the complaint from the complainant, in order to verify the allegations in the said complaint, the Commission under Section 11 of CVC Act had asked the then DCBI to produce the records. However, CBI did not produce the desired documents till 23.10.2018 despite several reminders.

The Commission examined the issues arising out of the complaint and keeping in view the non compliance in the matter of the production of the records and the further developments in the CBI, it came to a conclusion that the Director, CBI has not been cooperating with the Commission in making available the records/files sought by the Commission relating to certain serious allegations. The Commission came to the conclusion that non-cooperation with the Commission, non compliance with the directions of the Commission and wilful obstruction of the working of the Commission by the Director, CBI is established.

The Commission has also noted that an environment of faction feud has reached its peak in CBI, leading to potential loss of reputation/credibility of the organisation, grave allegations of corruption by senior officers of CBI against one another got widely reported in the media has vitiated official environment and the working environment in the organisation. The Commission after serious and due deliberations, in exercise of powers under Section 8(1)(a) of the CVC Act and 4(1) of DSPE Act which empowered the Commission to exercise superintendence over the working of the DSPE in so far as it relates to the investigation of offences alleged to have been committed under PC Act 1988, pending the process of inquiry into every issue arising out of the complaint, directed that then Director CBI be divested of and shall not exercise any function, power, duties and supervisory role in respect of the cases already registered and/or being inquired/enquired/investigated under the provision of the PC Act 1988, till the interim measure is varied, modified, vacated.

The Commission took note of the fact that the feud between the Director and the Special Director has been widely reported in the media having impact on the reputation and functioning of the CBI and that certain investigations have been initiated by the CBI in respect of its own Special Director which led to an embarrassing and awkward situation and directed that the Special Director be divested of and shall not exercise any function, power, duty and supervisory role in respect of cases.

The order of the Commission dated 23.10.2018 and another similar order passed by the Union of India divesting then Director CBI of powers, functions and duty and supervisory role in any manner as CBI Director were challenged by then Director in a Writ Petition WP(C) No. 1309/2018.

In an interim order dated 26.10.18, the Hon'ble Supreme Court directed that inquiry initiated on allegations made in the note/letter of the dated 24.8.18 shall be completed by the Central Vigilance Commission within a period of 2 weeks under the supervision of a retired judge of the Supreme Court Shri Justice A.K. Patnaik.

The Commission conducted the inquiry and submitted its report in sealed cover to the Hon'ble Court on 12.11.2018.

The Hon'ble Supreme Court vide order dated 08.01.2019 set aside the orders dated 23.10.2018 of the CVC and Union of India. Hon'ble Court further directed that the matter be considered by the Competent Committee under Sec. 4A(1) of the DSPE Act at the earliest and in any case within a week.

A copy of the report on the investigation conducted by the Commission as submitted to the Hon'ble Supreme Court was sent to the competent authority to be placed before the competent committee.

On a consideration of the recommendation of the Committee constituted under Section 4A(1) of the DSPE Act, the Government passed an order on transferring then Director from CBI.

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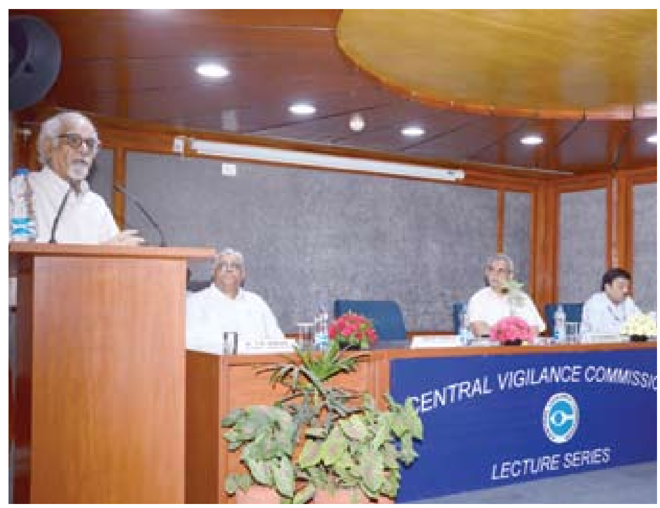
Lecture Series in the Commission



CHAPTER – 7

PREVENTIVE VIGILANCE AND SYSTEMIC IMPROVEMENTS

I Background

7.1 The Central Vigilance Commission as the apex integrity institution in the country has been tasked with exercising superintendence over the vigilance administration. The Commission has over the years been encouraging organisations to develop a sound preventive vigilance framework which would enable them to prevent and fight corruption by assessing the risk of corruption, to take steps to correct policies, procedures and systems and to strengthen internal controls to reduce and eliminate the scope for corruption.

7.2 The importance of preventive vigilance had been recognized in the report of the Santhanam Committee way back in 1964 which opined inter alia that "Corruption cannot be eliminated or even significantly reduced unless preventive measures are planned and implemented in a sustained and effective manner. Preventive action must include administrative, legal, social, economic and educative measures".

7.3 The Commission has felt the need to make a shift in its role, making it a more thinking, interactive and nurturing organisation. To achieve this objective, the Commission has placed emphasis on preventive vigilance for enabling higher levels of transparency, efficiency and citizen centric governance. Preventive Vigilance seeks to prevent occurrence of corruption through systemic improvements and structural remedies. It seeks to achieve corruption free governance proactively by proposing structural remedies that would minimize the possibility of corrupt practices.

II Identification of areas of vulnerabilities

7.4 Though potential areas of corruption are specific to organisations/ sectors there are some broad areas common to all organisations. The Commission has identified the following broad areas, where preventive vigilance may be helpful:

- Allocation of resources like rights, lease, licenses, loans etc,
- Public procurement and management of contracts,
- Auction/sale of Goods,
- Recruitment, hiring etc.,
- Delivery of public services,
- Social welfare schemes,
- Determination of tax liabilities,
- Misappropriation of public assets,

III Role of CVO in Preventive Vigilance

7.5 The Commission has worked towards taking forward the recommendations of the Santhanam Committee by emphasizing that the role of the Chief Vigilance Officers (CVOs) is predominantly preventive and therefore this aspect should get adequate attention of the CVOs. The Commission has also posited that preventive vigilance is a tool of management and good governance and sought the active involvement of the management in all its initiatives from systemic improvements to awareness generation. Some of the measures to be undertaken under preventive vigilance are:

- Identification of areas vulnerable to corruption for the purpose of organizing checks, streamlining procedures, etc.
- Identification of areas involving discretion, the exercise of which is not governed by guidelines. Guidelines should be put in place to minimize/remove the scope of discretion.
- Standardization of rules and procedures for elimination of discretion and minimizing human interface to reduce corruption.
- Identification and listing of sensitive posts and effective implementation of a job rotation policy.
- Unambiguous assignment of responsibilities at the different levels of employees in order to ensure accountability.
- Technology as an enabler for fighting corruption has been effectively demonstrated. E-procurements, E-payments, use of websites for dissemination of information and creating awareness, for granting approvals and for delivery of public services, use of CCTV in places of public dealing, use of appropriate analytical tools, computer assisted audit techniques for detecting frauds are examples of how technology strengthens the system of preventive vigilance. Their proper and effective implementation and periodic audit has to be ensured.
- Regular and routine inspections, surprise inspections, reviews, internal as well as statutory audits. Assessment of organisation's vulnerability / risk to corruption / fraud should be assessed with appropriate systemic improvements introduced. Action to be taken by management on audit observations to improve systems.
- Development of ability to detect misconduct within a short span of time of its occurrence. Low detection rate is a major cause of corruption.
- Deterrent measures: Minimize delays in disciplinary proceedings and prosecution and ensure imposition of penalties commensurate with misconducts. An effective system of punitive vigilance sends a message that deviant behaviour does not pay and as a result preventive vigilance gets strengthened.
- An effective Whistle Blower mechanism can also reduce the instances of corruption.

- Making vigilance mechanism more visible.
- Regular follow up and pursuing of cases lodged with the Police/CBI to take them to the logical end.
- Avoiding conflict of interest by enforcing disclosure of interest .
- Preparing and regularly updating the list of officers of doubtful integrity/Agreed List and ensuring that such officers are not posted in sensitive posts.
- Creating awareness among all stakeholders. Public officials should be made aware of their duties and responsibilities, code of conduct, rules and regulations through regular training and awareness programs. Common public should be made aware of their rights, the rules and regulations to enable them to resist unfair treatment and arbitrary behaviour by public officials
- CVOs to report steps taken/efforts in the direction of Preventive Vigilance, in particular with respect to systemic improvements etc. in their Annual Report.

IV Commission's Initiatives in Preventive Vigilance

7.6 The Central Vigilance Commission has proactively taken forward the agenda of preventive vigilance in the last three years. Some of the significant initiatives taken in this direction include:

(i) **Guidelines on Preventive Vigilance:** The Commission has included a chapter on preventive vigilance in the Vigilance Manual - 2017, for the guidance of organisations. The Commission's Annual Report to Parliament also reports in depth on preventive vigilance and the systemic improvements advised by the Commission during the year. It also highlights areas that require attention of the Government.

(ii) **Integrity Index:** The Integrity Index which is being developed as a tool of preventive vigilance with an objective to motivate the organisations to focus on and nurture higher levels of transparency and integrity of all their processes, leading to efficiency and citizen centric governance. The Commission has taken a considered view that the next level of systemic change can be brought through the tool of Integrity Index. It is envisaged as a tool to be used by organisations for self-assessment of their policies, procedures and compliances, to facilitate and help organisations to identify areas where they are doing well and areas where there is scope for improvement so that they may adopt suitable preventive measures.

(iii) **Training and Awareness:** The Commission believes that preventive vigilance is a continuous process and there should be a culture and environment developed in organisations to nurture it. Accordingly, the Commission has requested the service training institutes like LBASNA, NPA, NACIN, Railway Service Training Institute and others as also to the PSUs and Public Sector Banks to include a module on preventive vigilance in their induction training programmes for young officers. Similar capsule courses during the in-service and mid career training for middle level professionals also need to be developed. The Commission will work closely with all the organisations and PSEs/PSBs to develop the course content and facilitate identification of resources persons for such programmes.

(iv) **Dissemination of Good Practices:** For dissemination of good practices adopted by organisations in the area of preventive vigilance, the Commission has published three compilations in the form of booklets on preventive vigilance. The Commission also organized a workshop for spreading awareness about certain good initiatives taken by a few organisations. Senior officers (including 55 CVOs) from 82 organisations/ departments attended the workshop.

(v) **SOPs :** The Commission in coordination with select Government organisations, PSEs and PSBs intend to develop specific SOPs on all the identified key areas and disseminate the same to all the organisations for implementation of key processes as per the SOP to prevent discretion and to ensure that organisations function in a transparent manner.

(vi) **Portal for Better Interaction among CVOs:** The Commission is developing a portal for facilitating constructive interaction among the CVOs on the problems and solutions and sharing of best practices, to ensure effective preventive vigilance.

(vii) **Inculcating Ethical Behavior among Employees and the Public:** The Commission's VAW activities are a significant step for awareness generation among all stake holders, particularly the students and youth through outreach activities.

(viii) **Generating Awareness among young students:** The Commission has also taken up with the Ministry of Human Resource Development, the issue of developing suitable course content for school children so as to inculcate ethical values among school children while at the same time educating them about the adverse effects of corruption and how it impacts our everyday lives.

(ix) **Training, capacity building and skill upgradation:** The Commission has been administering training to the CVOs/ Dy. CVOs as well as management of the departments/ organisations through customized programmes conducted at reputed/ premier training academies. The skill upgradation component is delivered through an on line portal consisting of a question bank and a case study based module.

(x) **Review of Preventive Vigilance initiatives by Organisations:** During the Annual Sectoral Review meetings with the Ministries/Departments/Organisations, the Commission has been reviewing initiatives taken by various organisations for effective preventive vigilance. This is also reviewed through the CVOs Annual Report.

(xi) **Scrutiny of Audit Reports by CVOs:** The Commission has been reiterating that the audit reports (internal audit, statutory audit and C&AG audit) should be thoroughly examined by the CVOs to identify audit observations that have a vigilance angle so that timely action to prevent any misdeed may be taken. The Commission has insisted on detailed reports from CVOs in this area. The point has been included in the CVOs' Annual Reports. During the Annual Sectoral Review meetings the Commission reviews the status of scrutiny of audit reports with the CVOs.

(xii) **Study on Delay in Payments:** The Commission has noted that the issue of payments to contractors is a high risk area from vigilance point of view. Delay in payments is a widespread phenomenon. The Commission has advised all the CVOs to carry out study on the bills paid by the organisation and submit report to the Commission. The CVOs have been suggested various preventive measures in order to avoid delay in payments.

(xiii) **Continuous Revision of Manuals:** The Commission has been advising the CVOs to ensure that the organisations have prepared Manuals on important areas of their functioning such as purchase, contracts, procurements, recruitment etc. and that these are updated and conform to guidelines of CVC and their respective Ministries. In addition, the CVOs have been advised to identify which Manuals are needed and which are available in the organisation. The Commission has desired that these Manuals be placed on each organisation's website.

(xiv) **Continuous Revision of Processes:** The Commission has been advising the CVOs to carry out regular review of various processes and systems with a view to

(a) Dovetail the systems with the latest available technology, and

(b) Generate exception reports on the use of discretionary powers with the help of these systems.

(xv) **Asset Registers:** Given that the public sector organisations/departments own huge assets, there is a need to focus on asset management. The Commission has advised organisations to prepare Asset Registers in digital form after taking stock of all the assets.

(xvi) **Advising Organisations on various Significant Measures:** The Commission has been advising the management and CVOs to ensure:

- Standardization of processes in vulnerable areas for minimum discretion and better accountability
- Automation of processes and leveraging technology for
  - (a) More transparency in decision making process,
  - (b) Faster flow of information for better control and supervision,
  - (c) Making maximum information available to all stakeholders,
  - (d) Reducing public interface of public servants,
- Building systems and processes for optimum competition in public procurement,
- Making vigilance mechanism more visible,
- Prompt action against acts involving misconduct,

- Simplification of administrative procedures,
- Strengthening whistle-blowers,
- Public access to decision making process; respecting, promoting and protecting the freedom to seek, receive, publish and disseminate information concerning corruption.

(xvii) SMS/Quiz

V Systemic Improvements reported by various Organisations

7.7 Some of the systemic improvements implemented by some of the organisations within the jurisdiction of the CVC are as under :

Hindustan Petroleum Corporation Limited

- Development of Standard Operating Practices (SOP) for selection of vendors for limited tenders
- Auto-indenting of LPG Packed Cylinder introduced at select LPG Locations
- Improvements in the existing Terminal Automation System (TAS) of depots. These included provision of hourly recording of batch controller (flow meter) readings in system logs in addition to the existing recording of each event, to review TFMS-ROV (Tank Farm Management System- Remote Operated Valve) interlock logic at all Locations and to de-activate all redundant TAS Login IDs.
- Optimized Logistics Assistant (OLA) rolled out at POL & LPG locations for elimination of manual interference for Tank Truck planning activity and to implement attendance recording system with shift timings integration for monitoring of official working hours at the locations. The same has been further upgraded to Centralized Optimized Logistics Assistant (COLA) where TT planning is done centrally which further enhances transparency and efficiency of supply locations
- Necessary controls were made in ERP for applying correct transportation rates during shifting of tank trucks on the basis of permanent/ temporary shifting in line with the provisions of the Contract.
- Present system of addition of new trucks in ERP System by the officers at locations and access was restricted with Zonal Officers for better control.
- Smart Terminals to replace the manual operations involved in the whole process of tank truck loading and dispatch
- To ensure delivery of correct quantity of fuel to the customer, old pulsars have been replaced with the new pulsars, which cannot be opened even for repairing in case of a malfunction, and have to be replaced.
- HP Fast Lane system has been implemented for fully automated fuel dispensation to the customer without intervention of the delivery person at gas stations.

- Electro-Magnetic Locking with 3-layer security inbuilt in the tank trucks carrying petroleum products to customers/dealers.
- Online Crude-Procurement Portal to replace the system of obtaining technical and price bid for crude oil from global sources through e-mail/ facsimile messages and manual evaluation thereof. This has reduced lead time in contract finalization for crude supplies.
- Platform for reverse auction for global tenders to allow global bidders to submit quote in their respective currencies. The platform has been designed to carry out evaluation in INR, and reverse auction on global tender has been mapped as a continuous process, taking into account all global elements of cost (e.g. Freight, Customs Duty, Anti-dumping Duty, Insurance etc.), so that, reverse auction is conducted on landed cost. Bidders can concurrently view their reduced quoted value in their respective native currencies during reverse auction process. This results in quicker decision making and enhances competition among bidders.
- Online Product Return Credit Note (PRCN)

Corporation Bank

- Separation of roles in recommending and sanctioning of loans, especially high value loans

Oriental Insurance Company Ltd.

- Issue of E-Cover note to curb the malpractice of underwriting policies after accidents. Using this technology, issuance of backdated cover dates is completely eliminated. Date and time of accepting a risk are now system-driven.
- Biometric access control to computers

Indian Railways

- The complete freight operation on Indian Railways (IR) is captured through a single IT Application of IR – Freight Operations Information System (FOIS). The IT application helps railways monitor daily a fleet of more than 2,80,000 wagons, more than 4000 freight trains, 12,000+ locomotives and captures train running information from more than 8000 stations/boarding points. From placement/ capturing of customer's indents, allotment of rakes, information on supply of rakes to customer, calculation and collection of freight charges including rebates, taxes as well as issue of Railway Receipts etc is entirely captured through FOIS across the country.

Geological Survey of India

All Requisitions for vigilance clearance are being generated online with unique requisition ID. Vigilance Clearance is processed and issued online.

- All tours, LTC, Leave, Vehicle requisitions and submission of personal claims are processed online.

- Comprehensive end-to-end e-Procurement has been introduced in GSI.
- List of Registered Vendors is displayed in GSI portal and Vendors Registration Form is available in GSI portal

Gas Authority of India Limited

- Prohibition of ad hoc payment and proper handing/taking over of material
- Implementation of Bio-metric card based Access Control System for contract employees across GAIL
- Integration of Bill watch system and e-WPR system for generation of bill delay exception reports
- Capturing IP addresses and other data of bidders participating in e-tenders for detecting cartelization
- Launch of a web based claims monitoring and tracking mechanism for online implementation and monitoring of Amended Technology Upgradation Fund Scheme (A-TUFS), which provide funding support for technology up gradation in the weaving and apparel sector. This provides a transparent MIS platform to all stakeholders such as beneficiaries, banks and the Office of Textiles Commissioner for enabling smooth implementation of the scheme.

Central Board of Direct Taxes

- CBDT has devoted a chapter on service delivery and redressal of grievances in the Central Action Plan for 2018-19. It has been emphasized that redressal of grievances of the taxpayers remains a key area of commitment of the Department and that the substantial progress made in this area needs to be continued with increased emphasis. Timelines have been prescribed for disposal/resolution of grievances registered at different levels.
- CBDT has reduced interface between Tax Payers and Departmental Officials by use of
    - Technology for e-filing, e-assessment, e-appeal, e-nivaran
    - Centralized Processing of Returns at CPC Bengaluru
    - Refund Banker Scheme
    - Computer Assisted Selection for Scrutiny (CASS) – Inclusion of Limited Scrutiny for limited and clearly directed to issues.
    - Aayakar Sewa Kendras (ASK)
    - Call Centre Helpline
- CBDT has introduced faceless and nameless assessments and “except for search-

related assessments" scrutiny assessment cases shall be conducted only through the 'E-proceeding' functionality in Income Tax Business Application (ITBA)/e-filing. This is a preventive vigilance step to curb corruption and to promote "Digital India."

Ministry of Textiles

- End to end online processing of application to subsidy disbursed introduced except for the physical inspection part in A-TUFS.
- Online end to end monitoring system with enabling real time monitoring with bio-metric seeding of beneficiaries introduced in Integrated Skill Development Scheme (ISDS).
- Direct Benefit Transfer (DBT)/Public Financial Management System (PFMS) for schemes like National Handicrafts Development Programme and National Handloom Development Programme.

Bharat Heavy Electricals Limited

- 1540 vendors have been registered through Centralized Online Vendor Registration System during 2017-2018. 992 inactive vendors/ vendors who have not executed any job during the last 5 years were weeded out in order to keep the vendor directory updated.
- Online Vigilance Clearance System. During the year, Vigilance status was furnished in about 15500 cases through this system.
- Format for "Monthly Plan and Review", to avoid issues related to contractual disputes with contractors in deciding attributability of delays/ payment of Overrun Charges/ levying of Liquidated Damages, has been revised vide instruction dated 22.11.2018.
- Mandatory Open tender route to be followed in all cases of item/ material category having estimated enquiry value of Rs. One Crore or more provided the last purchase of same item/ material category was finalized against less than four techno-commercially qualified bids has been issued.
- Training programmes/workshops on Preventive Vigilance were conducted across the Units/ Regions. A session on preventive vigilance is being included in all the General Management Programme/Strategic Management Programmes/ Young Managers Programme organized by Corporate Learning & Development (CLD) department of BHEL. During the period, 119 training programmes/ workshops were conducted for about 2700 non-vigilance employees. In addition,
    - All Core training programmes for Executives such as Execution skills, YMP, GMP, SMP include inputs on preventive vigilance.
    - Induction Modules for Engineer/ Executive Trainees, Supervisor Trainees, Junior Executives, Artisans have sessions/ inputs on Preventive Vigilance.

- Winning together programme of three days designed on employee-ship concept of serving the organisation by inculcating the BHEL values. All E1-E3 (Young Executives) have been imparted the training in BHEL.

NMDC Limited

- Mine Transport Surveillance System (MTSS) has been implemented to monitor production and dispatches of iron ore in Kumaraswamy and Donimalai Projects.
- Online Vigilance Clearance System (OVCS) for executives below Board Level has been implemented.
- Standard Operating Procedure (SOP) for handling/Sale of Diamonds

Mangalore Refinery and Petrochemicals Limited

- Digitization of Land Records
- Implementation of biometric punching system for contract employees
- Single Mass Flow Meter for custody transfer of LPG to HPCL jointly certified by MRPL and HPCL representatives for avoiding mismatch in quantity supplied by MRPL and received by HPCL
- More than 500 vendors participated in a vendor meet conducted to resolve difficulties in doing business and for improving relationship

Cotton Corporation of India

- A Mobile App "Cott-Ally" has been introduced for providing the farmers information of MSP of different varieties of seed cotton state-wise, quality-wise, nearest purchase centre, real time payment status, news related to cotton, useful videos. Farmers can use it in regional languages, live chat on it and raise complaints.
- Timely reconciliation of all type of reconciliation, such as Bank reconciliation, customer's account reconciliation and reconciliation of the centres' records with the branch records.

Mumbai Port Trust

- Detailed guidelines for Estate Inspectors and Asstt. Estate Managers to maintain a diary / register to record the details of inspections carried out by them on day to day basis and get them checked every week by Estate Manager or his nominated officer.
- Web-based/ mobile-based 'e-platform system' for web based online form submission and online payment by the port users for various MbPT services. Top management can view various reports/status of the applications submitted for the services.
- Web-based/ mobile-based 'Feedback Management System'
- Mobile application 'MbPT e-seva' for Vigilance complaints/ Grievance redressal

- Implementation of RFID based Access Control System to monitor Entry / Exit of vehicles and Visitors at the Gates and to facilitate Gate Automation in the docks area.
- Digitisation of Land Management Records for quick accessibility.
- Implementation of Geographical Information System for various utilities and plots of Mumbai Port Trust.
- Implementation of Web/Mobile based Estate Management Operations

Airports Authority of India

- Introduced an improved version of Online No Objection Certificate Application System. It allows grant of online No Objection Certificate (NOC) for permissible height of any building/chimney/ flyover/ mast/tower and other infrastructure project around the Airport by using software to automatically calculate permissible heights.

North Delhi Municipal Corporation

- Online system for grant of the health license. It has reduced the requirement of documents for the renewal of health licenses. Under the revised process, the applicant is required to upload the documents on the NDMC website and the license is generally issued within a month after doing the requisite inspection related exercise. Once the inspection and other formalities are completed a message is sent to the applicant on their registered mobile number for depositing the license fee and once the fee is deposited the license certificate may be downloaded without visiting NDMC office.

Bharat Petroleum Corporation Limited

- For increasing vigilance awareness among various stake holders, continuous communication is maintained with all stake holders. During the year (Jan- Nov'18), 68 vigilance awareness sessions were conducted for Management Staff, 20 sessons for other than management staff and 24 sessions for contractors and their staff. In addition, 3 vendor workshops were held during the year with the participation of 120 vendors.

Indian Oil Corporation Ltd.

- Hosting of Dealers/Distributors Selection procedure and status of selection process for each location on web site
- Procurement of New DUs (Dispensing Units at the petrol pump) with high security / change of pulsar of all DUs with Potted Pulsars in order to remove the possibility of tampering of Dispensing Units and to curb manipulation in the volume delivered to the customer. All DUs procured prior to 2010 are being replaced with new generation DUs with additional security features, viz, Non Openable Pulsar, Self destructive Pulsar units (physically and electronically), Potted Pulsar, AES 128 bit encryption with OTP or dynamic PIN feature, OTP for authentication of intelligent card.

- OTP for calibration and Repairs of DUs- IOC has now introduced a system that in case one has to have an access at the pulsar unit, an OTP is generated with the Field Officer which is used for repairs and calibration of the DU. This restricts the access of unauthorized mechanics with the aim of removing the possibility of manipulation.
- Banking account linking of Proprieters/Partners for LPG/RO to curb benami operations of petrol pumps
- E-Locking/Geo Sensors for tank trucks for delivered MS/HSD supplies to curb manipulation in the locking system of tank trucks carrying supplies of petrol
- ePIC (e-Platform for Indian Oil Customers) for online complaint/grievance redressal system as well as a suggestion and appreciation portal for customers across all business verticals.
- Only Xsparsh/Through Automation/Web/SMS for online indenting by dealers
- Smart Terminals with little or no manual intervention, right from placement of indents to filling of tank lorry and preparation of invoice.
- Centralised Sales Modules for LPG (Indsoft) covering the entire gamut of LPG distribution activities. Indsoft enables LPG refill booking, payments against refills, issuance of new connections, monitoring of waiting lists for new connections, backlog of refill supplies, weekly remittances to the Corporation against payments accepted/ paid by distributors on Corporation's behalf for security amounts against equipments, equipment inventory status and also incorporates inspection of distributorships by LPG officials.
- Online modernization subsidy system integrated with SAP.
- 70% of total Retail Outlets have been automated to ensure remote monitoring of operations and to control malpractices
- ESS (Employee Self Service) portal covers the entire spectrum of employee interface with Management including employee records, medical issues, ticketing/travel, payroll records, payments, claims and leave etc.

Bank of Baroda

- Processing of vigilance clearance proposals for the purpose of retirement, resignation and VRS has been made completely online which reduces the Turn Around Time (TAT) drastically. Paper based vigilance clearances would take anything around 7 to 30 days which has now come down to barely 3 days.

Allahabad Bank

- Standardization of various formats of field visits/inspection and related activities in order to make the inspection and reports by branches and offices more comprehensive. A check list with respect to legal search reports and valuation has been provided to ascertain the basic / prima facie correctness of the reports of third party entities and also to minimize instances of fraud / irregularities.

- Digital Training Portal covering as many as 107 e-Lessons viz. due diligence in credit processing, EWS in retail credit, EWS-general guidelines, end use verification, stock & book-debt verification, preventive vigilance- case study & tips on credit related issues.

Central Coalfields Limited

- SOP for implementation of IT initiatives for surveillance, like Global Positioning System (GPS) based Vehicle Tracking System (VTS) and Radio Frequency Identification (RFID) based Weight Control System for all subsidiaries of Coal India Ltd.

Mahanadi Coalfields Limited

- Digitization of land records
- Web portal for maintaining records of all the assets of the company, their repair work details and their survey records. This also helps in hassle-free transfer of assets from one project to another as and when required.
- 3-D Terrestrial Laser Scanner in mine survey for high data acquisition rate, high accuracy and excellent spatial data density. Use of 3D TLS has led to fast, automatic and more accurate measurements of coal quantity with secure data capturing.

Central Public Works Department

- e-Measurement Book for enhancing transparency, better monitoring, reducing the scope for disputes, etc.

Power Grid Corporation of India Ltd

- System of orientation meetings at the site before start of actual execution in presence of Regional Vigilance Executives with all the stake holders i.e., Site in-charge including his team, representative from Regional F&A, Safety department and Contractor's Project Manager and his team to avoid irregularities and to bring efficiency in working by sensitizing the stakeholders regarding exact rules, procedures and best practices.
- App based cab booking by the employees

Union Bank of India

- Technology-driven Offsite Surveillance System to replace manual process of sending reports of offsite surveillance. Now entire procedure is operated through Vigilance Department dedicated portal "UNION VIGIL".
- Constitution of total 1671 Preventive Vigilance Committees at various Branches/ other offices of the Bank across the country with a view to educate the operating

staff to strictly follow the laid down procedures and Bank's guidelines, to discuss the loopholes in their respective work places and ways to plug the same.

- Circulating case studies on various frauds: An online knowledge series "Let's be Alert" was circulated on a daily basis wherein various case studies on different areas of banking from different organisations and the learning points thereon were provided in a simple and lucid manner for creating awareness amongst the staff members and field functionaries.

- Mandatory verification of Balance sheet submitted by the company with the one available with Ministry of Corporate Affairs (MCA) website. This will rule out the possibility of different balance sheet being submitted by the company.

- Two factor authentication (2FA) mechanisms for logging into Society for Worldwide Interbank Financial Telecommunication (SWIFT) alliance application

- Integrity Pact introduced in the Bank for all tenders involving amount of Rs.1.5 crores and above.

- Manual process of maintaining records of staff accountability at each level i.e. by RO / ZO / Credit Risk Deptt / Vigilance / ERD has now been centralized through a dedicated Staff Accountability portal.

National Aluminium Company Limited

- E-Learning Portal with 26 certification programs from different areas sponsored by different world class universities

Canara Bank

- Selection of concurrent auditors through online application without manual intervention on the basis of scoring matrix for giving weightage to various eligibility criteria, which may otherwise lead to subjectivity in assessment of different auditor firms

Central Mine Planning and Design Institute

- Real-time bill monitoring module (Online Bill Tracking System) for tracking status of bills from receipt to payment. The vendors can track status of their claims in real time. They can find out the department in CMDPIL in which the bill is pending and the reasons thereof.

Punjab National Bank

- Centralized Loan Processing Centres (CLPC) to ensure improved Turn Around Time (TAT), qualitative credit assessment, efficient monitoring and strict segregation of pre & post sanction roles and responsibilities in case of loans above Rs. 50 lakhs

- Capturing passport details of all borrowers in case of all accounts having exposure of Rs. 50 crore or more

Indian Overseas Bank

- Retail Automatic Processing (an online processing system) to process retail loans like vehicle loan, clean loan and housing loan using STP (Straight Through Processing) technology to integrate all loan processes such as KYC compliance, eligibility, sanction, disbursement and documentation. The programme is TAT (Turn Around Time) driven and hence ensures timely disposal of loan process and sanction. If TAT is not adhered to, the system will escalate the process to higher level.

Andhra Bank

- **Vigilance Excellence Award (Vigilance Appraisal of Zonal Offices):**

  Vigilance Department started a new methodology for ranking of Zonal Offices on Vigilance Compliance Parameters wherein Zones are being appraised based on 23 key parameters on Vigilance compliance and compliance to systems & procedures during a Financial Year.

  The parameters for assessing the performance of Zones on Vigilance Compliance include adherence to laid down Systems and Procedures, Mitigating Risks, Control Compliance, (Adherence to Delegated Authority) Risk Categorisation of Branches, initiation of timely Staff Accountability Study, Compliance, and Preventive Vigilance Inspection etc. Zonal Offices are being ranked basing on the data on Preventive Vigilance Measures and Vigilance Compliance submitted in the structured format.

- **Case Profile with Time-Chart:** The Bank introduced 'Case Profile' with time-chart for reviewing Impaired Asset Study (IAS) Reports, a sheet containing the details of dates of NPA, initiation of IAS, review of IAS at each level i.e at ZO, CO, HO as the case may be and clarifications sought and final note put up to CVO are recorded for each IAS Report (Staff Accountability Report). This enables ensuring timeline at each stage, quick follow up and an end to end completion of IAS Review. This also expedites end to end process in concluding Staff Accountability. Wherever delay is observed, explanation is called for from the concerned officials.

- **Online Test for employees on Vigilance:** Vigilance Department conducted Online Test for employees on Preventive Vigilance Measures. The questions are classified into three sections viz. Section A contains mandatory questions, Section B contains questions on banking and Section C has questions on vigilance & preventive measures. System picks up 30 questions on random basis for each participant. Total 4627 employees have taken the test.

- **Fraud Review Council (FRC) meetings** are being conducted every quarter to review the frauds taking place in the Bank and its modus operandi. The General Managers of concerned departments participate in the meeting. A timeline is fixed for quick redressal of the issues/matters.

- Legal Entity Identifier (LEI) system for large corporate borrowers – Implementation guidelines.

- Entry of security particulars and linking of the same to loan & advance accounts (Fund bases and Non-fund based) in Finacle.
- Early Warning Signals (EWS) project – Implementation guidelines.
- Entry of Foreign Currency Inward Remittance in Inward Remittance Maintenance (IRM) in Finacle.
- Revision of Policy on valuation of properties & empanelment of chartered engineers / Firms.
- Modified Guidelines for empanelment of Advocates
- Delegation of Powers & Credit monitoring Policy – Framing of guidelines on acceptance of vacant land / site/ plots as primary / collateral security.
- Credit Monitoring Policy -Introduction of Credit Audit.
- Credit Monitoring Policy – Indiscriminate Adhoc limits and excess drawals – System Control

Bank of India

- Taking the inspiration from CVC initiative of Analysis of Top 100 frauds in Banking, BOI, Vigilance Department, with assistance from seven staff training centers conducted study of different type of Internal and External frauds covering all segments (Agriculture, SME, C&IC, SIB, FOREX, Cyber) with detailed case studies and various preventive steps, and came out with a book on analysis of bank frauds titled **'A Quick Analysis on Bank Frauds'** in November, 2018.
- Credit Process Audit (CPA) formats (I&II) modified from generic (Yes/No) to descriptive on compliance (Board approved modified policy dated 11.10.2018);
- Transferee staff access to Finacle is blocked through HRMS automatically upon relieving till he reports at proposed branch through HRMS. This prohibits unauthorised access of the transferee officer to finacle during the intervening period.

Bank of Maharashtra

- Bank made it mandatory to obtain a certified copy of the title deed from sub registrar's office for comparing before disbursement of loans.
- It was advised by CVC that in respect of advances under consortium, each bank should go for pre sanction due diligence on its own and no bank should depend on the due diligence of the leader bank only. The advice has been implemented and condition incorporated in the Review and Lending Policy of the Bank.
- The system of cross checking of Balance Sheets of Corporate Borrowers from Ministry of Corporate Affairs (MCA) site has been implemented as per CVC guidelines.

- During the year 2018, Staff Training College / Information Technology Training Institute / Training Centre conducted various trainings wherein total 206 sessions were given on preventive vigilance and other related matters / lectures and 2896 staff members participated.

State Bank of India

- SOP has been issued for cheque related frauds (cloned cheques).
- Standard Operating Procedures in regard to detection and reporting of frauds have been issued in respect of fraud accounts of Rs. 50.00 crore and above.
- Suggestive Risk mitigation measures for gold loans have been enlisted in the Master Circular for the benefit of the operating staff.
- Web based Concurrent Audit System covering the higher band of business exposures prescribed by the regulators.
- Offsite Transaction Monitoring System (OTMS) to monitor exceptions observed in transactions.
- Web based Early Review of Sanctions, soon after sanction of loans in order to review the quality of loans of Rs. 50 lakh and above.
- Web based Risk Focused Internal Audit (RFIA) which is flexible, scalable and expandable with enhanced level of automation.
- Loan product based modules in RFIA, for audit of loans under different schemes/ products.
- Audit findings are made available on MIS dash board on T+1 basis, to facilitate identification of concerns and monitoring of compliance by Management.
- LOS (Loan Originating Software) implemented for specific loan products to ensure adherence to systems & procedures and is being extended to all major products.
- For creating awareness of KYC Compliance e-lessons have been mandatory for all staff members. Anti-Money Laundering/ Combating Financing of Terrorism (AML-CFT) Day is being observed on 02nd November every year. 1st August is observed as KYC Compliance and Fraud Prevention Day.
- Bank has procured a new Anti-Money Laundering solution (FICO) which is being rolled out in Domestic and Foreign branches and will enable Online Screening of transactions/SWIFT messages, Risk Scoring and Transaction Monitoring to fully comply with the regulatory requirements in India and respective geographies of Foreign Offices.

Vijaya Bank

- Incentives are given to the staff by way of reimbursement of course/examination fee in order to improve Certification in the areas of Treasury, Forex, Risk Management, Accounting and Credit Management.

Central Bank of India

- Bank has withdrawn the credit facilities under Merchant Trade Transactions.
- SOP for Letter of Credit transactions has been issued. Format for approval before opening of LC from Branch head is also introduced to have uniformity and control on the transactions.
- SOP for coordination among participating banks under consortium lending arrangement was issued.
- Issuance of manual bank guarantee discontinued. Opening of Letter of Credit/ issuance of Bank Guarantee has to be done by using Structured Financing Message System (SFMS) platform only.
- Valuation policy has been overhauled. Realizable value of security instead of Market value of security to be considered for taking credit decision. If newly purchased property is offered as security and registration date is less than two years, the registered value or latest government rate whichever is higher to be considered. In case value of property is more than Rs. 1.00 crore, two valuations are to be taken.
- Bank modified the existing Control Return format and incorporated date of Credit Information Bureau of India Limited (CIBIL) report, date of Due Diligence, date of inspection and Risk Rating etc. After scrutiny of control return, returning back the noted copy made mandatory to improve the credit quality.
- SWIFT messaging system is integrated with Core Banking Solution (CBS) system and all entries in SWIFT are now routed through CBS/ FX 24 platform.
- Retail Loans are being processed on the online processing module named "CLASS" Module. For improvement in existing CLASS module, new mandatory fields have been created for filling Pre-Inspection Report, CIBIL Score, Legal Search Report, Valuation Report, Risk Rating Report etc.

VI Strengthening Whistle Blower Mechanism

7.8 The Commission has been advising all the organisations/departments to chalk out a comprehensive policy to support Whistle Blowers in the organisation/departments and to develop technology based robust systems and SOPs for complaint-lodging so that confidence may be instilled in the minds of prospective whistle blowers.

Most of the organisations have reported that they have in place a well defined policy. Many organisations have reported that they have made active efforts for giving wide publicity to the whistle blower policy through their portals, capsules on induction training, corporate communications, interactions during field visits by top management etc.

In addition, there is a need to develop online portals that provide the whistle-blowers a platform to share critical information with the top management, without revealing identity. A few organisations, like CBDT, Geological Survey of India, Andhra Bank etc have reported that they have developed such portals for employees/staff.

Andhra Bank

The Bank has introduced **Online Complaint Registration Mechanism (OCRM) – Whistle Blower Portal** wherein an employee can lodge Whistle Blower Complaint online on any allegation of corruption or of misuse of office. Complaints are accessible to CVO only. On receipt of the complaint an alert is generated automatically and sent to CVO on his mobile/ email.

Bank has introduced **'Whistle Blower on SMS'** (in addition to OCRM) wherein an employee can lodge Whistle Blower Complaint by sending an SMS from his/her mobile to a designated virtual mobile number **Anytime 24/7, Anywhere & Anyplace (AAA)**. An employee can lodge compliant Anytime 24/7, Anywhere & Anyplace (AAA). Sender's Mobile Number is not captured by the system in order to protect the identity of the complainant. The contents of SMS will get posted into Online Complaint Registration Mechanism (OCRM) Portal and will be analysed/investigated on the basis of verifiable facts in the message by the CVO. The designated portal for handling of the complainant will be accessed by the Chief Vigilance Officer only.

Bank of Maharashtra

Whistle Blower portal started in Intranet for the employees to lodge complaint. There is provision in the system that identity of the concerned staff member will be disclosed only to CVO.

Bank of Baroda

Online Portal for lodgment of complaint under internal Whistle Blower Policy has been introduced. The complaint is accessible to the CVO only.

Union Bank of India

An online module is enabled on Bank's intranet to facilitate lodging of complaints under 'Whistle Blower' category online. The access rights to view the online complaints under 'Whistle Blower' category are restricted only to the designated authorities i.e. Chief Vigilance Officer / Chairman of Audit Committee of Board.

Vijaya Bank

An intranet portal has been developed to receive the complaints of the staff members under Whistle Blower Mechanism as per CVC guidelines.

Central Bank of India

Bank has an online Whistle Blower portal by the name "Cent Vigil" available in the staff circular site, where whistle blower can feed his complaint. The complaint is only visible to CVO.

VII Systemic Improvements Suggested by the Commission

MMTC Limited

- In the case of irregularities committed at MMTC, Jhandewalan in fabricating Sanchi Silverware, CVC vide OM dated 20.04.2018 advised implementation of systemic improvement suggested by CVO in respect of preparation of the policy/SoP on the issue of sale projection, level of inventory management, procedure for assessment of reasonability of price of L-1 bidder and procurement/fabrication of proprietary nature of items in MMTC. Accordingly, Precious Metals Division have developed the detailed SoP.

Bharat Petroleum Corporation Limited

- As a result of CTE intensive examination of civil and structural work for CCR/ NHT of Mumbai Refinery, the Commission advised some Systemic Improvements:
    - Approval for change in Bidder's Qualification Critaria (BQC) / Pre-Qualification Critaria (PQC) post publication of tender: Any change in the criteria for BQC/ PQC subsequent to publication of the tender would also require an approval from Strategic Business Unit (SBU)/ Entity head.
    - Changes in Commercial terms: No changes shall be made in the commercial terms including mobilization advance after placement of order.
    - Definition of similar works in PQ criteria: Definition of Similar works should be clearly defined in tender documents under PQ criteria in accordance with CVC's OM dated 17.12.2002.

Bharat Heavy Electricals Limited

- CVC vide O.M dated 16.01.2018 advised to issue a General Guideline to avoid incidents of excess payment in future to contractors in transportation contracts at BHEL Haridwar.

Indian Railways

- The Railway Board was advised to take immediate steps for streamlining the procedure for registration of vendors for supply of medicines and surgical equipment and to make it transparent and uniform across the Zones. The Commission noted that registration of vendors by the CMS Lucknow once in a two year period is not appropriate. In this case, a firm, which had been supplying medicines in the past, had submitted all the requisite licenses and documents (except a minor error in Affidavit), and offered the lowest rates, lost the opportunity to supply medicines for the next two years. The Commission advised that registration of suppliers should be a continuous process. The Railway Board may formulate a policy for registration of vendors keeping this aspect in mind.

The Commission also noted that CMS Lucknow had registered vendors for purchase of branded medicines despite the insistence of Government of India to prescribe generic medicines. Railway Board was advised to examine this aspect.

- The Commission advised Railway Board that in all cases where eligibility of bidders is to be decided on the basis of their financial/technical capability, experience, turnover etc., two-bid system (separate technical bid and financial bid) should be followed irrespective of value of tender. Also, the Commission advised that where specifications of offered items have to be ascertained from technical view point, two–bid system should be the default mode. Presently, Railway Board has been following the two-bid system in tenders valuing more than Rs. 10 crores.

- In a procurement case, the Commission noticed that the Tender Accepting Authority should have exercised due diligence before opting for negotiations. Facts which the TC learned after negotiations with the bidders should have been considered prior to negotiations. It is an unhealthy practice to commence negotiations that are unlikely to yield positive results. Negotiations should be done with proper benchmarking and determination of reserve prices, that too, in exceptional cases only.

- The Commission observed that the Railway Board Circular dated 21.04.2010 permitted collection/contributions for certain activities. The Commission noted that it is highly inappropriate and undesirable that contributions are collected from persons with whom the organisation/officers have official relationship, which is likely to create situations of conflict of interest. The Commission, therefore, advised Railway Board to examine the Circular dated 21.04.2010 and prohibit collections of such contributions even with approval of a higher authority.

- Railway Board Vigilance was advised to develop a mechanism to keep the complainants (whose complaints are forwarded to Railway Board for necessary action) informed of the status/progress of the complaints. At present there is no such system and the complainants repeatedly approach the Commission despite clear instructions from the Commission to pursue the Railway Board for status of the complaint.

- The Commission noted that any breach of First In First Out (FIFO) system in bill payment may have vigilance angle and that non-observance of FIFO is a serious issue. Railway Board was advised to address this issue suitably. The Commission also observed that expenditure above budget allocations leaves scope for harassment of the suppliers and renders the FIFO system opaque. Railway Board was advised to give utmost importance to the issue and to take swift remedial measures.

- Ministry of Railways was advised to devise a system that automatically allocates seats of reserved passengers who cancel tickets after chart preparation or who fail to board the train. A simple system may be that the TEE may be given some online application (or online device), wherein he/she can record non-reporting of a reserved passenger within stipulated time after the scheduled boarding; and the system can allocate the seat to the next eligible RAC/waitlisted passenger, duly sending SMS to the allottee passenger.
- The Commission advised Railway Board to issue directions to all the Zones to incorporate in NIT clear product specifications instead of mentioning specific make for ensuring fair competition.
- The Railway Board was advised to issue necessary directions to all the Zones to ensure that all necessary registers including hindrance register must be maintained at all the work sites.
- Railway Board was advised to issue necessary guidelines regarding provisions of making payment on the lump sum measurement basis and to consider issuance of instructions in form of SOP/guidelines for termination of contracts to reduce the discretion of field officers.

Central Board of Indirect Taxes and Customs

- In a case of smuggling of foreign currency worth more than Rs. 2 crores by two passengers in the year 2016, Directorate of Revenue Intelligence (DRI) investigation disclosed that the then Assistant Commissioner posted at an Airport was in contact during that time with a private person who was the mastermind behind this case and the officer was found actively involved in this case of attempted smuggling. The accused AC was arrested by DRI at the initial stage and made a co-noticee along with other private persons in the Show Cause Notice issued under Section 113 & 114 of Customs Act.

  Commission observed that CBIC had not referred the case to CBI even though prima-facie the accused AC abetted the offence of smuggling apparently for illegal pecuniary gains. The Commission, in a meeting held with CVO, CBIC and DG, DRI, advised CBIC to take systemic improvement measures by implementing proper guidelines / instructions regarding making reference to CBI for investigation under PC Act in case of misconduct of an officer / official regarding the Customs Act if this was brought out by CBIC's investigation agencies.
- While examining various complaints received in the Commission alleging differential treatment by the Customs Offices in the year 2016 in the matter of import of secondary / defective steel products, it was observed that a consignment of an importer firm 'A' was released by Customs without adjudication whereas in respect of another

consignment of importer firm ‘B’, the same Customs officers ordered adjudication of the identical imported goods. In this matter DGFT, vide its notification dated 05.02.2016, prescribed imposition of Minimum Import Price (MIP) on iron and steel falling under specific tariff headings without specifying whether goods covered therein were prime or secondary/ defective goods. However, DGFT, vide its Trade Notice No. 17/2016 dated 10.02.2016, has clarified the fact that the Customs department did not have the option of releasing the goods on loading of the value and hence, the goods would have to be adjudicated. This trade notice was available in the public domain. However, the Additional Commissioner concerned and other Customs officers concerned have contended that they were not aware of such notice at that time. CBIC attributed the alleged differential treatment due to lack of clarity in the DGFT notification and to lack of appreciation of the interpretation of the same by the officers. The Commission also observed that CBIC instructions dated 17.02.2016 in this matter has no mention about such trade notice dated 10.02.2016.

The Commission advised CBIC to take systemic improvement measures to keep such trade notices, which are relevant to the clearance of import of goods, to be updated in the CBIC’s EDI database, so that such errors can be avoided and the officers may be fully informed of the rules.

- In a case of evasion of Service Tax by an assessee firm, a team of CBIC Service Tax officers visited and searched the premises of the assessee in January, 2013 without the authorization of the competent authority and knowledge of senior officers. This team obtained incriminating documents from the premises which established evasion of Service Tax of about Rs. 20 lacs. The officers of the team demanded bribe in lieu of not imposing penalty on the assessee firm. On the basis of complaint of the assessee, CBI laid a trap in February, 2013 and one of the officers of the team was caught red-handed accepting the bribe. CBI launched prosecution against two officers and CBIC also informed the Commission that the competent authority is being advised for initiation of regular departmental action for major penalty against all the Group B officers of the team for their alleged misconduct. Commission advised CBIC to take systemic improvement measures to issue / reiterate suitable guidelines, so that such instances are not repeated in future.

Public Sector Banks & Insurance Companies

- <u>Appointment of consultants and award of contracts for HRMS software in banks :</u> The Commission has been dealing with issues relating to engagement of Consultants, System Integrators and Service providers for developing IT Infrastructure and for CBS/HRMs etc in the Banking sector. On a complaint regarding misuse of official powers by top executive of a Public Sector Bank in procurement for IT infrastructure, the matter was examined by the Commission. The Commission observed that almost every bank follows a different procedure and gets different products, which may not be mutually compatible. Commission also noted that the cost incurred by the bank for the same service/product differs vastly.

In light of the above, Commission advised Secretary, DFS to take up with banks to consider procuring such common service/products etc on a common platform with similar specifications, so that (a) mutual compatibility and (b) cost saving could be achieved. The Commission advised that if necessary, the services/expertise of Ministry of Electronics and Information Technology could be utilized for the purpose.

CVO United Bank was advised to bring systemic improvement in the matter and follow commission's guidelines for nomination and framing of eligibility conditions for future tenders.

- Need for uniformity in procedure for engaging Insolvency Resolution Professional (IRP) by Public Sector Banks, remuneration and monitoring their work : The Commission noted that arbitrariness and lack of transparency may lead to further complaint, which will only delay the process and affect the health of the banks in addition to breeding corruption. Commission observed there is a need to have a Standard Operating Procedure regarding appointment, monitoring of the work and for taking action on IRPs in cases of misconducts/misdemeanor. CVO, RBI and CVO, DFS have been advised to apprise the Commission on the guidelines issued in the matter. A letter was also sent to all the CVOs of Public Sector banks to apprise the Commission as to what procedure is being followed by respective banks.

- Standard Operating Procedure in appointment and rotation of surveyors in Public General Insurance companies : Commission observed that there is lack of transparency in appointment and rotation of surveyors leading to delays, complaints etc. Commission held series of meetings with the CMDs, CVOs of General Insurance companies, senior officials of DFS, CVO and other officials from Insurance Regulatory and Development Authority (IRDA) as well as from General Insurance Public Sector Association (GIPSA) and finalized a draft Surveyor Management Policy and sent it to DFS for putting it to IRDAI for clearance.

- Appointment of retired officers as Inquiry Officer (IO)/Presenting Officer (PO) by General Insurance Companies : Commission observed that in public sector General Insurance Companies, Disciplinary Authorities have been appointing retired officers as IOs/POs which is against the spirit of CVC guidelines. Insurance companies have submitted that they have empanelled retired public servants as IOs as per prevailing practice for speedy disposal of disciplinary proceedings. However, commission has observed that findings of IO are lacking in many aspects. Commission has advised CVO DFS to examine the guideline/practices being followed by the four General Insurance Companies and formulate a policy for uniform application.

- KYC compliance before disbursement of credit facility: Commission has written to the CVO's of Public Sector Banks to ensure that basic criteria like KYC, verification of documents, verification and admissibility of loan are fully complied with before considering such cases for sanction. Commission advised to refrain from conditional sanction.

- <u>Role and responsibility of Nominee Directors - need for SOP :</u> The Commission observed that there is no formal mechanism or laid down procedure for the nominee directors to report to their appointing agency namely either the government or the PSB/PSU concerned on the happenings in the company in which they are directors. Some of the nominee directors attend meetings at their wish and at times when important issues are listed they do not attend the meetings of the Board. These situations have led to several inappropriate/incorrect decisions by the Board of Directors having a substantial impact on the company and consequently on the shareholding company or government. Commission advised Secretary, DFS and Secretary Department of Public Enterprises to examine these issues in consultation with the stake holders with regard to the role and responsibility of nominee directors on the Board of companies for working out/defining appropriate mechanism.

- <u>Irregularities in the account of a borrower company :</u> Commission observed that verification of inventory of stocks and receivables as reported to Banks by borrowers from time to time should be scrupulously made and that there should be a practical and simpler system to do this regularly. Matter was taken up with DFS.

- <u>Need for One Time Settlement (OTS) :</u> In another case, the Commission advised that need for OTS must come only upon all available options are exhausted. The Commission enquired whether there is a provision to negate an OTS settlement if settlement is obtained by fraud or misrepresentation. The Commission advised that source of funding OTS must be incorporated in the OTS proposal and that if a borrower brings huge amount for settlement of OTS within a very short time of OTS, his source of funding must be ascertained.

- <u>Issue of close relatives of employees being appointed as Agent/Broker etc and commission being paid in Public Sector General Insurance Companies :</u> Commission convened a meeting with the senior officials from DFS and CVOs of all Public Sector General Insurance companies to discuss the matter. Clarification was sought from CVO/IRDAI if a person, after having license from IRDAI, can undertake the work of broker in a company, where his/her relative is employed .

  CVOs of all Public Sector Insurance companies were advised to inform the Commission on:

  - How insurance companies protect themselves when an agent is carrying on business, which otherwise have come directly to the company;

  - Generate data w.e.f. 01.04.2016 on policies having premium of over Rs.1.00 lakh, and which were originally on direct business basis but on renewal became a brokerage/agency business.

  - A note on the kind of mechanism that insurance companies have to check payment of brokerage and how the system monitors it. When the reinsurance policy is written, how does the system ascertain that there is an existing policy on which this reinsurance is being done.

- Letter of Undertaking (LOU) fraud at PNB : Commission had called a meeting with the senior officials from DFS, RBI and PNB. RBI was advised to review its system of risk based supervision. Banks were advised to implement rotational transfer policy strictly. PNB was advised to implement a foolproof system whereby the officials of the bank are made to avail compulsory leave and be lodged out from the system.

  CVO, DFS and ED, RBI were advised that working, operations and health of foreign branches of Indian Public Sector Banks need to be reviewed/looked into by DFS and RBI as these foreign branches have become a potent drain on parent PSBs. Commission also raised concern on raising Medium Term Notes (MTN) and acquiring/purchasing loan assets in the secondary market, without ensuring quality of assets. Commission also observed that takeover/purchase of down sold assets has resulted in requirement of higher capital infusion by parent banks which are already under strain. DFS vide letter dated 16.04.2018 advised CGM, Department of Banking Regulation, RBI and Chairman, SBI and MD&CEO's of other banks to take note of Commission's concerns and take necessary action to streamline their functioning.

- Irregularities in appointment of Intermediaries in Health Insurance Business: Commission advised that there has to be transparency in appointment of intermediaries in health insurance business.

- Abuse of loans sanctioned to farmers under tie up arrangement with sugar companies: Commission observed that loans given to sugarcane growing farmers are being diverted to the sugar mills fraudulently. As these loans in the names of farmers are at concessional rates and are many times written off, no action is taken against the sugar companies either for recovery or for criminal action. The shortcomings noted by the commission in financing to sugarcane farmers and Commission's suggestions for bringing improvement in this regard were summarized in a policy note and sent to the CVO DFS and CVO RBI to bring out uniform financing models for financing to farmers growing sugar cane, oil seeds etc.

VIII Initiatives taken by the organisations for including ethical behavior in the organisation

Mumbai Port Trust

- Many training programmes under the title "Behavioral Science & Life Style Management" were conducted by Mumbai Port Trust for officials of Mumbai Port Trust to encourage ethical behavior in the organisation as well as in their personal life:-

  - Stress Management & Positive Living
  - Change in Mindset
  - Workshop on Self-Motivation
  - Management Procedure & Leadership

- Yoga / Naturopathy
- Personality Development, Interpersonal Relationship & EQ Development
- Life Skills as per World Health Organisation
- Post Retirement Life
- Swachch Bharat (Reduce, Reuse, Recycle of waste)
- Meditation programmes for employees and stakeholders of Mumbai Port Trust

Bank of India

- During the training programs specially conducted for newly inducted officers and staff, a special session on ethical values by a visiting expert in the relevant field has been made compulsory.

Bank of Baroda

- Bank has put in place a reward system for honest and exemplary behavior.

State Bank of India

- The Bank has created Ethics & Business Control Department. This department came into operation last year under Chief Ethics Officer, who plays a major role. Best international practices are being learnt, technology being leveraged and ethics is being encouraged as a part of regular conversations at different organisational layers; and a normative sense of congruence is being developed across various functions in the Bank.

Union Bank of India

- Training college of the Bank has started one session on “Moral Values & Ethics” at all training centres.
- Vigilance Excellence Award under the title “UNION SATARKTA SAMMAAN” introduced to reward the branches / Regional Offices achieving business targets by adhering to the laid down systems & procedures in previous financial year, Preventive Vigilance Visit score in previous year and for their performance in Participative Vigilance activities during current financial year.

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Glimpses of activities held during Vigilance Awareness Week 2018 across the country

Students and teachers seen on Vigilance Awareness Programme held at Primary School Utrathia organized by Raebareli Road Branch Lucknow on 02.11.2018.

CHAPTER – 8

PARTICIPATIVE VIGILANCE AND VIGILANCE AWARENESS WEEK

I Introduction

8.1 The Commission is of the view that while punitive and preventive measures directly and indirectly seek to combat corruption within organizations, it is necessary to address this problem at a more fundamental level, viz. at the level of ethics and values of all citizens, especially our youth. The Santhanam Committee (1962) had observed, *"In the long run, the fight against corruption will succeed only to the extent of which a favourable social climate is created. When such a climate is created and corruption becomes abhorrent to the minds of the public and the public servants and social controls become effective, other administrative, disciplinary and punitive measures may become unimportant and may be relaxed and reduced to a minimum"*.

8.2 In order to attain a corruption free society, all stakeholders including Government, citizens and the private sector must share responsibility in the anti-corruption efforts as well as refrain from indulging in corrupt practices. Aware, active, involved and empowered public is therefore essential to any anti corruption campaign. The participative vigilance strategy of the Commission is an acknowledgement of the importance of people in eliminating corruption. It reaffirms the principle that without commitment and involvement of all citizens, eradication of corruption is not possible.

II Encouraging Ethical Conduct

8.3 The Commission is of the view that ethical conduct of the individual and the organization is an essential foundation for the country to sustain the fight against corruption. Combating corruption is not just a matter of making laws and creating institutions, but is deeply rooted in human values and morals of individuals. Cultivating ethical principles and moral values ought to be an essential ingredient in building our integrity system. Stigmatizing the culture of corruption, favoritism, nepotism and promoting meritocracy create a conducive social climate. If the citizen is taught to be honest and say "No" to "Bribe", the "supply side" of Corruption automatically gets stifled.

8.4 Parents, family, peer group, teachers, educational institutions, social, intellectual and spiritual leaders, civil society, press, mass media including social media, Governmental and Non-Governmental Organizations (NGOs), etc. have a major role to play in the inculcation and dissemination of high ethical and moral values in individuals, organizations and the society at large.

III Public Participation in the Vision of a Corruption Free India

8.5 The Commission endeavours to promote integrity and eradicate corruption with the active support and participation of all citizens and public. Public participation plays a vital role in the fight against corruption in the following ways:

(i) Encouraging ethical conduct of individuals and organizations.

(ii) Educating and creating awareness about the rights and duties of the citizen, the rules, regulations, duties and responsibilities of public officials and public institutions and public awareness regarding various public welfare schemes being run by the Government.

(iii) Acting as a watchdog through public scrutiny of the actions of public servants by exposing the wrongdoers and standing by upright and honest officials.

(iv) Acting as a feedback channel to the public authority for redressal of grievances of the citizens.

(v) Institutional and moral support to those fighting corruption.

(vi) Exhorting the citizens and organisations to perform their lawful duties.

(vii) Exhorting citizens and organisations to follow due processes.

8.6 It is the Commission's endeavor to sensitize, motivate and involve the public in the Commission's anti-corruption efforts and therefore public participation continued to remain pivotal to the observance of the Vigilance Awareness Week of 2018 on the chosen theme of **"Eradicate Corruption – Build a New India"**. The focus of the Commission was on involving the public and especially the younger generation as flag bearers in realizing this vision.

IV Vigilance Awareness Week

8.7 The Vigilance Awareness Week is an outreach measure which aims to encourage all stake-holders to prevent and combat corruption. VAW is observed to create awareness about corruption and to publicize the menace of corruption and to emphasize its ill effects on the well being of the country, celebrated to focus on anti-corruption awareness initiatives being conducted by all Government of India departments and organizations during the year. The week in which the birthday of Bharat Ratna Sardar Vallabhbhai Patel (31stOctober) falls is observed by the Commission as the Vigilance Awareness Week (VAW). Sardar Patel was the first Home Minister of Independent India, responsible for the integration of the country after achieving independence. He represents an ideal in the Indian tradition in the area of good governance and is a shining example of probity in public life.

8.8 Several awareness activities are organized during the VAW viz. display of banners, posters etc., at prime locations, conducting seminars, debates, lectures and competitions on anti-corruption themes involving the employees, private sector, youth, public and students. Print, electronic and social media too are used extensively in the awareness campaign. Specific awareness campaigns are conducted to reach out to village gram sabhas, urban professional associations as well as youth studying in schools and colleges across the country. These activities are conducted by the offices of the Central Government, their subordinate and attached offices, PSUs, Banks, Autonomous Bodies and Institutions under Central/State Governments as well as by schools and colleges across the country.

8.9 The first Vigilance Awareness Week was observed in 2010. The themes from 2010 onwards are given below:

(i) 2010 – Generation of awareness and publicity against corruption

(ii) 2011 – Participative Vigilance

(iii) 2012 – Transparency in Public Procurement

(iv) 2013 – Promoting Good Governance-Positive contribution of Vigilance

(v) 2014 – Combating Corruption-Technology as an enabler

(vi) 2015 – Preventive Vigilance as a tool of Good Governance

(vii) 2016 – Public participation in promoting integrity and eradicating corruption

(viii) 2017 – My Vision-Corruption Free India

8.10 The Commission had chosen **"Eradicate Corruption – Build a New India"** as the central theme for Vigilance Awareness Week, 2018.

V Activities undertaken during VAW 2018

8.11 The Vigilance Awareness Week was observed from 29th October to 3rd November, 2018 with the theme **"Eradicate Corruption-Build a New India (भ्रष्टाचार मिटाओ–नया भारत बनाओ)"**. All PSUs / Public Sector Banks / Ministries / Departments etc. were advised to conduct activities not only within their organizations but also to organize outreach activities for the public on a large scale.

8.12 Activities conducted within the Organization

(i) The observance of the Vigilance Awareness Week commenced with the public servants and others taking the Integrity Pledge on 29th October, 2018 at 11.00 a.m.

(ii) Pamphlets and handouts on preventive vigilance activities, whistle blower mechanism and other anti-corruption measures were distributed.

(iii) Workshops and sensitization programmes were organized for employees and other stake holders on policies, procedures and preventive vigilance measures.

(iv) Special issue of journals and newsletters were published on vigilance matters, systemic improvements and good practices for wider dissemination and awareness.

(v) Various competitions such as debates, quiz etc. were held for the employees and their families on issues relating to anti-corruption.

(vi) Content was uploaded on website for dissemination of employees and customer oriented information and avenues were made available for grievance redressal.

8.13 Outreach Activities

The Commission is committed to promoting active participation of individuals and groups outside the public sector in the prevention of and fight against corruption and to raise public awareness regarding the causes and gravity of and the threat posed by corruption. The thrust during Vigilance Awareness Week had been on outreach activities which included publicizing the Integrity e-Pledge and conducting Awareness Gram Sabhas and Awareness Campaigns in schools and colleges.

8.14 Integrity e-Pledge

(i) In line with the theme this year and in order to foster probity and integrity in public life, the Commission decided to have a common Integrity Pledge during VAW 2018 for citizens as well as public servants. The Integrity e-Pledge can be taken online on the portal https://pledge.cvc.nic.in. Various Ministries / Departments / Organizations have also provided a hyperlink on their respective websites / intranet to elicit wider participation.

(ii) By taking the Integrity e-Pledge, citizens commit to uphold highest standards of honesty and integrity; to follow probity and rule of law in all walks of life; to neither take nor offer bribe; to perform all tasks with honesty and transparency; to act in public interest; and to report incidents of corruption to appropriate authority. Similarly, by taking the Integrity e-Pledge, organizations viz., corporate / entities / firms etc., reaffirm their commitment to eradicate corruption; to uphold highest standards of integrity; to neither offer nor accept bribe; to follow good corporate governance based on transparency, accountability and fairness; to adhere to relevant laws, rules and compliance mechanisms; to adopt a code of ethics for all its employees; to sensitise their employees of laws and regulations; to provide grievance redressal and Whistle Blower mechanisms; and to protect the rights and interests of stakeholders and the society at large.

(iii) During the VAW, customers and public were encouraged to express their support to the cause of reducing corruption. Several nationalized banks sent SMS messages on the VAW theme and publicized the Integrity e-Pledge on the screenshots of their ATM network. As on 31.12.2018 approximately 70.5 lakh citizens and around 94118 organizations have taken the e-pledge online.

8.15 "Awareness Gram Sabhas"

All organizations particularly Public-Sector Banks were advised to organize the "Awareness Gram Sabhas" for dissemination of awareness and to sensitise citizens on the ill-effects of corruption. Each bank branch was requested to conduct at least two such Gram Sabhas. In 2018, more than 73,655 Gram Sabhas were organized during the Vigilance Awareness Week.

Participants were informed about the Integrity Pledge and the same was also administered to the participants.

(i) Talks highlighting ill effects of corruption were held and the pamphlets on the same were distributed.

(ii) Melas, evening choupals, nukkad nataks, screening of films, street plays were organized creating awareness about the theme.

8.16 **Awareness Campaign in Schools and Colleges**

(i) Organizations and their field units and formations were requested to reach out to students in at least 2 schools and 3 colleges to generate healthy discussion on corruption. In this regard, various activities such as lectures, panel discussions, debates, quiz, essay writing, slogans/elocution/cartoon/poster competitions on moral values, ethics, good governance practices etc. were organized. In 2018, such activities were organized in schools and colleges in more than 550 towns across the country, involving more than 5120 colleges with the participation of more than 5 lakh college students and 19,333 schools with the participation of approximately 22 lakh students. Prizes were distributed to exhort young minds to inculcate in themselves moral values, honesty, integrity and probity.

(ii) To sustain the activities conducted in schools and colleges and to ensure that ethical values were ingrained permanently in the minds of youth **'Integrity Clubs'** were established in schools and colleges.

8.17 **Other Activities**

(i) Customer grievance redressal camps were held for citizens/ customers/ vendors / contractors, etc. by organizations having customer oriented services / activities. Such camps were held not only at headquarters but also at all appropriate field offices across the country.

(ii) Participation of Non-Government Organizations, private sector, trade unions, professional associations, service organizations were ensured by conducting seminars/ workshops/ skits/ street plays/ walkathons/ marathons/ cyclothons, human chains, etc.

(iii) The Commission's social media accounts on Facebook and Twitter were effectively used for participation and spreading awareness to a wider audience across the country. Many organizations extensively used bulk SMS/E-mail, Whatsapp, electronic, print and social media for spreading awareness.

(iv) Vigilance Study Circles also participated actively in the outreach activities.

(v) Several officers of the Commission delivered lectures and attended the events conducted as part of VAW by different government organizations/ CPSUs/ Banks etc.

VI Inauguration Function of the Vigilance Awareness Week

8.18 The observance of the Vigilance Awareness Week commenced with the taking of the Integrity Pledge by Shri K.V. Chowdary, Central Vigilance Commissioner, Dr. T.M. Bhasin, Vigilance Commissioner and Shri Sharad Kumar, Vigilance Commissioner at the Central Vigilance Commission, New Delhi. This pledge was webcast live by NIC and telecast on Doordarshan to enable all public servants working in the Ministries/Departments/Central Public Sector Enterprises/Public Sector Banks and all other Organizations and their field units to simultaneously take the pledge.

8.19 His Excellency, Shri Ram Nath Kovind, the Hon'ble President of India was the Chief Guest for the Vigilance Awareness Week Function held at Vigyan Bhavan on 31st October 2018. Dr. Jitendra Singh, Hon'ble Minister of State for the Prime Minister's Office and Minister of State for Personnel, Public Grievances and Pensions was the guest of honour at the function. The function was attended by senior serving and retired functionaries of various constitutional and statutory bodies, senior officers of various Ministries, Departments and other Central Government Organisations, Central Public Sector Enterprises, representatives of Professional Associations, Trade and Industry Associations and NGOs, Principals and Heads of Educational Institutions as well as Students.

8.20 In his address, Central Vigilance Commissioner Shri K.V.Chowdary gave an overview of various activities undertaken by different organizations and of the work done by the Central Vigilance Commission during the past year. A documentary film on vigilance titled "The rise of a Corruption Free India" was screened during the function. Presentations on Preventive Vigilance Initiatives from various Central Government Organisations, Skill Upgradation and a Case Study on corruption were made and Vigilance Excellence Awards were given away by the Hon'ble President.

8.21 The Hon'ble President, in his keynote address, congratulated the Central Vigilance Commission for organizing the Vigilance Awareness Week. He also congratulated all the winners of the Vigilance Excellence Awards and said that other organizations should take inspiration from these initiatives. He said that we needed to build a New India on the foundations of our traditional ethical values, pointing out that this is depicted in the national symbol as our national motto "Satyameva Jayate" from the Mundaka Upanishad, which means "Truth alone triumphs".

He gave examples of Chanakya's ethical conduct in matters of state and drew attention to the ethical standards set by Sardar Patel in public office, commemorating him on his 143rd birth anniversary this year. Mahatma Gandhi's 150th birth anniversary is being celebrated this year, and he drew attention to the fact that he remains a beacon of ethical conduct worldwide. The common thread in the lives of these great men was that they regarded public and national resources as a trusteeship and a duty, never as a matter of privilege.

India is poised to become the fifth largest economy in the world; in a few years it will be the third largest economy in the world. Eradication of corruption is an essential precondition for this to happen. He commended the Commission for its outreach activities amongst the youth and noted that the Commission's initiatives had reached out to more than 600 cities and towns with participation of more than 14 lakh students / youth. Outreach activities to Gram Sabhas, all public organisations and institutions, specially commercial enterprises was appreciated by the Hon'ble President. The adoption of the Integrity Pledge in involving citizens in a mass anti corruption awareness campaign was appreciated by the Hon'ble President, who stated that Preventive Vigilance is better than Punitive Vigilance. He outlined various measures taken by the Government including amendments to laws such as the Prevention of Money Laundering Act, implementation of Benami Property Act, provisions of Black Money (Undisclosed Foreign Income and Assets) & Imposition of Tax Act, 2015, and the proposal for the Fugitive Economic Offenders Bill, among other measures, to tackle corruption and urged all public officials to discharge their duties honestly and ethically so as to be an inspiration to others and to become Ethical Leaders in society.

8.22 Dr. Jitendra Singh, Hon' ble Minister of State for Personnel, Public Grievances and Pensions in his address, commemorated Sardar Patel as a role model for integrity in public life and as a symbol of India's unity. He said that insensitivity towards corruption was a more serious problem faced by the Government as compared to corruption itself. He spoke on the achievements of the Government such as the abolition of affidavits and promotion of self-attestation by citizens, abolition of interviews for lower posts in government as well as amendments to the Prevention of Corruption Act. The JAM (Jan Dhan accounts, Aadhar and Mobile services) initiative of the government and the DBT (Direct Benefits Transfer) system were mentioned as significant measures taken by the government to eradicate systemic corruption. He stated that the Government intended zero tolerance to corruption, at the same time providing protection for honest officials and citizens participation with transparency.

VII Vigilance Excellence Awards 2018

8.23 The Commission has sought to encourage and motivate organizations to develop a sound punitive, preventive and participative vigilance framework. The Central Vigilance Commission has instituted Vigilance Excellence Awards since 2017 to acknowledge and appreciate efforts made by the organizations in their fight against corruption. The awards are intended to bring forth new ideas related to anti corruption, and to give recognition to organizations for making a positive contribution to their efficiency and effectiveness.

8.24 The Commission has instituted awards for Central Public Sector Enterprises, Public Sector Banks, Ministries/ Departments/Organizations in the following categories:

1) Vigilance Innovation
2) Vigilance Awareness Initiative
3) Excellence in Investigation,
4) Timely Completion of Disciplinary Proceedings,
5) Best Institutional Practice Including IT Initiative for Fighting Corruption.

The awards are graded as 'Outstanding' and 'Excellent' for their contribution by the organization, based on the work done by the CVOs/Vigilance wings as well as by Management in the above mentioned categories.

8.25 The Central Vigilance Commission has awarded the following organizations (category wise) in 2018 :

Vigilance Innovation Awards

Sl No	Organization	Grade	Initiatives Undertaken
1.	Ministry of Railways	Outstanding	Developed Freight Operation Information System which is now operated by SFOORTI app for transparent and effective freight booking and tracking.
2.	Indian Overseas Bank	Excellent	Developed IOB Sahayakapp for NPA recovery and REAP System for automated retail loan processing. Also implemented various other measures to streamline systems and procedures

Vigilance Awareness Initiative Awards

Sl No	Organization	Grade	Initiatives Undertaken
1.	Union Bank of India	Outstanding	Conducted outreach programmes covering Gram Sabhas, Schools and Colleges
2.	Indian Oil Corporation Limited	Excellent	Produced 8 short films which were viewed widely and organized outreach programmes on vigilance awareness

Timely Completion of Disciplinary Proceeding Awards

Sl No	Organization	Grade	% of cases completed in time
1.	Canara Bank	Outstanding	90.50
2.	Eastern Coalfields Limited	Excellent	88.23

Best Institutional Practice including IT initiative for fighting corruption in the organization

Sl No	Organization	Grade	Initiatives Taken
1.	Hindustan Petroleum Corporation Limited	Outstanding	Leveraging technology in crude oil procurement, Introduction of Smart Terminals with automated work flow etc.
2.	Mahanadi Coalfields Limited	Excellent	Use of Technology for accurate measurement of coal and over burden.

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Training Programme at the International Anti-Corruption Academy (IACA) at Vienna, Austria

Induction Training Course for Chief Vigilance Officer at Sardar Vallabhbhai Patel National Police Academy, Hyderabad

CHAPTER – 9

KNOWLEDGE MANAGEMENT AND CAPACITY BUILDING

I Background

9.1 Training plays a vital role in ensuring that officers and staff are equipped with the right kind of skills, knowledge and abilities to perform their assigned tasks so that they become better qualified to perform their jobs and contribute to the efficiency and effectiveness of the organisation. Training is equally important for the development of one's attitude towards work and life by acquiring additional knowledge which enhances the officers' confidence in every aspect of life.

The Central Vigilance Commission (CVC), as the apex anti corruption institution monitors all vigilance activity under the Central Government as per its mandate. The Commission is assisted in the implementation of its mandate by Chief Vigilance Officers (CVOs) posted in various departments and central public sector enterprises, public sector banks and insurance companies. Full time CVOs are appointed with the approval of the Appointments Committee of Cabinet (ACC) in consultation with the Commission for a period of three years extendable to five years in the Central Public Sector Enterprises (CPSEs), Public Sector Banks/Insurance Companies. Part time CVOs are appointed in the Central Government Ministries and Departments. The appointment of CVOs is a continuous process and each year fresh appointments are made to fill vacancies that arise on completion of tenure of the incumbent CVO. In this background training and capacity building of the vigilance administration acquires great significance and needs to be taken up on a continuous basis for updating and refining the skill sets and knowledge base of the CVOs and vigilance officers.

9.2 Therefore, in 2015 the Commission, considering the importance of training, adopted a training policy for capacity building with a view to bridge competency gaps of the officers through both domestic and foreign training.

9.3 As per the Training Policy, opportunities for training are made available to officers posted in the Central Vigilance Commission and Chief Vigilance Officers. To reinforce the importance of vigilance as a tool for good governance, officers working in vigilance and other departments of the CPSEs, Public Sector Banks/Insurance Companies are also nominated for select training programmes. Induction training is being imparted to newly appointed CVOs to provide them suitable and required inputs relating to the statutory rules and regulations and equipping them to discharge their functions efficiently. Besides induction trainings, short-term thematic trainings and refresher courses are also being organized to build professional competencies. Officers are also given exposure to courses on leadership development, stress management, ethics and values in public governance, inculcating personal attributes by sending them for open courses of Institute of Secretariat Training and Management (ISTM), National Productivity Council (NPC), etc. Considerable importance is also being placed on preventive vigilance in the training programmes.

9.4 During 2018 the Commission continued and enhanced the training initiatives launched in 2016 by providing training at international institutes of repute to its officers and CVOs within the framework of the training policy. As CVOs and officers working in the Commission require specialized vigilance related training and international exposure on best practices to update and upgrade their skills and knowledge, such customized vigilance related trainings organized by the Commission are an important step for capacity building of officers. The Commission has organized one international training during 2018. This has given the officers suitable exposure to a whole gamut of anti corruption strategies and international best practices and helped to widen their world view.

9.5 Within the frame work of the Commission's training policy various domestic and international training programmes were organized in 2018. These include induction level training as well as customized training focused on specific areas of work relevant to vigilance / anti-corruption.

II Domestic Training Programmes

9.6 As the newly appointed CVOs come from varied backgrounds and services, some perhaps working in vigilance administration for the first time, there is a need to impart in-depth training in important aspects of vigilance administration. Towards this end the Commission organized two Induction Training programmes, each of two weeks duration, for the newly appointed CVOs at the Sardar Vallabhbhai Patel National Police Academy (SVP NPA), Hyderabad from 29th January to 09th February, 2018 and from 10th to 21st December, 2018 in which 26 & 20 CVOs have been trained respectively. The course provides an opportunity to newly appointed CVOs to get in depth knowledge on the role and functions of the Central Vigilance Commission and its field arms i.e. the CVOs. The programme also enables the CVOs to discharge their function effectively by giving a suitable overview of the relevant statutory provisions such as the CVC Act, PC Act, Conduct Rules and DAR Rules. Further, the participants also get hands on training on drafting of investigation reports and charge sheets through practical sessions with actual case study material.

9.7 A specialized training programme for 29 CVOs from Public Sector Banks was organized at the Gujarat Forensic Sciences University (GFSU) 23rd to 27th July, 2018. Given the scale and complexity of issues facing the banking sector it is important to train and upgrade skills of officers in this sector. The training covered important and relevant areas such as "Offsite Surveillance in Banking", "Investigation of Net-Banking Frauds/ATM Frauds", "Latest Trends in Banking Frauds & its Investigation", Digital Forensic in Forensic Accounting etc. They were also made aware of the latest technologies which play a vital role in the banking sector.

9.8 The Commission has organized two workshops, each of two days duration, on "Drafting of Charge Sheets" for the CVOs of various government organisations and PSUs and two workshops, each of five days duration, on “Vigilance Administration” for officers (other than CVOs) in the Vigilance Department of various government organisations and PSUs.

The workshop on “Drafting of Charge sheets” covered topics such as the techniques of drafting charge sheets, the assessment of evidence from the preliminary investigation report etc. The workshop on Vigilance Administration includes topics like “Overview of Conduct Rules and CCA/CDA Rules”, “Preliminary Investigation by Vigilance Set up”, “Legal Framework-Provision of PC Act, DSPE Act, PMLA Act”, etc.

The details are as below:

Table 9.1

Sr. No.	Training Description	Dates	Number of participants
1	Workshop on "Vigilance Administration" at ISTM, Delhi	15th to 19th Jan, 2018	29
2	Workshop on "Drafting of Chargesheet" at ISTM, Delhi	22nd to 23rd Jan, 2018	31
3	Workshop on "Vigilance Administration” at ISTM, Delhi	06th to 10th August, 2018	41
4	Workshop on "Drafting of Chargesheet" at ISTM, Delhi	20th to 21st August, 2018	35

9.9 Apart from the training imparted to CVOs and vigilance functionaries of various Ministries/ PSUs/Banks, the Commission also organizes training for their staff in order to widen their knowledge and skill base and enhance their learning. In this context, the Commission nominates its officers and staff for training programmes offered by NPC, ISTM etc. During 2018 two officers were nominated for the residential programme conducted by National Productivity Council (NPC) on “Good Governance & Transparency through RTI” at Port Blair from 17th Nov to 21st Nov, 2018. Further, officers from the Commission have also been nominated for the training programmes conducted at ISTM as mentioned below:

Table 9.2

Sr. No.	Description	Dates	Participants
1	Workshop on Noting & Drafting from at ISTM	22nd to 23rd Jan, 2018	3
2	“Workshop on Outcome Budget at ISTM	12th July to 13th July, 2018	2

Sr. No.	Description	Dates	Participants
3	Workshop on Income Tax at ISTM	26th to 27th July, 2018	2
4	Workshop on Noting & Drafting at ISTM	03rd to 05th October, 2018	1
5	Workshop on e-procurement at ISTM	27th to 28th Sept, 2018	2
6	Training Programme on "Reservation in Services for SC/ST/OBC" from	17th to 20th Sept, 2018	2
7	Training Programme on " Pension & Other Retirement Benefits" from at ISTM	10th to 14th Dec, 2018	1
8	Training Programme on "Administrative Vigilance: Role of IO/PO " at ISTM	10th to 14th Dec, 2018	2

III International Training Programmes

9.10 A twelve day customized vigilance training programme at the International Anti-Corruption Academy (IACA) at Vienna, Austria was organized from 14th to 25th May, 2018. This was attended by 25 participants including 12 CVOs, five officers from the Commission, one officer from DoPT, one officer from CBI and six officers from Ministry of Railways. The two week training has been customized to suit our officers and is imparted by anti corruption practitioners and legal experts among others and provides an opportunity for exposure to international best practices, anti-corruption laws under the UN, OECD, EU and other International agencies and initiatives taken by countries like USA, UK, South Korea and others in combating corruption.

IV Lecture Series

9.11 The Commission, as part of its Knowledge Management drive has initiated a Lecture Series, inviting eminent speakers to deliver a lecture every month. The initiative started in November 2015, has had the benevolence of eminent persons such as Shri Mukul Rohtagi, former AG, Shri Bibek Debroy, Member NITI Aayog, Shri Shashi Kant Sharma, former C&AG, Shri Ranjit Kumar, former SG, Dr. Arvind Subramanian, former CEA, Shri Arvind Panagariya, former Vice Chairman, NITI Aayog among many others. The lecture series provides valuable exposure to the officers of the Commission, Chief Vigilance Officers and others posted in the government organisations. The lectures are also webcast through live feed by NIC to a wider audience all over India. A chronological list of the lectures delivered by the eminent speakers in 2018 is as under:

S.No.	Speaker and Topic of Lecture	Date
1	Smt. Sumitra Mahajan, Hon'ble Speaker, Lok Sabha on "My Experiences as a Representative of People"	18.01.2018
2	Dr. Rathin Roy, Director, National Institute of Public Finance and Policy on "Why Fiscal Rectitude Matters".	27.02.2018
3	Dr. Ajay Bhushan Pandey, CEO, UIDAI on "Aadhaar - Tool for Empowerment and Transparency"	26.03.2018
4	Sh. Shaktikanta Das, Member, Finance Commission of India on "Indian Economy – the Structural Question"	24.04.2018
5	Dr. Ashima Goyal, Member of Prime Minister's Economic Advisory Council & Professor at Indira Gandhi Institute of Development Research on " Indian Institutions: Evolution and Hysteresis"	28.05.2018
6	Dr. Surjit Bhalla, Member of Prime Minister's Economic Advisory Council on "Employment and Poverty Reduction in India"	19.06.2018
7	Shri Amitabh Kant, CEO, NITI Aayog on "Transformation of Aspirational Districts"	26.07.2018
8	Shri M. Damodaran, Former Chairman, SEBI on "Corporate Governance in Public Sector"	21.08.2018
9	Dr. Urjit R. Patel, Governor, RBI on "Preventive Vigilance – The Key Tool of Good Governance at Public Sector Institution"	20.09.2018
10	Dr. T. M. Bhasin, Vigilance Commissioner, CVC on "Report on Analysis of Top 100 Bank Frauds"	31.10.2018
11	Sh. Hemant G Contractor, Chairman, PFRDA on "Pensions and Social Security"	26.11.2018
12	Shri R S Sharma, Chairman, TRAI on "India's Digital Leapfrog"	20.12.2018

V Internship Scheme

9.12 An Internship Scheme has been launched by the Commission in 2016, with the following objectives:

(i) To allow young academic talent to be associated with the Commission's work for mutual benefit.

(ii) The Interns may benefit by getting an exposure to the Commission's functioning and the vigilance issues involved and contribute to policy formulation of the Commission by generating policy inputs such as data analysis, briefing reports, policy papers etc.

(iii) Commission may benefit from the additional resources in the form of obtaining a fresh perspective of young talent and their work which will contribute to better policy formulation.

Till date seven interns have completed their Internship, each of one month duration.

9.13 In 2018, three interns were selected under the Internship Scheme. They have completed their internship and submitted their reports on topics/areas identified by the Commission. These were on "Effectiveness of the Whistleblower system" and "FIR registered by the CBI". The interns presented reports on culmination of their internship.

9.14 The Commission, in keeping with the overall strategy of creating awareness and emphasis on preventive vigilance is also urging organisations to include a module on preventive vigilance in their induction training programmes for young officers. It is believed that this will bring a change in the organisational culture and help preempt the occurrence of corruption/misconducts. Similarly designing of a capsule course on preventive vigilance for the mid-career training has been advised for inclusion in programmes organized for middle level professionals. The Commission has also advised DoPT as well as the National Training Academies and PSUs and PSBs to develop industry/service specific training module on preventive vigilance for inclusion in the induction training programmes.

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Hindi Week celebrations at the Central Vigilance Commission






Glimpses of activities held during Vigilance Awareness Week 2018 across the country

APPENDIX

Appendix I

(Para 1.24)

Group wise Staff Strength and related information, as on 31.12.2018 in CVC

	Group A	Group B	Group C (other than Multi Tasking Staff)	Group C (Multi Tasking Staff)	Total
Sanctioned Strength	65	111	69	73	318*
Officials in position	52	82	39	71	244
Percentage Vacancy	20.00	26.12	43.47	2.73	23.27

* As per Cadre Strengthening Order issued by DoP&T No. 399/13/2017-AVD-III(Part-I) dated 14.12.2018, 3 posts shall be abolished in due course whenever they become vacant on account of promotion/reversion of the incumbent.

Appendix II

(Para 2.27)

Organization-wise details of prosecution sanctioned and penalty imposed during 2018 in respect of cases where Commission's Advice was obtained

S. No.	Name of the Department/ Organization	Prosecution	Major Penalty	Minor Penalty	Administrative Action
1	Airports Authority of India	0	0	1	0
2	All India Institute of Medical Sciences	0	0	0	1
3	Allahabad Bank	0	18	15	0
4	Andhra Bank	0	8	15	4
5	Bank of Baroda	0	16	6	1
6	Bank of India	0	17	4	4
7	Bank of Maharashtra	3	23	2	0
8	Bharat Coking Coal Ltd.	0	0	3	10
9	Bharat Heavy Electricals Ltd.	0	10	9	2
10	Bharat Petroleum Corp. Ltd.	0	3	31	4
11	Bharat Sanchar Nigam Limited	2	32	11	3
12	Border Roads Development Board	0	6	0	0
13	Bureau of Indian Standards	1	0	0	0
14	Comptroller and Auditor General	1	0	0	0
15	Canara Bank	0	43	33	7
16	Central Bureau of Investigation	0	4	0	0
17	Cement Corporation of India Ltd.	0	0	1	0
18	Central Bank of India	0	14	1	0
19	Central Board of Direct Taxes	6	16	3	2

S. No.	Name of the Department/ Organization	Prosecution	Major Penalty	Minor Penalty	Administrative Action
20	Central Board of Indirect Taxes and Customs	8	44	15	2
21	Central Coalfields Ltd	0	10	10	0
22	Central Council for Research in Ayurveda and Siddha	0	0	0	1
23	Central Public Works Department	6	1	9	1
24	Chennai Port Trust	0	2	0	0
25	Coal India Ltd.	1	4	3	0
26	Container Corporation of India	0	0	0	4
27	Council of Scientific & Industrial Research	0	3	4	0
28	Damodar Valley Corporation	0	1	4	0
29	Dedicated Freight Corridor Corporation of India	0	2	0	0
30	Delhi Development Authority	0	18	4	1
31	Delhi Jal Board	0	9	19	1
32	Delhi Transco Ltd./IPGCL	0	0	3	0
33	Delhi Transport Corporation	0	4	1	0
34	Delhi Urban Shelter Improvement Board	0	3	0	0
35	Dena Bank	2	15	2	0
36	Department of AYUSH & Homeopathy	0	1	0	0
37	Department of Financial Services (DFS)	9	0	0	2
38	Department of Posts	1	13	2	2
39	Department of Health	0	1	0	1

S. No.	Name of the Department/ Organization	Prosecution	Major Penalty	Minor Penalty	Administrative Action
40	Department of Agriculture Cooperation & Farmers Welfare	1	0	0	0
41	Department of Animal Husbandry and Dairying	1	0	0	0
42	Department of Atomic Energy	0	0	0	3
43	Department of Commerce (Supply Division)	0	1	0	0
44	Department of Corporate Affairs	0	1	0	0
45	Department of Defence Production	0	6	5	13
46	Department of Economic Affairs	1	0	0	0
47	Department of Expenditure	0	0	1	0
48	Department of Fertilizers	0	3	2	0
49	Department of Pharmaceuticals	0	0	1	0
50	Department of Revenue	1	0	0	0
51	Department of Secondary & Higher Education and Department of Elementary Education & Literacy	0	3	1	0
52	Department of Telecommunications	3	58	16	7
53	Delhi Tourism and Transportation Development Corporation	0	2	0	0
54	Eastern Coalfields Ltd.	0	1	0	1
55	Employees' Provident Fund Organisation	1	13	2	1
56	Employees' State Insurance Corporation	0	1	0	0
57	Food Corporation of India	2	0	0	3
58	Govt. of N.C.T of Delhi	0	17	1	0

S. No.	Name of the Department/ Organization	Prosecution	Major Penalty	Minor Penalty	Administrative Action
59	Hindustan Aeronautics Ltd.	0	0	0	1
60	Hindustan Petroleum Corporation Ltd.	0	3	5	1
61	Housing & Urban Development Corporation Ltd.	0	1	0	0
62	India Tourism Development Corporation	0	2	1	1
63	Indian Bank	1	8	1	0
64	Indian Council of Agricultural Research	0	4	12	1
65	Indian Oil Corporation Ltd.	0	2	1	1
66	Indian Overseas Bank	0	27	6	0
67	Indian Telephone Industries Limited	0	1	0	2
68	Indira Gandhi National Open University	0	0	1	0
69	Industrial Development Bank of India	0	29	4	0
70	IRCON International Limited	0	0	1	1
71	Kandla Port Trust	0	1	0	0
72	Kendriya Vidyalaya Sangathan	0	2	0	0
73	Kolkata Port Trust	0	2	2	0
74	Life Insurance Corporation	12	8	33	9
75	Municipal Corporation of North Delhi	0	30	14	15
76	Municipal Corporation of East Delhi	0	7	2	0
77	Municipal Corporation of South Delhi	0	9	6	0
78	Ministry of Coal	0	0	1	0
79	Ministry of Defence	6	7	4	0

S. No.	Name of the Department/ Organization	Prosecution	Major Penalty	Minor Penalty	Administrative Action
80	Ministry of External Affairs	0	1	0	0
81	Ministry of Home Affairs	1	1	2	1
82	Ministry of Steel	0	1	0	0
83	Madras Fertilizers Ltd.	0	1	0	0
84	Mahanadi Coalfields Ltd.	0	0	0	1
85	Medical Council of India	2	0	0	0
86	Ministry of Information and Broadcasting	3	0	0	0
87	Ministry of Civil Aviation	0	0	2	0
88	Ministry of Commerce	2	0	3	0
89	Ministry of Environment, Forest and Climate Change	2	0	0	0
90	Ministry of Information Technology	0	1	0	0
91	Ministry of Personnel, Public Grievances & Pensions	0	0	1	0
92	Ministry of Petroleum & Natural Gas	0	0	4	0
93	Ministry of Railways	8	125	130	81
94	Ministry of Road Transport & Highways	0	0	2	0
95	Ministry of Shipping	0	2	2	1
96	Ministry of Micro, Small and Medium Enterprises	3	0	0	0
97	Ministry of Textiles	0	0	4	0
98	Ministry of Tourism	0	0	0	2
99	Ministry of Housing and Urban Affairs	5	23	32	31
100	MMTC Ltd.	0	8	0	0

S. No.	Name of the Department/ Organization	Prosecution	Major Penalty	Minor Penalty	Administrative Action
101	Mumbai Port Trust	0	1	0	2
102	National Buildings Construction Corporation	0	2	0	2
103	National Highway Authority of India	0	1	0	1
104	National Hydro-Electric Power Corporation Ltd.	0	0	4	1
105	National Institute of Fashion Technology	0	0	2	0
106	National Projects Construction Corporation Ltd.	0	0	3	0
107	National Thermal Power Corporation Ltd.	0	0	6	4
108	Nehru Yuva Kendra Sangathan	0	3	0	0
109	New Delhi Municipal Council (NDMC)	1	2	1	14
110	New India Assurance Co. Ltd.	0	3	0	0
111	Northern Coalfields Ltd.	0	5	4	0
112	Oil & Natural Gas Corporation Ltd.	0	1	1	3
113	Ordnance Factory Board	0	0	0	5
114	Oriental Bank of Commerce	0	6	4	0
115	Oriental Insurance Co. Ltd.	0	5	5	2
116	P.G. Instt. Of Medical Education & Research	0	1	0	0
117	Paradeep Port Trust	0	7	1	0
118	Pawan Hans Helicopters Ltd.	0	0	1	0
119	Power Grid Corporation of India Ltd.	0	6	0	0

S. No.	Name of the Department/ Organization	Prosecution	Major Penalty	Minor Penalty	Administrative Action
120	Projects & Equipment Corporation of India Ltd.	0	1	0	0
121	Punjab & Sind Bank	0	5	0	0
122	Punjab National Bank	8	41	21	1
123	Rail India Technical & Economic Services Ltd.	0	4	0	0
124	Reserve Bank of India	0	1	0	0
125	Satluj Jal Vidut Nigam Ltd.	0	1	5	3
126	Small Industries Development Bank of India (SIDBI)	0	0	2	0
127	South Eastern Coalfields Ltd.	0	1	0	0
128	Security Printing and Minting Corporation of India Ltd.	0	1	0	0
129	Sports Authority of India	0	1	0	0
130	State Bank of India	0	53	17	2
131	Steel Authority of India Ltd.	0	2	0	0
132	Syndicate Bank	0	122	75	58
133	The State Trading Corporation of India Ltd.	0	3	0	0
134	UCO Bank	4	15	11	0
135	Union Bank of India	0	28	9	0
136	United Bank of India	0	8	6	20
137	University Grants Commission	0	1	0	0
138	Vijaya Bank	0	12	1	0
139	Western Coalfields Ltd.	0	4	0	2
	Total	**108**	**1100**	**695**	**350**

Appendix III-A (i)

(Para 3.9)

Details of Complaints sent by CVC including Whistle Blower complaints in 2018

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
1	AGRICULTURE	104	75	29	22
2	ATOMIC ENERGY	26	9	17	8
3	BANKS	689	591	98	32
4	CHEMICAL & PETROCHEMICALS	1	1	0	0
5	CIVIL AVIATION	42	25	17	6
6	COAL	71	59	12	0
7	COMMERCE	26	15	11	7
8	CBDT	55	14	41	40
9	CBIC	27	14	13	8
10	DEFENCE	46	42	4	2
11	DOPT	61	35	26	16
12	EARTH & SCIENCES	19	4	15	12
13	ENVIRONMENT, FOREST & CLIMATE CHANGE	163	78	85	70
14	FERTILIZERS	16	9	7	2
15	FINANCE	73	37	36	25
16	FOOD & CONSUMER AFFAIRS	17	11	6	5
17	GOVT. OF NCT OF DELHI	139	39	100	92
18	HEALTH & FAMILY WELFARE	50	15	35	16
19	HEAVY INDUSTRY	16	14	2	2

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
20	HUMAN RESOURCE DEVELOPMENT	43	20	23	21
21	INFORMATION & BROADCASTING	65	57	8	8
22	INSURANCE	356	342	14	11
23	LABOUR	204	200	4	2
24	*LOCAL BODIES EXCEPT G.N.C.T.D.	85	41	44	30
25	MHA	23	9	14	11
26	MINES	14	7	7	4
27	MINISTRY OF AYUSH	68	52	16	11
28	MINISTRY OF CORPORATE AFFAIRS	6	0	6	6
29	MINISTRY OF CULTURE	3	3	0	0
30	MINISTRY OF EXTERNAL AFFAIRS	0	0	0	0
31	MINISTRY OF MINORITY AFFAIRS	0	0	0	0
32	MINISTRY OF STATISTICS & PROG. IMPL.	0	0	0	0
33	MINISTRY OF TEXTILES	52	24	28	27
34	MINISTRY OF MSME	0	0	0	0
35	NITI AAYOG	0	0	0	0
36	NEW AND RENEWABLE ENERGY	7	2	5	2
37	PETROLEUM	148	103	45	16
38	PHARMACEUTICALS	9	7	2	0
39	POSTS	5	5	0	0
40	POWER	68	50	18	13
41	RAILWAYS	130	93	37	11

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
42	ROAD TRANSPORT & HIGHWAYS	25	6	19	18
43	RURAL DEVELOPMENT	13	1	12	12
44	SCIENCE & TECHNOLOGY	122	76	46	29
45	SHIPPING	142	101	41	27
46	SOCIAL JUSTICE & EMPOWERMENT	7	3	4	4
47	STEEL	56	35	21	16
48	TELECOMMUNICATIONS	183	153	30	13
49	TOURISM	6	1	5	5
50	UNION TERRITORY OTHER THAN DELHI	23	18	5	0
51	#URBAN AFFAIRS	173	101	72	44
52	WATER RESOURCES	34	11	23	26
53	YOUTH AFFAIRS & SPORTS	52	35	17	14
54	MISCELLANEOUS	5	1	4	3
	TOTAL	**3768**	**2644**	**1124**	**749**

* includes DSIDC, DJB, DTTDC, DTC, DTL, DUSIB, IPGCL, North, East & South MCD and NDMC.

\# includes CPWD, DDA, DMRC, DUAC, Hindustan Prefab Ltd., HUDCO, Ministry of Housing & Urban Affairs, NBCC and NCR Planning Board.

Note: The data is based on the Annual Reports submitted by the CVOs.

Appendix III-A (ii)

(Para 3.9)

Details of Complaints regarding other employees dealt with by CVOs in 2018

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
1	AGRICULTURE	312	220	92	64
2	ATOMIC ENERGY	168	83	85	53
3	BANKS	10413	8710	1703	505
4	CHEMICAL & PETROCHEMICALS	22	19	3	2
5	CIVIL AVIATION	226	172	54	14
6	COAL	1241	1013	228	13
7	COMMERCE	208	122	86	55
8	CBDT	2783	1050	1733	1040
9	CBIC	923	528	395	246
10	DEFENCE	514	470	44	17
11	DOPT	266	132	134	66
12	EARTH & SCIENCES	40	17	23	11
13	ENVIRONMENT, FOREST AND CLIMATE CHANGE	223	142	81	62
14	FERTILIZERS	99	61	38	21
15	FINANCE	414	329	85	56
16	FOOD & CONSUMER AFFAIRS	1202	820	382	199
17	GOVT. OF NCT OF DELHI	4948	3687	1261	274
18	HEALTH & FAMILY WELFARE	386	277	109	49
19	HEAVY INDUSTRY	369	314	55	46

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
20	HUMAN RESOURCE DEVELOPMENT	332	266	66	30
21	INFORMATION & BROADCASTING	466	159	307	200
22	INSURANCE	976	806	170	25
23	LABOUR	326	261	65	41
24	*LOCAL BODIES EXCEPT G.N.C.T.D.	6763	2541	4222	3826
25	MHA	872	506	366	136
26	MINES	68	51	17	5
27	MINISTRY OF AYUSH	55	44	11	10
28	MINISTRY OF CORPORATE AFFAIRS	105	31	74	47
29	MINISTRY OF CULTURE	60	52	8	1
30	MINISTRY OF EXTERNAL AFFAIRS	3	0	3	3
31	MINISTRY OF MINORITY AFFAIRS	0	0	0	0
32	MINISTRY OF STATISTICS & PROG. IMPL.	0	0	0	0
33	MINISTRY OF TEXTILES	147	92	55	47
34	MINISTRY OF MSME	47	47	0	0
35	NITI AAYOG	0	0	0	0
36	NEW AND RENEWABLE ENERGY	64	56	8	6
37	PETROLEUM	2831	2304	527	291
38	PHARMACEUTICALS	7	4	3	2
39	POSTS	279	111	168	46
40	POWER	205	158	47	42
41	RAILWAYS	12049	9351	2698	1295

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
42	ROAD TRANSPORT & HIGHWAYS	99	20	79	73
43	RURAL DEVELOPMENT	64	12	52	46
44	SCIENCE & TECHNOLOGY	615	343	272	128
45	SHIPPING	501	393	108	34
46	SOCIAL JUSTICE & EMPOWERMENT	26	7	19	9
47	STEEL	1391	1114	277	72
48	TELECOMMUNICATIONS	1611	1244	367	135
49	TOURISM	21	13	8	5
50	UNION TERRITORY OTHER THAN DELHI	148	142	6	0
51	#URBAN AFFAIRS	1283	591	692	180
52	WATER RESOURCES	69	24	45	28
53	YOUTH AFFAIRS & SPORTS	168	78	90	57
54	MISCELLANEOUS	68	24	44	28
	TOTAL	**56476**	**39011**	**17465**	**9641**

* includes DSIDC, DJB, DTTDC, DTC, DTL, DUSIB, IPGCL, North, East & South MCD and NDMC.

includes CPWD, DDA, DMRC, DUAC, Hindustan Prefab Ltd., HUDCO, Ministry of Housing & Urban Affairs, NBCC and NCR Planning Board.

Note: The data is based on the Annual Reports submitted by the CVOs.

Appendix III-A (iii)

(Para 3.9)

Details of Complaints of all Categories of employees in 2018

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
1	AGRICULTURE	416	295	121	86
2	ATOMIC ENERGY	194	92	102	61
3	BANKS	11102	9301	1801	537
4	CHEMICAL & PETROCHEMICALS	23	20	3	2
5	CIVIL AVIATION	268	197	71	20
6	COAL	1312	1072	240	13
7	COMMERCE	234	137	97	62
8	CBDT	2838	1064	1774	1080
9	CBIC	950	542	408	254
10	DEFENCE	560	512	48	19
11	DOPT	327	167	160	82
12	EARTH & SCIENCES	59	21	38	23
13	ENVIRONMENT, FOREST AND CLIMATE CHANGE	386	220	166	132
14	FERTILIZERS	115	70	45	23
15	FINANCE	487	366	121	81
16	FOOD & CONSUMER AFFAIRS	1219	831	388	204
17	GOVT. OF NCT OF DELHI	5087	3726	1361	366
18	HEALTH & FAMILY WELFARE	436	292	144	65
19	HEAVY INDUSTRY	385	328	57	48

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
20	HUMAN RESOURCE DEVELOPMENT	375	286	89	51
21	INFORMATION & BROADCASTING	531	216	315	208
22	INSURANCE	1332	1148	184	36
23	LABOUR	530	461	69	43
24	*LOCAL BODIES EXCEPT G.N.C.T.D.	6848	2582	4266	3856
25	MHA	895	515	380	147
26	MINES	82	58	24	9
27	MINISTRY OF AYUSH	123	96	27	21
28	MINISTRY OF CORPORATE AFFAIRS	111	31	80	53
29	MINISTRY OF CULTURE	63	55	8	1
30	MINISTRY OF EXTERNAL AFFAIRS	3	0	3	3
31	MINISTRY OF MINORITY AFFAIRS	0	0	0	0
32	MINISTRY OF STATISTICS & PROG. IMPL.	0	0	0	0
33	MINISTRY OF TEXTILES	199	116	83	74
34	MINISTRY OF MSME	47	47	0	0
35	NITI AAYOG	0	0	0	0
36	NEW AND RENEWABLE ENERGY	71	58	13	8
37	PETROLEUM	2979	2407	572	307
38	PHARMACEUTICALS	16	11	5	2
39	POSTS	284	116	168	46
40	POWER	273	208	65	55
41	RAILWAYS	12179	9444	2735	1306

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than 6 months
42	ROAD TRANSPORT & HIGHWAYS	124	26	98	91
43	RURAL DEVELOPMENT	77	13	64	58
44	SCIENCE & TECHNOLOGY	737	419	318	157
45	SHIPPING	643	494	149	61
46	SOCIAL JUSTICE & EMPOWERMENT	33	10	23	13
47	STEEL	1447	1149	298	88
48	TELECOMMUNICATIONS	1794	1397	397	148
49	TOURISM	27	14	13	10
50	UNION TERRITORY OTHER THAN DELHI	171	160	11	0
51	#URBAN AFFAIRS	1456	692	764	224
52	WATER RESOURCES	103	35	68	54
53	YOUTH AFFAIRS & SPORTS	220	113	107	71
54	MISCELLANEOUS	73	25	48	31
	TOTAL	**60244**	**41655**	**18589**	**10390**

* includes DSIDC, DJB, DTTDC, DTC, DTL, DUSIB, IPGCL, North, East & South MCD and NDMC.

includes CPWD, DDA, DMRC, DUAC, Hindustan Prefab Ltd., HUDCO, Ministry of Housing & Urban Affairs, NBCC and NCR Planning Board.

Note: The data is based on the Annual Reports submitted by the CVOs.

Appendix III-B

(Para 3.11)

Details of Departmental Inquiries against officers in 2018

(Under CVC Jurisdiction)

S. No.	Department/Sector	B/F from previous years & initiated during 2018	Disposal	Pending	Pending for more than 6 months
1	AGRICULTURE	57	22	35	26
2	ATOMIC ENERGY	21	3	18	18
3	BANKS	766	476	290	132
4	CHEMICAL & PETROCHEMICALS	0	0	0	0
5	CIVIL AVIATION	35	18	17	15
6	COAL	44	21	23	16
7	COMMERCE	75	11	64	47
8	CBDT	207	19	188	146
9	CBIC	272	151	121	102
10	DEFENCE	102	31	71	61
11	DOPT	54	9	45	43
12	EARTH & SCIENCES	0	0	0	0
13	ENVIRONMENT, FOREST AND CLIMATE CHANGE	2	0	2	2
14	FERTILIZERS	27	7	20	12
15	FINANCE	26	5	21	14
16	FOOD & CONSUMER AFFAIRS	8	0	8	8
17	GOVT. OF NCT OF DELHI	37	12	25	22
18	HEALTH & FAMILY WELFARE	26	2	24	15

S. No.	Department/Sector	B/F from previous years & initiated during 2018	Disposal	Pending	Pending for more than 6 months
19	HEAVY INDUSTRY	15	0	15	14
20	HUMAN RESOURCE DEVELOPMENT	17	7	10	10
21	INFORMATION & BROADCASTING	20	0	20	20
22	INSURANCE	29	13	16	9
23	LABOUR	19	3	16	16
24	*LOCAL BODIES EXCEPT G.N.C.T.D.	44	21	23	19
25	MHA	61	12	49	46
26	MINES	6	5	1	0
27	MINISTRY OF AYUSH	23	5	18	17
28	MINISTRY OF CORPORATE AFFAIRS	6	0	6	6
29	MINISTRY OF CULTURE	1	0	1	0
30	MINISTRY OF EXTERNAL AFFAIRS	1	0	1	0
31	MINISTRY OF MINORITY AFFAIRS	0	0	0	0
32	MINISTRY OF STATISTICS & PROG. IMPL.	0	0	0	0
33	MINISTRY OF TEXTILES	0	0	0	0
34	MINISTRY OF MSME	21	9	12	12
35	NITI AAYOG	0	0	0	0
36	NEW AND RENEWABLE ENERGY	2	0	2	2
37	PETROLEUM	80	44	36	26
38	PHARMACEUTICALS	0	0	0	0
39	POSTS	57	10	47	47
40	POWER	40	11	29	27

S. No.	Department/Sector	B/F from previous years & initiated during 2018	Disposal	Pending	Pending for more than 6 months
41	RAILWAYS	470	141	329	319
42	ROAD TRANSPORT & HIGHWAYS	10	4	6	6
43	RURAL DEVELOPMENT	0	0	0	0
44	SCIENCE & TECHNOLOGY	80	5	75	69
45	SHIPPING	63	16	47	31
46	SOCIAL JUSTICE & EMPOWERMENT	0	0	0	0
47	STEEL	7	3	4	3
48	TELECOMMUNICATIONS	148	62	86	81
49	TOURISM	12	7	5	5
50	UNION TERRITORY OTHER THAN DELHI	1	0	1	1
51	#URBAN AFFAIRS	171	35	136	115
52	WATER RESOURCES	15	2	13	13
53	YOUTH AFFAIRS & SPORTS	3	1	2	2
54	MISCELLANEOUS	1	0	1	1
	TOTAL	**3182**	**1203**	**1979**	**1596**

* includes DSIDC, DJB, DTTDC, DTC, DTL, DUSIB, IPGCL, North, East & South MCD and NDMC.

\# includes CPWD, DDA, DMRC, DUAC, Hindustan Prefab Ltd., HUDCO, Ministry of Housing & Urban Affairs, NBCC and NCR Planning Board.

Note: The data is based on the Annual Reports submitted by the CVOs.

Appendix III-C

(Para 3.11)

Details of Departmental Inquiries against other employees in 2018

S. No.	Department/Sector	B/F from previous years & initiated during 2018	Disposal	Pending	Pending for more than 6 months
1	AGRICULTURE	237	161	76	63
2	ATOMIC ENERGY	17	4	13	15
3	BANKS	4964	3264	1700	538
4	CHEMICAL & PETROCHEMICALS	15	9	6	1
5	CIVIL AVIATION	75	28	47	42
6	COAL	100	39	61	40
7	COMMERCE	59	19	40	28
8	CBDT	294	68	226	193
9	CBIC	551	329	222	164
10	DEFENCE	121	62	59	48
11	DOPT	87	34	53	45
12	EARTH & SCIENCES	2	1	1	0
13	ENVIRONMENT, FOREST AND CLIMATE CHANGE	2	1	1	1
14	FERTILIZERS	43	16	27	26
15	FINANCE	61	19	42	34
16	FOOD & CONSUMER AFFAIRS	238	117	121	67
17	GOVT. OF NCT OF DELHI	181	105	76	71
18	HEALTH & FAMILY WELFARE	129	55	74	43

S. No.	Department/Sector	B/F from previous years & initiated during 2018	Disposal	Pending	Pending for more than 6 months
19	HEAVY INDUSTRY	45	18	27	7
20	HUMAN RESOURCE DEVELOPMENT	77	19	58	48
21	INFORMATION & BROADCASTING	49	7	42	40
22	INSURANCE	476	251	225	88
23	LABOUR	331	48	283	169
24	*LOCAL BODIES EXCEPT G.N.C.T.D.	372	149	223	177
25	MHA	232	68	164	125
26	MINES	20	11	9	6
27	MINISTRY OF AYUSH	0	0	0	0
28	MINISTRY OF CORPORATE AFFAIRS	1	0	1	1
29	MINISTRY OF CULTURE	10	2	8	6
30	MINISTRY OF EXTERNAL AFFAIRS	2	0	2	0
31	MINISTRY OF MINORITY AFFAIRS	2	2	0	0
32	MINISTRY OF STATISTICS & PROG. IMPL.	0	0	0	0
33	MINISTRY OF TEXTILES	74	46	28	18
34	MINISTRY OF MSME	53	17	36	30
35	NITI AAYOG	0	0	0	0
36	NEW AND RENEWABLE ENERGY	0	0	0	0
37	PETROLEUM	231	92	139	99
38	PHARMACEUTICALS	3	0	3	2
39	POSTS	43	13	30	23

S. No.	Department/Sector	B/F from previous years & initiated during 2018	Disposal	Pending	Pending for more than 6 months
40	POWER	83	32	51	19
41	RAILWAYS	1156	619	537	391
42	ROAD TRANSPORT & HIGHWAYS	0	0	0	0
43	RURAL DEVELOPMENT	0	0	0	0
44	SCIENCE & TECHNOLOGY	43	16	27	20
45	SHIPPING	104	52	52	25
46	SOCIAL JUSTICE & EMPOWERMENT	4	0	4	4
47	STEEL	40	14	26	11
48	TELECOMMUNICATION	229	88	141	121
49	TOURISM	11	1	10	3
50	UNION TERRITORY OTHER THAN DELHI	16	8	8	2
51	#URBAN AFFAIRS	55	24	31	22
52	WATER RESOURCES	17	3	14	11
53	YOUTH AFFAIRS & SPORTS	5	4	1	1
54	MISCELLANEOUS	39	17	22	13
	TOTAL	**10999**	**5952**	**5047**	**2901**

* includes DSIDC, DJB, DTTDC, DTC, DUSIB, IPGCL, North, East & South MCD and NDMC.

includes CPWD, DDA, DMRC, DUAC, Hindustan Prefab Ltd., HUDCO, Ministry of Housing & Urban Affairs, NBCC and NCR Planning Board.

Note: The data is based on the Annual Reports submitted by the CVOs.

Appendix III-D

(Para 3.18)

Details of Prosecution Sanctions for all Categories in 2018

S. No.	Department/Sector	Total cases for sanction	Disposal		Pending	Pending for more than 6 months
			Sanctioned	Refused		
1	AGRICULTURE	1	1	0	0	0
2	ATOMIC ENERGY	0	0	0	0	0
3	BANKS	240	84	114	42	2
4	CHEMICAL & PETROCHEMICALS	0	0	0	0	0
5	CIVIL AVIATION	1	0	1	0	0
6	COAL	11	11	0	0	0
7	COMMERCE	0	0	0	0	0
8	CBDT	13	13	0	0	0
9	CBIC	10	3	1	6	1
10	DEFENCE	3	3	0	0	0
11	DOPT	1	0	0	1	0
12	EARTH & SCIENCES	0	0	0	0	0
13	ENVIRONMENT, FOREST AND CLIMATE CHANGE	6	1	2	3	1
14	FERTILIZERS	0	0	0	0	0
15	FINANCE	9	5	0	4	4
16	FOOD & CONSUMER AFFAIRS	10	7	1	2	0
17	GOVT. OF NCT OF DELHI	19	8	0	11	0
18	HEALTH & FAMILY WELFARE	4	1	1	2	0
19	HEAVY INDUSTRY	0	0	0	0	0

S. No.	Department/Sector	Total cases for sanction	Disposal		Pending	Pending for more than 6 months
			Sanctioned	Refused		
20	HUMAN RESOURCE DEVELOPMENT	1	1	0	0	0
21	INFORMATION & BROADCASTING	17	13	0	4	0
22	INSURANCE	2	1	0	1	0
23	LABOUR	4	2	0	2	0
24	*LOCAL BODIES EXCEPT G.N.C.T.D.	2	1	1	0	0
25	MHA	6	6	0	0	0
26	MINES	0	0	0	0	0
27	MINISTRY OF AYUSH	1	1	0	0	0
28	MINISTRY OF CORPORATE AFFAIRS	0	0	0	0	0
29	MINISTRY OF CULTURE	2	0	0	2	2
30	MINISTRY OF EXTERNAL AFFAIRS	0	0	0	0	0
31	MINISTRY OF MINORITY AFFAIRS	0	0	0	0	0
32	MINISTRY OF STATISTICS & PROG. IMPL.	0	0	0	0	0
33	MINISTRY OF TEXTILES	1	1	0	0	0
34	MINISTRY OF MSME	1	1	0	0	0
35	NITI AAYOG	0	0	0	0	0
36	NEW AND RENEWABLE ENERGY	2	1	0	1	1
37	PETROLEUM	6	6	0	0	0
38	PHARMACEUTICALS	0	0	0	0	0

S. No.	Department/Sector	Total cases for sanction	Disposal		Pending	Pending for more than 6 months
			Sanctioned	Refused		
39	POSTS	27	25	0	2	0
40	POWER	9	9	0	0	0
41	RAILWAYS	19	15	0	4	0
42	ROAD TRANSPORT & HIGHWAYS	0	0	0	0	0
43	RURAL DEVELOPMENT	0	0	0	0	0
44	SCIENCE & TECHNOLOGY	0	0	0	0	0
45	SHIPPING	3	2	0	1	0
46	SOCIAL JUSTICE & EMPOWERMENT	0	0	0	0	0
47	STEEL	1	1	0	0	0
48	TELECOMMUNICATIONS	10	9	1	0	0
49	TOURISM	1	1	0	0	0
50	UNION TERRITORY OTHER THAN DELHI	9	5	2	2	1
51	#URBAN AFFAIRS	29	23	0	6	0
52	WATER RESOURCES	0	0	0	0	0
53	YOUTH AFFAIRS & SPORTS	0	0	0	0	0
54	MISCELLANEOUS	0	0	0	0	0
	TOTAL	**481**	**261**	**124**	**96**	**12**

* includes DSIDC, DJB, DTTDC, DTC, DTL, DUSIB, IPGCL, North, East & South MCD and NDMC.

\# includes CPWD, DDA, DMRC, DUAC, Hindustan Prefab Ltd., HUDCO, Ministry of Housing & Urban Affairs, NBCC and NCR Planning Board.

Note: The data is based on the Annual Reports submitted by the CVOs.

Appendix III-E

(Para 3.16)

Details of punishment awarded (all categories) in Minor Penalty Proceedings in 2018

S. No.	Department/Sector	Reduction to lower stage	Postponement/ with holding of increment	Recovery from pay	With holding of promotion	Censure/ Warning	No Action	Total
1	AGRICULTURE	0	0	0	0	9	0	9
2	ATOMIC ENERGY	0	0	0	0	2	0	2
3	BANKS	567	169	58	3	579	63	1439
4	CHEMICAL & PETROCHEMICALS	0	2	0	0	1	3	6
5	CIVIL AVIATION	2	1	0	0	26	8	37
6	COAL	0	12	1	0	105	3	121
7	COMMERCE	0	0	0	0	7	1	8
8	CBDT	1	0	0	0	3	3	7
9	CBIC	9	3	2	1	21	14	50
10	DEFENCE	10	11	4	0	53	10	88
11	DOPT	1	13	0	0	9	6	29
11	EARTH & SCIENCES	0	0	0	0	0	0	0
13	ENVIRONMENT, FOREST AND CLIMATE CHANGE	0	0	0	0	1	0	1
14	FERTILIZERS	1	1	2	1	9	1	15
15	FINANCE	0	3	0	0	4	1	8
16	FOOD & CONSUMER AFFAIRS	220	9	1248	0	249	116	1842
17	GOVT. OF NCT OF DELHI	2	2	0	0	0	0	4
18	HEALTH & FAMILY WELFARE	2	0	0	0	1	1	4

S. No.	Department/Sector	Reduction to lower stage	Postponement/ with holding of increment	Recovery from pay	With holding of promotion	Censure/ Warning	No Action	Total
19	HEAVY INDUSTRY	3	1	0	0	15	1	20
20	HUMAN RESOURCE DEVELOPMENT	0	0	0	0	1	0	1
21	INFORMATION & BROADCASTING	1	3	0	0	1	0	5
22	INSURANCE	16	10	3	42	454	160	685
23	LABOUR	1	4	0	0	5	0	10
24	*LOCAL BODIES EXCEPT G.N.C.T.D.	34	12	1	0	82	19	148
25	MHA	1	3	1	0	49	7	61
26	MINES	0	0	0	0	6	0	6
27	MINISTRY OF AYUSH	0	0	0	0	1	1	2
28	MINISTRY OF CORPORATE AFFAIRS	0	0	0	0	1	0	1
29	MINISTRY OF CULTURE	0	0	0	0	1	0	1
30	MINISTRY OF EXTERNAL AFFAIRS	0	0	0	0	0	0	0
31	MINISTRY OF MINORITY AFFAIRS	0	0	0	1	1	0	2
32	MINISTRY OF STATISTICS & PROG. IMPL.	0	0	0	0	0	0	0
33	MINISTRY OF TEXTILES	1	5	1	0	5	0	12
34	MINISTRY OF MSME	0	3	0	0	3	0	6
35	NITI AAYOG	0	0	0	0	0	0	0
36	NEW AND RENEWABLE ENERGY	1	0	0	0	0	0	1
37	PETROLEUM	8	46	10	2	130	9	205
38	PHARMACEUTICALS	0	0	0	0	0	0	0

S. No.	Department/Sector	Reduction to lower stage	Postponement/ with holding of increment	Recovery from pay	With holding of promotion	Censure/ Warning	No Action	Total
39	POSTS	234	777	519	12	627	40	2209
40	POWER	23	8	0	0	30	8	69
41	RAILWAYS	339	1950	5	239	1505	70	4108
42	ROAD TRANSPORT & HIGHWAYS	0	0	0	0	0	0	0
43	RURAL DEVELOPMENT	0	0	0	0	0	0	0
44	SCIENCE & TECHNOLOGY	0	1	0	0	1	0	2
45	SHIPPING	0	0	2	0	6	6	14
46	SOCIAL JUSTICE & EMPOWERMENT	0	0	0	0	0	0	0
47	STEEL	9	0	0	0	23	1	33
48	TELECOMMUNICATIONS	13	28	8	0	102	9	160
49	TOURISM	0	0	2	0	8	0	10
50	UNION TERRITORY OTHER THAN DELHI	0	1	0	0	0	0	1
51	#URBAN AFFAIRS	25	2	1	1	23	9	61
52	WATER RESOURCES	0	1	0	0	1	1	3
53	YOUTH AFFAIRS & SPORTS	0	0	0	0	1	0	1
54	MISCELLANEOUS	5	0	0	0	2	0	7
	TOTAL	**1529**	**3081**	**1868**	**302**	**4163**	**571**	**11514**

* includes DSIDC, DJB, DTTDC, DTC, DTL, DUSIB, IPGCL, North, East & South MCD and NDMC.

\# includes CPWD, DDA, DMRC, DUAC, Hindustan Prefab Ltd., HUDCO, Ministry of Housing & Urban Affairs, NBCC and NCR Planning Board.

Note: The data is based on the Annual Reports submitted by the CVOs.

Appendix III-F

(Para 3.16)

Details of punishments awarded (all categories) in Major Penalty Proceedings in 2018

S. No.	Department/Sector	Cut in Pension	Dismissal/ Removal/ Compulsory Retirement	Reduction to lower time scale/ rank	Other Major Penalties	Minor Penalties other than Censure/ Warning	Censure/ Warning	No Action	Total
1	AGRICULTURE	0	3	8	2	2	10	24	49
2	ATOMIC ENERGY	0	0	0	0	0	0	0	0
3	BANKS	111	510	1058	1194	84	119	93	3169
4	CHEMICAL & PETROCHEMICALS	0	1	1	0	0	0	0	2
5	CIVIL AVIATION	0	2	10	0	6	3	8	29
6	COAL	1	20	80	8	4	10	3	126
7	COMMERCE	0	7	7	2	1	1	4	22
8	CBDT	8	25	8	3	6	8	28	86
9	CBIC	12	20	74	5	7	13	79	210
10	DEFENCE	13	7	21	3	5	6	19	74
11	DOPT	0	3	2	4	0	1	2	12
12	EARTH & SCIENCES	0	0	0	0	0	0	1	1
13	ENVIRONMENT, FOREST AND CLIMATE CHANGE	0	0	0	0	0	0	0	0
14	FERTILIZERS	0	1	4	0	0	2	9	16
15	FINANCE	0	0	1	2	1	0	1	5
16	FOOD & CONSUMER AFFAIRS	0	17	70	1	94	13	15	210
17	GOVT. OF NCT OF DELHI	8	2	16	1	0	1	0	28
18	HEALTH & FAMILY WELFARE	1	14	11	1	2	16	8	53

S. No.	Department/Sector	Cut in Pension	Dismissal/ Removal/ Compulsory Retirement	Reduction to lower time scale/ rank	Other Major Penalties	Minor Penalties other than Censure/ Warning	Censure/ Warning	No Action	Total
19	HEAVY INDUSTRY	0	0	17	0	1	0	1	19
20	HUMAN RESOURCE DEVELOPMENT	2	9	2	2	1	1	8	25
21	INFORMATION & BROADCASTING	1	0	3	2	0	0	1	7
22	INSURANCE	7	27	228	41	7	25	13	348
23	LABOUR	0	7	1	10	6	3	14	41
24	*LOCAL BODIES EXCEPT G.N.C.T.D.	41	47	123	7	16	36	72	342
25	MHA	3	8	10	2	8	4	26	61
26	MINES	0	1	0	1	1	0	2	5
27	MINISTRY OF AYUSH	0	0	0	0	0	0	8	8
28	MINISTRY OF CORPORATE AFFAIRS	1	0	0	0	0	0	1	2
29	MINISTRY OF CULTURE	0	0	0	0	0	0	0	0
30	MINISTRY OF EXTERNAL AFFAIRS	0	0	0	0	0	0	0	0
31	MINISTRY OF MINORITY AFFAIRS	0	0	0	0	0	0	0	0
32	MINISTRY OF STATISTICS & PROG. IMPL.	0	0	0	0	0	0	0	
33	MINISTRY OF TEXTILES	0	4	13	5	3	4	11	40
34	MINISTRY OF MSME	3	7	5	2	0	1	2	20
35	NITI AAYOG	0	0	0	0	0	0	0	0
36	NEW AND RENEWABLE ENERGY	0	0	0	0	0	0	0	0
37	PETROLEUM	0	6	21	21	16	12	14	90
38	PHARMACEUTICALS	0	0	0	0	0	0	0	0

S. No.	Department/Sector	Cut in Pension	Dismissal/ Removal/ Compulsory Retirement	Reduction to lower time scale/ rank	Other Major Penalties	Minor Penalties other than Censure/ Warning	Censure/ Warning	No Action	Total
39	POSTS	8	116	135	69	27	14	43	412
40	POWER	3	0	9	3	0	8	3	26
41	RAILWAYS	17	107	721	74	105	17	60	1101
42	ROAD TRANSPORT & HIGHWAYS	0	0	0	0	0	1	2	3
43	RURAL DEVELOPMENT	0	0	0	0	0	0	0	0
44	SCIENCE & TECHNOLOGY	1	8	0	0	1	5	4	19
45	SHIPPING	8	5	7	3	11	12	7	53
46	SOCIAL JUSTICE & EMPOWERMENT	0	0	0	0	0	0	0	0
47	STEEL	0	3	21	1	0	0	1	26
48	TELECOMMUNICATIONS	35	25	57	10	10	23	42	202
49	TOURISM	0	0	4	0	0	0	3	7
50	UNION TERRITORY OTHER THAN DELHI	0	9	0	8	1	1	0	19
51	#URBAN AFFAIRS	12	0	31	0	2	2	16	63
52	WATER RESOURCES	0	1	0	1	0	0	1	3
53	YOUTH AFFAIRS & SPORTS	0	1	3	0	0	0	0	4
54	MISCELLANEOUS	1	1	2	2	3	0	2	11
	TOTAL	**297**	**1024**	**2784**	**1490**	**431**	**372**	**651**	**7049**

* includes DSIDC, DJB, DTTDC, DTC, DTL, DUSIB, IPGCL, North, East & South MCD and NDMC.

includes CPWD, DDA, DMRC, DUAC, Hindustan Prefab Ltd., HUDCO, Ministry of Housing & Urban Affairs, NBCC and NCR Planning Board.

Note: The data is based on the Annual Reports submitted by the CVOs.

Appendix III-G

(Para 3.16)

List of Organizations from whom Annual Report for the year 2018 was received

Sl. No.	Name of Organisation
1	Air India
2	Airports Authority of India
3	Ali Yavar Jung National Institute For Hearing Handicapped
4	All India Council For Technical Education
5	All India Institute of Medical Sciences
6	Allahabad Bank
7	Andhra Bank
8	Andrew Yule & Company Ltd.
9	Artificial Limbs Manufacturing Corporation Ltd.
10	Balmer Lawrie & Company Ltd.
11	Bank of Baroda
12	Bank of India
13	Bank of Maharashtra
14	Bengal Chemicals & Pharmaceuticals Ltd.
15	Bhakra Beas Management Board
16	Bharat Broadband Network Ltd.
17	Bharat Coking Coal Ltd.
18	Bharat Dynamics Ltd.

Sl. No.	Name of Organisation
19	Bharat Earth Movers Ltd.
20	Bharat Electronics Ltd.
21	Bharat Heavy Electricals Ltd.
22	Bharat Petroleum Corporation Ltd.
23	Bharat Pumps & Compressors Ltd.
24	Bharat Sanchar Nigam Ltd.
25	Bhartiya Reserve Bank Note Mudran Pvt. Ltd.
26	Board of Apprenticeship Training, Bombay
27	Border Security Force
28	Brahmaputra Board
29	Brahmaputra Valley Fertilizer Corporation Ltd.
30	Braithwaite & Co. Ltd.
31	Bird Group of Companies
32	Bridge & Roof Co. (India) Ltd.
33	Bureau of Indian Standards
34	Cabinet Secretariat
35	Canara Bank
36	Cement Corporation of India Ltd.

Sl. No.	Name of Organisation
37	Central Bank of India
38	Central Board of Direct Taxes
39	Central Board of Indirect Taxes & Customs
40	Central Board of Secondary Education
41	Central Bureau of Investigation
42	Central Coalfields Ltd.
43	Central Cottage Industries Corporation of India Ltd.
44	Central Council For Research In Ayurveda & Siddha
45	Central Council of Indian Medicine
46	Central Electricity Authority
47	Central Industrial Security Force
48	Central Institute of Plastics Engineering And Technology
49	Central Institute of Tool Design
50	Central Manufacturing Technology Institute
51	Central Mines Planning & Design Institute Limited
52	Central Pollution Control Board
53	Central Power Research Institute
54	Central Public Works Department
55	Central Pulps & Paper Research Institute
56	Central Reserve Police Force

Sl. No.	Name of Organisation
57	Central University of Kerala
58	Central Waqf Council
59	Central Warehousing Corporation Ltd.
60	Centre For Development of Advanced Computing, Pune
61	Centre For Development of Telematics
62	Chandigarh Administration
63	Chennai Petroleum Corporation Ltd.
64	Chennai Port Trust
65	Coal India Ltd.
66	Coir Board
67	Container Corporation of India
68	Corporation Bank
69	Cotton Corporation of India
70	Council of Scientific & Industrial Research
71	Delhi State Industrial Development Corporation
72	Damodar Valley Corporation
73	Dattopant Thengadi National Board For Workers Education And Development
74	Dedicated Freight Corridor Corporation of India Ltd.
75	Defence Accounts Department (C.G.D.A.)
76	Delhi Development Authority

Sl. No.	Name of Organisation
77	Delhi Jal Board
78	Delhi Metro Rail Corporation Ltd.
79	Delhi Tourism and Transportation Development Corporation Limited
80	Delhi Transco Ltd.
81	Delhi Transport Corporation
82	Delhi Urban Art Commission
83	Delhi Urban Shelter Improvement Board
84	Dena Bank
85	Department of Animal Husbandry, Dairying and Fisheries
86	Department of Administrative Reforms and Public Grievances
87	Department of Agriculture & Cooperation
88	Department of Atomic Energy
89	Department of Bio-Technology
90	Department of Chemicals & Petrochemicals
91	Department of Consumer Affairs
92	Department of Defence Production And Supplies
93	Department of Economic Affairs (Finance)
94	Department of Expenditure
95	Department of Fertilizers

Sl. No.	Name of Organisation
96	Department of Financial Services
97	Department of Food And Public Distribution
98	Department of Food Processing Industries
99	Department of Industrial Policy And Promotion.
100	Department of Investment And Public Asset Management (DIPAM)
101	Department of Legal Affairs & Legislative Department
102	Department of Pharmaceuticals
103	Department of Posts
104	Department of Public Enterprises
105	Department of Revenue
106	Department of Science And Technology
107	Department of Space
108	Department of Supply
109	Department of Telecommunications
110	Directorate General of Civil Aviation
111	Directorate General of Commercial Intelligence and Statistics
112	Dredging Corporation of India Ltd.
113	Eastern Coalfields Ltd.
114	Educational Consultants India Ltd.
115	Electronics Corporation of India Ltd.

Sl. No.	Name of Organisation
116	Employees' State Insurance Corporation
117	Engineering Projects India Ltd.
118	Engineers India Ltd.
119	Kamarajar Port Limited
120	Export- Import Bank of India
121	Export Inspection Council of India
122	Exports Credit Guarantee Corporation
123	FCI Aravali Gypsum And Minerals India Limited
124	Ferro Scrap Nigam Limited
125	Fertilizers & Chemicals Travancore Ltd.
126	Fertilizer Corporation of India Ltd.
127	Food Corporation of India
128	Garden Reach Shipbuilders & Engineers Ltd.
129	Gas Authority of India Ltd.
130	General Insurance Corporation of India
131	Geological Survey of India
132	Goa Shipyard Ltd.
133	Govt. of N. C. T of DELHI
134	Handicrafts & Handlooms Export Corporation of India Ltd.
135	Heavy Engineering Corporation Ltd.
136	Hindustan Aeronautics Ltd.

Sl. No.	Name of Organisation
137	Hindustan Antibiotics Ltd.
138	Hindustan Copper Ltd.
139	Hindustan Fertilizer Corporation Ltd.
140	Hindustan Insecticides Ltd.
141	Hindustan Organic Chemicals Ltd.
142	Hindustan Petroleum Corporation Ltd.
143	Hindustan Prefab Ltd.
144	Hindustan Salts Ltd.
145	Hindustan Shipyard Ltd.
146	Hindustan Steel Works Construction Ltd.
147	HMT Ltd.
148	Housing & Urban Development Corporation Ltd.
149	Industrial Finance Corporation of India Ltd.
150	Indian Grain Storage Management and Research Institute
151	India Tourism Development Corporation Ltd.
152	India Trade Promotion Organisation
153	Indian Bank
154	Indian Council of Agricultural Research
155	India Infrastructure Finance Co. Ltd.
156	Indian Institute of Management, Indore

Sl. No.	Name of Organisation
157	Indian Oil Corporation Ltd.
158	Indian Overseas Bank
159	Indian Plywood Industries Research and Training Institute
160	Indian Railway Catering and Tourism Corporation Ltd.
161	Indian Railway Finance Corporation Ltd.
162	Indian Rare Earths Ltd.
163	Indian Renewable Energy Development Agency Ltd. (IREDA)
164	Indian Telephone Industries Ltd.
165	Indo Tibetan Border Police (ITBP)
166	Indraprastha Power Generation Corporation Limited
167	Industrial Development Bank Of India
168	Insurance Regulatory Development Authority
169	Intelligence Bureau (IB)
170	IRCON International Ltd.
171	Jawaharlal Nehru Port Trust
172	Deendayal Port Trust
173	Kendriya Bhandar
174	Kendriya Vidyalaya Sangathan
175	Khadi & Village Industries Commission
176	Cochin Port Trust

Sl. No.	Name of Organisation
177	Cochin Shipyard Ltd.
178	Kolkata Port Trust
179	Konkan Railway Corporation Ltd.
180	Kudremukh Iron & Ore Co. Ltd.
181	Life Insurance Corporation of India
182	Municipal Corporation of North Delhi
183	Municipal Corporation of East Delhi
184	Municipal Corporation of South Delhi
185	M.M.T.C. Ltd.
186	Madras Fertilizers Ltd.
187	Mahanadi Coalfields Limited
188	Mahanagar Telephone Nigam Limited
189	Manganese Ore India Ltd.
190	Mangalore Refineries & Petrochemicals Ltd.
191	Marine Products Export Development Authority
192	Mazagon Dock Shipbuilders Ltd.
193	Metal Scrap Trade Corporation
194	MECON Ltd.
195	Mineral Exploration Corporation Ltd.
196	Ministry of Civil Aviation
197	Ministry of Coal
198	Ministry of Corporate Affairs

Sl. No.	Name of Organisation
199	Ministry of Development of North Eastern Region
200	Ministry of Earth Sciences
201	Ministry of Environment, Forest and Climate Change
202	Ministry of Home Affairs
203	Ministry of Housing & Urban Affairs
204	Ministry of Information & Broadcasting
205	Ministry of Labour & Employment
206	Ministry of Micro, Small & Medium Enterprises
207	Ministry of Mines
208	Ministry of Minority Affairs
209	Ministry of New And Renewable Energy
210	Ministry of Petroleum & Natural Gas
211	Ministry of Railways
212	Ministry of Road Transport & Highways
213	Ministry of Rural Development
214	Ministry of Shipping
215	Ministry of Social Justice & Empowerment
216	Ministry of Steel
217	Ministry of Textiles
218	Ministry of Tourism
219	Ministry of Water Resources

Sl. No.	Name of Organisation
220	Ministry of Youth Affairs & Sports
221	Mishra Dhatu Nigam Ltd.
222	Mormugao Port Trust
223	Mumbai Port Trust
224	Mumbai Rail Vikas Corporation
225	Narmada Control Authority
226	National Aluminium Co. Ltd.
227	National Bank for Agriculture and Rural Development
228	National Buildings Construction Corporation
229	National Council for Cement And Building Materials
230	National Dairy Development Board
231	National Fertilizer Ltd.
232	National Highway Authority of India
233	National Horticulture Board
234	National Housing Bank
235	National Hydro-Electric Power Corporation Ltd.
236	National Insurance Co.Ltd.
237	National Intelligence Grid
238	National Mineral Development Corporation Limited
239	National Minorities Development and Finance Corporation

Sl. No.	Name of Organisation
240	National Power Training Institute
241	National Projects Construction Corporation Limited
242	National Security Guard
243	National Seeds Corporation Ltd.
244	National Small Industries Corporation Ltd.
245	National Textiles Corporation Limited
246	National Thermal Power Corporation Limited.
247	National Water Development Agency
248	National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)
249	New Delhi Municipal Council (NDMC)
250	New India Assurance Co. Ltd.
251	New Mangalore Port Trust.
252	Neyveli Lignite Corporation Ltd.
253	North Eastern Electric Power Corporation
254	Northern Coalfields Ltd.
255	Nuclear Power Corporation of India Ltd.
256	Numaligarh Refinery Limited
257	Office of The Coal Mines Provident Fund Commissioner.
258	Oil & Natural Gas Corporation Limited

Sl. No.	Name of Organisation
259	Oil India Ltd.
260	Ordnance Factory Board
261	Oriental Bank of Commerce
262	Oriental Insurance Co. Ltd.
263	Paradeep Port Trust
264	Pasteur Institute of India
265	Pawan Hans Helicopters Ltd.
266	Postgraduate Institute of Medical Education & Research, Chandigarh
267	Power Finance Corporation Ltd.
268	Power Grid Corporation of India Ltd.
269	Prasar Bharati
270	Projects & Development India Ltd.
271	Projects & Equipment Corporation of India Ltd.
272	Punjab & Sind Bank
273	Punjab National Bank
274	Rail India Technical & Economic Services Ltd.
275	Rail Tel Corporation of India Ltd.
276	Rail Vikas Nigam Limited
277	Rashtriya Chemicals & Fertilizers Ltd.
278	Rashtriya Ispat Nigam Ltd.
279	Repatriates Cooperative Finance & Development Bank Ltd.

Sl. No.	Name of Organisation
280	Reserve Bank of India
281	Rubber Board
282	Rural Electrification Corporation Ltd.
283	Sashastra Seema Bal
284	Satluj Jal Vidyut Nigam Limited
285	Scooters India Ltd.
286	Security And Exchange Board of India
287	Security Printing & Minting Corporation of India Ltd.
288	Shipping Corporation of India Ltd.
289	Small Industries Development Bank of India
290	Software Technology Park of India
291	Solar Energy Corporation of India
292	South Eastern Coalfields Ltd.
293	Sports Authority of India
294	State Bank of India
295	State Trading Corporation of India Limited.
296	Steel Authority of India Ltd.
297	Syndicate Bank
298	Tea Board
299	Tehri Hydro Development Corporation
300	Telecommunication Consultants India Ltd.

Sl. No.	Name of Organisation
301	Textiles Committee
302	Tobacco Board
303	V.O.Chidambaranar Port Trust
304	UCO Bank
305	Union Bank of India
306	United Bank of India
307	United India Insurance Co. Ltd.
308	University Grants Commission
309	Uranium Corporation of India Ltd.
310	Victoria Memorial Hall
311	Vijaya Bank
312	Visakhapatnam Port Trust
313	Western Coalfields Ltd.
314	Ministry of Personnel, P.G. & Pensions
315	Board of Practical Training
316	Office of the Controller General of Accts
317	Council for Advancement of Peoples Action and Rural Technology
318	Narmada Hydroelectric Development Corporation Limited (NHDC)
319	Bharatiya Nabhikiya Vidyut Nigam Limited (BHAVINI)
320	Department of Commerce
321	National Productivity Council

Sl. No.	Name of Organisation
322	Maulana Azad National Institute of Technology
323	National Crime Records Bureau
324	Bureau of Police Research and Development
325	Staff Selection Commission
326	G.B. Pant Institute of Himalayan Environment and Sustainable Development
327	Indian Maritime University
328	Ministry of Electronics & Information Technology
329	Indian Council for Cultural Relations
330	National Institute of Electronics and Information Technology
331	Archaeological Survey of India
332	National Disaster Response Force
333	National Cooperative Development Corporation
334	Central Institute of Hand Tools
335	The Braithwaite, Burn and Jessop Construction Company Ltd.
336	Indian Institute of Technology, Roorkee

Appendix IV

(Para 3.10)

Organisation-wise list of complaints referred by Commission and pending with CVOs for Inquiry and Report as on 31.12.2018

S. No.	Name of the Department/Organisation	Complaints pending for investigation		
		Upto one Year	Between one-three years	More than three years
1	Air India	2	1	0
2	Airports Authority of India	3	3	1
3	All India Council for Technical Education	0	0	1
4	All India Institute of Medical Sciences	1	0	1
5	Allahabad Bank	1	0	0
6	Andaman & Nicobar Administration	0	2	1
7	Bank of Baroda	1	0	1
8	Bank of Maharashtra	0	1	0
9	Bharat Coking Coal Ltd.	1	0	0
10	Bharat Heavy Electricals Ltd.	0	0	2
11	Bharat Petroleum Corporation Ltd.	0	0	1
12	Border Roads Development Board	0	0	4
13	Brahmaputra Board	0	0	1
14	Canara Bank	0	1	0
15	Central Board of Direct Taxes	6	6	4
16	Central Bureau of Investigation	4	7	0
17	Central Board of Indirect Taxes and Customs	9	0	0
18	Cement Corporation of India Ltd.	0	1	0
19	Central Bank of India	2	0	5

S. No.	Name of the Department/Organisation	Complaints pending for investigation		
		Upto one Year	Between one-three years	More than three years
20	Central Public Works Department	1	0	1
21	Chandigarh Administration	1	1	2
22	Chennai Port Trust	2	2	0
23	Coal India Ltd.	1	0	1
24	Cotton Corporation of India	1	0	0
25	Council of Scientific & Industrial Research	1	0	0
26	Dadra & Nagar Haveli Administration	0	1	2
27	Daman & Diu Administration	0	1	2
28	Defence Accounts Department (CGDA)	1	0	1
29	Delhi Development Authority	4	0	2
30	Delhi Jal Board	2	0	0
31	Department of Agriculture, Cooperation & Farmers Welfare	0	0	1
32	Department of Animal Husbandry, Dairying & Fisheries	0	1	1
33	Department of Company Affairs	0	1	0
34	Department of Defence Production & Supplies	2	0	2
35	Department of Empowerment of Persons with Disabilities	0	0	3
36	Department of Economic Affairs	0	1	1
37	Department of Expenditure	0	1	0
38	Department of Family Welfare	1	0	0
39	Department of Financial Services	1	0	4
40	Department of Food & Public Distribution	1	0	0

S. No.	Name of the Department/Organisation	Complaints pending for investigation		
		Upto one Year	Between one-three years	More than three years
41	Department of Health	4	4	5
42	Department of Mines	3	0	1
43	Department of Ocean Development	0	0	3
44	Department of Revenue	3	2	1
45	Department of Science & Technology	0	2	2
46	Department of Secondary & Higher Education & Elementary Education	3	7	22
47	Department of Women & Child Development	0	0	1
48	Department of Youth Affairs & Sports	0	1	2
49	Department of Scientific and Industrial Research	1	0	1
50	Department of Atomic Energy	3	1	0
51	Department of Chemicals & Petrochemicals	0	0	1
52	Department of Fertilizers	0	0	1
53	Department of Heavy Industry	1	0	0
54	Department of Industrial Policy & Promotion	0	1	1
55	Department of Posts	1	0	0
56	Department of Space	0	0	2
57	Development of North Eastern Region	0	0	1
58	Eastern Coalfields Ltd.	1	0	0
59	Electronics Corporation of India Ltd.	0	1	0
60	Engineers India Ltd.	0	0	1
61	Employees' Provident Fund Organisation	0	1	2

S. No.	Name of the Department/Organisation	Complaints pending for investigation		
		Upto one Year	Between one-three years	More than three years
62	Employees' State Insurance Corporation	1	0	0
63	Food Corporation of India	0	0	1
64	Gas Authority of India Ltd.	0	0	1
65	Government of NCT Delhi	7	3	41
66	Government of Puducherry	0	1	2
67	Hindustan Copper Ltd.	1	0	0
68	Hindustan Petroleum Corporation Ltd.	2	0	2
69	Hindustan Shipyard Ltd.	0	1	0
70	HMT Ltd.	0	0	1
71	Indian Council of Agricultural Research	1	0	6
72	Indian Council of Medical Research	0	1	0
73	Indian Oil Corporation Ltd.	0	0	2
74	Indian Overseas Bank	0	1	0
75	Indira Gandhi National Open University	0	0	2
76	Industrial Development Bank of India	2	0	0
77	IRCON International Ltd.	2	0	0
78	Jamia Millia Islamia	0	0	1
79	Kandla Port Trust	1	0	0
80	Kendriya Vidyalaya Sanghathan	1	0	1
81	Khadi & Village Industries Commission	0	0	1
82	Konkan Railway Corporation Ltd.	1	0	0
83	Life Insurance Corporation of India	1	0	1

S. No.	Name of the Department/Organisation	Complaints pending for investigation		
		Upto one Year	Between one-three years	More than three years
84	Ministry of Railways	23	0	0
85	Ministry of Micro, Small & Medium Enterprises	0	1	1
86	Mangalore Refineries & Petrochemicals Ltd.	1	0	0
87	Municipal Corporation of North Delhi	5	1	8
88	Municipal Corporation of South Delhi	3	0	2
89	Medical Council of India	1	0	3
90	Ministry of Civil Aviation	0	1	1
91	Ministry of Coal	1	0	2
92	Ministry of Commerce	2	1	2
93	Ministry of Culture	0	1	4
94	Ministry of Defence	11	4	3
95	Ministry of Earth Sciences	0	1	0
96	Ministry of Environment, Forest and Climate Change	0	0	4
97	Ministry of Home Affairs	1	3	0
98	Ministry of Information & Broadcasting	0	1	3
99	Ministry of New and Renewable Energy	2	0	0
100	Ministry of Parliamentary Affairs	0	0	1
101	Ministry of Personnel, Public Grievances & Pensions	2	1	2
102	Ministry of Petroleum & Natural Gas	0	0	6
103	Ministry of Power	0	0	2
104	Ministry of Road Transport & Highways	1	0	0

S. No.	Name of the Department/Organisation	Complaints pending for investigation		
		Upto one Year	Between one-three years	More than three years
105	Ministry of Rural Development	0	0	1
106	Ministry of Shipping	1	0	0
107	Ministry of Social Justice & Empowerment	0	0	1
108	Ministry of Textiles	3	2	2
109	Ministry of Tourism	0	3	0
110	Ministry of Tribal Affairs	0	0	1
111	Ministry of Housing & Urban Affairs	0	1	5
112	Ministry of Water Resources	1	2	4
113	MMTC Ltd.	0	0	1
114	Mormugao Port Trust	0	1	0
115	National Bank for Agriculture and Rural Development	0	0	1
116	National Cooperative Consumer's Federation of India	0	0	1
117	National Highways Authority of India	2	3	0
118	National Institute of Homoeopathy	1	0	0
119	National Institute of Technology Kurukshetra	0	1	0
120	National Institute of Educational Planning & Administration	0	0	1
121	Navodaya Vidyalaya Samiti	0	0	2
122	New Delhi Municipal Corporation	2	2	0
123	New India Insurance Company Ltd.	1	0	0
124	Northern Coalfields Ltd.	2	0	2
125	Nuclear Power Corporation of India Ltd.	3	0	1

S. No.	Name of the Department/Organisation	Complaints pending for investigation		
		Upto one Year	Between one-three years	More than three years
126	Oil & Natural Gas Corporation Ltd.	2	1	1
127	NITI Aayog	1	0	0
128	Prime Minister's Office	0	0	1
129	Prasar Bharati	0	0	1
130	Punjab National Bank	1	0	0
131	RailTel Corporation	1	0	0
132	Rashtriya Ispat Nigam Ltd.	3	0	1
133	RITES Ltd.	1	0	0
134	Securities and Exchange Board of India	1	0	0
135	Society for Applied Microwave Electronics Engineering & Research	1	0	0
136	State Bank of India	3	0	4
137	Steel Authority of India Ltd.	0	0	1
138	Syndicate Bank	0	1	0
139	The State Trading Corporation of India Ltd.	0	0	1
140	Triveni Structurals Ltd.	0	0	1
141	Union Bank of India	2	0	2
142	United Bank of India	0	1	0
143	University of Delhi	1	0	1
144	Vijaya Bank	0	0	1
145	Western Coalfields Ltd.	0	0	1
	Total	**175**	**91**	**237**

Appendix V

(Para 3.14)

Organization-wise list of first and second stage advice pending for implementation of Commission's advice

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
1	Air India	5	0
2	Airports Authority of India	3	0
3	All India Council for Technical Education	1	0
4	Allahabad Bank	14	0
5	Andaman & Nicobar Administration	19	10
6	Andhra Bank	10	0
7	Archaeological Survey of India	1	0
8	Artificial Limb Manufacturing Co Ltd.	1	0
9	Bank of Baroda	4	0
10	Bank of India	1	0
11	Bank of Maharashtra	2	0
12	Bharat Bhari Udyog Nigam Limited	0	1
13	Bharat Electronics Limited	1	0
14	Betwa River Board	1	0
15	Bharat Coking Coal Ltd.	1	0
16	Bharat Immunologicals and Biologicals Corporation Limited	0	3
17	Bharat Sanchar Nigam Ltd.	3	0

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
18	Bharat Wagons & Engineering Co. Ltd.	1	0
19	Bharat Heavy Electricals Limited	4	0
20	Border Roads Development Board	1	1
21	Bureau of Police Research and Development	0	1
22	Brahmaputra Board	1	0
23	Bureau of Indian Standards	0	1
24	Cabinet Secretariat	3	0
25	Comptroller and Auditor General	8	0
26	Canara Bank	1	0
27	Central Board of Direct Taxes	30	6
28	Central Bureau of Investigation	25	1
29	Cement Corporation of India Ltd.	2	0
30	Central Board of Indirect Taxes & Customs	28	52
31	Central Board of Secondary Education	1	0
32	Central Board of Workers Education	1	0
33	Central Coalfields Ltd.	1	0
34	Central Council for Research in Ayurveda	1	0
35	Central Social Welfare Board	1	0
36	Controller General of Accounts	3	0
37	Controller General of Defence Accounts	11	1
38	Chandigarh Administration	2	1

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
39	Central Industrial Security Force	0	2
40	Coal India Ltd.	5	0
41	Coffee Board	1	1
42	Coir Board	1	0
43	Corporation Bank	5	0
44	Cotton Corporation of India	0	1
45	Council for Advancement of Peoples Action and Rural Technology	0	1
46	Central Public Works Department	0	1
47	Central Reserve Police Force	1	0
48	Council of Scientific and Industrial Research	3	0
49	Daman & Diu Administration	27	9
50	Delhi Development Authority	4	0
51	Department of Telecommunications	1	3
52	Department of Public Distribution	1	0
53	Department of Agriculture & Cooperation	3	1
54	Department of Agriculture Research	0	1
55	Department of Animal Husbandry and Dairying	1	0
56	Department of Atomic Energy	2	0
57	Department of Chemical & Petrochemicals	2	0
58	Department of Coal	9	0

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
59	Department of Commerce	5	0
60	Department of Consumer Affairs	1	0
61	Department of Culture	2	1
62	Department of Defence Production	2	0
63	Department of Disability Affairs	2	2
64	Department of Education	13	4
65	Department of Expenditure	2	0
66	Department of Fertilizers	16	6
67	Department of Financial Services	7	0
68	Department of Health	3	0
69	Department of Heavy Industry	5	2
70	Department of Industrial Policy	7	2
71	Department of Legal Affairs	1	1
72	Department of Mines	1	0
73	Department of Posts	5	0
74	Department of Revenue	1	0
75	Department of Science & Technology	1	2
76	Department of Space	0	1
77	Department of Steel	1	0
78	Directorate of Sugar & Vegetable Oils	1	0
79	Department of Supply	0	1

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
80	Department of Women and Child Development	1	0
81	Department of Youth Affairs and Sports	1	0
82	Delhi Jal Board	4	0
83	Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC)	1	0
84	Department of Scientific and Industrial Research	1	0
85	Delhi Transco Ltd./Indraprastha Power Generation Corporation Ltd.	5	0
86	Delhi Urban Shelter Improvement Board	4	0
87	Eastern Coalfields Ltd.	1	0
88	Export Inspection Council of India	4	0
89	Employees' Provident Fund Organization	3	2
90	Employees' State Insurance Corporation	1	0
91	Fertilizers and Chemicals Travancore Limited	2	0
92	Government of NCT of Delhi	7	1
93	Govt. of Pondicherry	18	2
94	Hindustan Antibiotics Ltd.	1	0
95	Hindustan Copper Ltd.	2	1
96	Hindustan Fertilizer Corporation Ltd.	0	4
97	Hindustan Latex Ltd.	1	0
98	Hindustan Salts Ltd.	0	1
99	Hindustan Vegetable Oils Corporation Ltd.	1	0

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
100	Hindustan Zinc Ltd.	1	0
101	Hindustan Petroleum Corporation Limited	1	0
102	IFCI Ltd.	4	0
103	IIT Kanpur	1	0
104	Indian Bank	4	0
105	Indian Council of Agriculture Research	10	1
106	Indian Overseas Bank	4	0
107	Indian Railways Catering and Tourism Corporation Ltd.	2	0
108	Indira Gandhi Rashtriya Manav Sangrahalaya	1	0
109	Industrial Development Bank of India	1	0
110	Instrumentation India Ltd.	1	0
111	Intelligence Bureau	0	1
112	Indian Oil Corporation Ltd.	3	1
113	Indian Railway Finance Corporation	1	0
114	Indian Trade Promotion Organization	3	0
115	Kandla Port Trust	2	0
116	Kendriya Vidyala Sangathan	8	0
117	Krishak Bharat Cooperatives Ltd.	2	0
118	Khadi & Village Industries Commission	12	1
119	Lakshadweep Administration	9	0

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
120	Life Insurance Corporation	3	1
121	Ministry of Housing and Urban Affairs	27	1
122	Madras Fertilizers Ltd.	1	1
123	Mahanadi Coalfields Ltd.	1	0
124	Municipal Corporation of East Delhi	1	0
125	Municipal Corporation of North Delhi	5	0
126	Municipal Corporation of South Delhi	5	1
127	Medical Council of India	4	0
128	Ministry of AYUSH	5	4
129	Ministry of Civil Aviation	5	0
130	Ministry of Corporate Affairs	4	0
131	Ministry of Defence	8	1
132	Ministry of Development of North Eastern Region	2	0
133	Ministry of Earth Sciences	0	1
134	Ministry of Electronics & Information Tech.	8	0
135	Ministry of Environment, Forest & Climate Change	2	0
136	Ministry of External Affairs	8	0
137	Ministry of Home Affairs	18	4
138	Ministry of Information & Broadcasting	8	2
139	Ministry of Labour	1	0

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
140	Ministry of Minority Affairs	1	0
141	Ministry of Personnel, Public Grievances & Pensions	37	12
142	Ministry of Railways	59	14
143	Ministry of Road Transport & Highways	1	0
144	Ministry of Rural Development	1	0
145	Ministry of Shipping	7	0
146	Ministry of Skill Development	1	0
147	Ministry of Small Scale Industry	4	2
148	Ministry of Statistics & Programme Implementation	3	1
149	Ministry of Textiles	3	0
150	Ministry of Tourism	1	0
151	Ministry of Tribal Affairs	1	0
152	Ministry of Water Resources	1	0
153	MMTC Ltd.	0	7
154	National Bank for Agriculture and Rural Development	1	0
155	Narmada Control Authority	1	0
156	National Agricultural Cooperative Marketing Federation of India	2	0
157	National Board of Examinations	1	0
158	National Cooperative Consumers Federation	3	4

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
159	National Cooperative Development Corp.	1	0
160	National Highways Authority of India	19	0
161	National Insurance Co. Ltd.	2	0
162	National Mineral Development Corporation	0	4
163	National Projects Construction Corporation	0	1
164	National Remote Sensing Agency	0	2
165	National SC Finance & Development Corporation	1	0
166	Navodaya Vidyalaya Samiti	4	0
167	Nehru Yuva Kendra Sangathan	1	0
168	NEPA Ltd.	1	0
169	National Institute of Fashion Technology	4	0
170	Northern Coalfields Ltd.	1	0
171	National Thermal Power Corporation	4	0
172	Oil and Natural Gas Corporation Ltd.	4	1
173	Ordnance Factory Board	1	0
174	Oriental Bank of Commerce	2	0
175	Oriental Insurance Co. Ltd.	1	0
176	Pawan Hans Helicopters Ltd.	1	0
177	Power Grid Corporation of India Ltd.	1	0
178	NITI Aayog	1	0
179	Project & Equipment Corporation of India Ltd.	3	0

S. No.	Name of Department/Organization	No. of cases pending implementation of Commission's advice for more than 6 months	
		First Stage Advice	Second Stage Advice
180	Punjab National Bank	6	0
181	Rashtriya Ispat Nigam Ltd.	4	0
182	Steel Authority of India Ltd.	6	0
183	Scooters India Ltd.	1	0
184	South Eastern Coalfields Ltd.	6	1
185	Shipping Corporation of India	1	0
186	Software Technology Parks of India	0	1
187	State Bank of India	10	1
188	Syndicate Bank	3	0
189	Tata Memorial Centre	0	1
190	Tea Trading Corporation Ltd.	0	1
191	Tribal Cooperative Marketing Development Federation of India	0	1
192	UCO Bank	4	0
193	United Bank of India	2	0
194	United India Insurance Co. Ltd.	1	0
195	University of Delhi	1	1
196	Visakhapatnam Port Trust	4	0
	Total	**807**	**206**

Appendix VI

(Para 5.9)

Some prima-facie irregularities observed in course of Intensive Examinations and scrutiny of various procurement cases during the year:

i) In a work contract for construction of sulphur block, including sulphur recovery unit, amine regeneration unit, cooling water system and other utilities, two stage bids were invited.

1. After technical evaluation of first stage bids, 7 bidders qualified out of total 15 bidders who participated. Second stage price bids were invited from these 7 qualified bidders. However only five bids were received. Subsequently revisions in price bids were asked from these five bidders after making some technical amendments in the tender. Only four bidders responded and accepted the technical amendments. At this juncture, the original estimate of Rs. 679 cr. was revised to Rs. 1143.89 cr. within a time period of six months and the work was finally awarded @ Rs. 1092.88 cr.

2. As per tender conditions, consortium bids were allowed. However, all the pre qualification (PQ) conditions, including work experience criteria were to be fulfilled by the leader of the consortium. Other members of the consortium were required to have positive net worth. Further, any member of the consortium could execute any work even if it did not possess the corresponding work experience.

3. Price bids were to be loaded for evaluation @ Rs. 4930.31 for one MT / Hr consumption of high pressure steam, as declared by the bidders; Rs. 9.79 for one KWHr of power consumption and Rs. 13.62 for one Cu-M / Hr. of cooling water consumption. While loading the bids, the service life of system was considered as ten years. This had no basis and there was no method / mechanism for verifying the figures of steam / water / power consumption, claimed by the bidders. One of the bidders had quoted zero consumption of high pressure steam, which was perhaps not possible given the operational requirements.

4. In the same contract, the items which the successful bidder claimed to be of foreign origin and which were quoted in foreign currency, were substituted with items of Indian origin subsequently, without considering revised financial implications. The impact of this was approx. Rs. 6.42 lakh of extra expenditure.

5. Further, sub-contracting for different jobs was allowed with the prior approval of the principal employer, subject to fulfilling the financial and experience related PQ conditions. It was observed that work for sub-contracting, say for civil work, was split in several parts and awarded to several sub-contractors, with the possibility of execution of work by ineligible sub-contractors.

ii) In a works contract for construction of residential units, valued at about Rs. 161.90 cr.

1. There was change in technology of construction from conventional brick-cement construction to monolithic construction. However, approval was not taken from the competent authority and the financial implications of the revision was not evaluated, despite advice of the Member (Finance).

2. In the same work, the organization paid Rs. 9.52 cr. for HT electrification of the colony against a demand, to the electricity supplying company. This demand was subject to vetting by Delhi Electricity Regulatory Commission (DERC). Subsequently DERC sanctioned the estimate of Rs. 8.25 cr. only for the entire work. Thus, excess payment was made to the electric company without approval from DERC.

iii) A co-operative organization, M/s X, ventured into business of solar work by making a JV with a firm, M/s Y having relevant experience.

1. M/s X got the work awarded from State Nagar Panchayats on the basis of credentials of M/s Y. As per the MOU between the two parties M/s Y was supposed to provide end to end solution including site survey, permission and execution, etc.

2. However, after getting the award from Nagar Panchayats, M/s X didn't get the work executed from M/s Y as stipulated in the MOU between M/s X and M/s Y. Another agency, M/s Z, was chosen to carry out the job despite the fact that M/s Z did not have any experience of executing the solar work as it was merely a supplier of solar equipment. Moreover, M/s Z was empanelled as executing agency without calling open tender.

iv) In a work of installation of Steam Turbine Generator (STG), Back Pressure Turbine Generator (BPTG), Cooling Water System and Power Evacuation System, awarded at Rs. 185.10 cr.

1. Revision of estimate from Rs. 180 cr. (on 25.03.2011) to Rs. 231.83 cr. (on 24.09.2011) was done by the consultant. No basis was given by the consultant for such escalation in the estimate.

2. In this contract, two change orders were issued in favour of the contractor, amounting to Rs. 1.64 cr. and Rs. 51.26 lakh, for overhauling and commissioning of the STG & BPTG and for HT / LT Cable laying respectively. The first change order was asked for by contractor on the grounds that they had first mobilized their commissioning team as per the scope of work but steam was not made available to them by the Principal Employer; therefore commissioning could not be done at that time. Subsequently, when steam was being made available for commissioning they needed to mobilize their commissioning team for the second time and therefore they demanded extra payment of Rs. 1.64 cr. The second change order was issued because there was change in cable route and hence the contractor needed to lay extra cable. As the contract was awarded the work on lump-sum basis, therefore both change orders appeared to be unjustified.

v) In a global procurement case for modified boats for patrolling sensitive coastal areas estimated at about Rs. 375 cr., NIT was floated in 2011.

1. Eight bidders participated in the tender out of which seven were considered for technical evaluation. Techno-commercial evaluation was completed in 2014 in which three offers were recommended for price bid opening. During the process, two bidders (Govt. PSUs) refused to extend their bid validity and thus were not considered for technical evaluation. Inordinate delay at various stages of the tender process was observed and the entire tender process continued up to five years with no productive outcome.

2. Further, one of the bidders was projected as L-1 bidder (although the bidder was L-2) by the departmental officials by submitting incorrect and misleading information to the competent authority. As a result, the Price Negotiation Committee entered into negotiation with this firm, which was not the correct L-1 firm.

3. Other issues such as incomplete estimate, discrepancies in technical qualifications and price bid format were also observed.

(vi) In a case of selection of Solar Power Developers (SPD) for development of grid connected Solar Photo Voltaic Power Projects on Build, Own and Operate basis, under Viability Gap Funding (VGF) Scheme by a PSU, as per tender conditions the SPD had to demonstrate / infuse an equity amount of at least Rs. 1.2 cr / MW for each project.

1. All financial parameters were to be checked only at the time of financial closure i.e. after seven months from the date of signing of the PPA. However, no criteria to check the financial status / health of the prospective bidder was included / mentioned in the tender at the initial stage, i.e., before selection of bidders, in order to prevent the failure of the selected bid on this account. Due to this, one of the successful bidders failed to fulfil the requirements for financial closure even after getting extension of time.

2. The bidder intimated that due to unavoidable circumstances and certain events beyond their control the company was not in a capacity to execute the project under the prevailing conditions and thus was unable to fulfil the terms and conditions of financial closure (FC). The Performance Bank Guatantee / Security Deposit (of about Rs. 30 cr.) was not encashed in time and could not be encashed later on due to a court order. The matter has been referred to the PSU for comments.

(vii) In case of procurement of a communication system for medium and long distance by a PSU, following has been observed:

1. The exact nature of the requirement was unclear - whether the purchase of communication system was under replacement plan or expansion plan, and this despite the existing communication system being highly underutilized.

2. The specifications included in the tender were optional in nature as per the conditions set by the international regulatory agency and they were to come in force 4 years later. Also, it was discovered that most of the major OEMs were not manufacturing equipment as per these specifications at that time.

3. During collection of budgetary quotations, the organization specifically intimated that implementation of project would take place on supply, installation, testing and commissioning (SITC) basis, but subsequently changed it to supply basis only.

4. The administrative approval and estimate sanction were based on the estimate prepared by taking average of two vastly varying budgetary quotations, which was in violation of the procurement guidelines.

5. Nine corrigenda were issued after publication of the NIT for global tender and they were not sent to any of the embassies, as required under extant instructions. They were not uploaded on the organization's website even when the quantity criteria was relaxed by the organization.

6. The organization was silent on the reasonableness of the price discovered and urgency of the procurement was expressed despite the fact that the building, where most of the communication equipment was to be installed, was still in preliminary stages of construction and was expected to take another two years to complete

The case has been referred for the comments of the organization.

(viii) In a case pertaining to construction of data centre for a Public Sector Bank (PSB), following observations were made:

1. Huge difference in estimated cost (X) and the awarded cost (1.9 X) was observed. The justification given was introduction of new technology without going into the basis of what constituted new technology and how this differed from earlier envisaged technology in technical and financial terms.

2. The organization admitted that it did not possess internal expertise, leading to incorrect estimation and a revised estimate needed to be prepared within a very short span of 6 months.

3. The organisation did not provide any basis for requirement of such a large data centre. The Domestic Bidders' location, cited as one of the eligibility criteria, appeared to be vague and restrictive since this was a very mobile industry.

4. Splitting of consultancy work without clear-cut responsibility of each consultant.

5. The organisation did not include any clause which ensured that all the equipment offered was not 'End of Life' and 'End of Support' for a minimum of 5 years and also not having 'End of Sale' for the next 1 year. The organisation should have ensured that they were not being saddled by 'soon to be phased out' equipment.

6. Most of the electronic equipment had their own software for operation and maintenance and the organisation did not ascertain the nature of this pre-installed software and whether this software required regular updates or support features.

7. The organisation did not seem to have taken cognizance of Domestically Manufactured Electronic Product (DMEP policy) in the RFP.

8. Though the bid document and agreement envisaged new components and a clause in RFP mentioned the disclosure of the country of origin, however the bill and documents showed shipment of equipment within the country (most of the equipment / hardware components quoted by vendor was of foreign origin).

9. Indicative prices for reverse auction from the bidders, were almost 7 to 9 times more than estimated cost (X) and bid base price was fixed at 1.7 X and awarded cost was almost 1.9 X of the estimated cost.

The matter has been referred to the organization.

(ix) In the work for construction of housing complex by a development authority, following major irregularities were observed:

1. Tenders for two separate packages, each costing around Rs.1000 crores, were invited simultaneously. Eligibility criteria stipulated that the bidders were to possess experience of constructing buildings with prefabricated technology and construction of built up area of at least 75,000 sqm. in last seven years and this was notified in the NIT. Choice of technology of construction and the size of packages was made in such a way that only one particular firm would fulfill the eligibility criteria, which is evident from the fact that finally only one particular firm qualified and was eventually awarded both these contracts. Offer of the other two bidders were arbitrarily rejected on flimsy grounds.

2. As per contract in both cases, the contractor was required to set-up separate fabrication yards of specified sizes for fabrication of various members of the buildings; however, only one fabrication yard was set-up by the contractor for both the contracts and subsequently, other contracts awarded to this firm were also catered to from the same fabrication yard. In subsequent tenders for construction of houses using prefabricated technology, other bidders could not compete with this firm on account of its dominant position created by the authority by way of allowing them to use the already set-up fabrication yard in violation of the tender condition of these contracts; whereas, other bidders had to built in the cost of setting up the fabrication yard in their offers. On account of undue favour extended to this firm, they were awarded sixteen contracts aggregating approximately Rs.7500 crores. There is substantial delay in completion of the works by this firm. One of the major reasons for the delay is insufficient capacity of the fabrication yard to cater to the requirement of these contracts in the stipulated construction period of 36 months. Therefore, on the one hand, the authority suffered due to delay in execution of the work, whereas on the other hand, the contractor gained undue benefit due to cost saving by not setting up and maintaining multiple fabrication yards.

3. As per tender document, Contractor was required to construct Low Income Group (LIG) flats of 35 sqm. carpet area and Economically Weaker Sections (EWS) flats of 25 sqm. carpet area. As per tender document, the carpet area was to be calculated as per BIS: 3861,which deals with the ‘method of measurement of plinth, carpet and

rentable area of the buildings'. As per this BIS code, the carpet area is the area of the building excluding area of kitchen, bath rooms, lavatory, wall thickness etc. Since all the bidders, including the sole qualified bidder submitted offers, which were not as per the tender terms, the offers should have been rejected. The area proposed by the qualified bidder in their offer was only 21.4-21.85 sqm. for LIG flats and 15.96 sqm. for EWS flats, which was lower than the requirement of the carpet area as per tender documents. Both categories of flats were eventually constructed as per the lesser area and an undue financial benefit was extended to the contractor.

4. As per contract, payment to the contractor was to be made for number of dwelling units constructed and no separate payment was to be made for the common areas required as per statutory norms. The contractor's proposal for sandwiching the service shaft between two flats was not accepted by Delhi Urban Arts Commission. To satisfy the requirement of opening of the shafts in open green area as required by DUAC, the contractor left space equivalent to one flat on one side of the shaft. Since, this open space equivalent to one flat was not a dwelling unit no payment was due to be made for this but the authority made payment for this area at the rate of a dwelling unit after deducting amount for kitchen, toilet etc. The total inadmissible amounts calculated on this account works out to be around Rs. 37 crores for both the contracts; out of which a payment of more than Rs. 18 crores has already been made.

5. As per contract, recovery was to be made from contractor's bills for using lesser quantity of cement than 410kg/cum in M25 grade concrete and 428kg/cum for M35 grade concrete, if mix design is achieved at a lower quantity of cement. Instead of using concrete of M25 grade and M35 grade concrete for which provision existed in the contract, the contractor was allowed to use M30 grade of concrete. The contractor got the mix design done for M30 grade concrete with cement content of only 360 kg/cum. When recovery for use of lesser cement than interpolated quantity of cement for M30 grade (by interpolating the provision for M25 and M35 grade) was made, the contractor opted for arbitration. The arbitrators in their award held that since there was no bench-mark specified in the contract to effect recovery for lesser cement used in M30 grade, action of the authority for recovery was not justified. However, in view of the arbitration award, the authority stopped recovery for use of lesser cement in case of M25 grade concrete despite this recovery in respect of M25 grade being held as tenable in the arbitration. Undue financial benefit to the contractor on account of use of lesser quantity of cement than specified in case of M25 grade of concrete worked out to be approximately Rs. 7.70 crores. Moreover, by allowing use of M30 grade of concrete, the authority created an unduly favourable proposition for the contractor, on account of which no recovery was made despite use of less cement in the contract.

6. Serious compromises in quality were also observed such as cracks in most of the pre-fabricated slabs, poor quality of RCC corbel attached to the precast walls to support the slabs, lesser thickness of Kota stone used in flooring of common areas etc.

(x) In a contract for construction of a hospital building including repair and renovation of an existing hospital building costing Rs. 160 crores, following major irregularities were observed :

1. The work of construction was awarded to a central PSU by the client which is also a Central Government Corporation. Before the work was awarded to the PSU for construction, Expression of Interest was invited to shortlist potential construction firms for the projects costing between Rs. 50 crores to Rs. 200 crores. In response, only three firms submitted their offer out of which only a joint venture of two firms was found eligible. However, a MoU was signed by this PSU with one of the partners in the sole eligible JV firm. When the work costing approximately Rs. 160 crores was awarded to this PSU by the client, the same was awarded by the PSU to the short-listed firm with whom the MoU was signed by the client, after retaining a 5% margin. The firm to whom the contract was finally awarded neither had credentials for such a work nor was assessed for the same. The entire process of award of contract in this case was non-transparent and without any competition.

2. Since the firm was not capable of handling the awarded work, and they failed to mobilize sufficient resources, work has been inordinately delayed. On account of failure of the contractor to continue with the execution of the work, rather than taking action against them, extra contractual assistance such as recoupable advance of Rs. 10 crores, payment of monthly salary of the contractor's staff of approximately Rs. 10 lakh per month for last two years etc. is being extended to them. The work was to be completed in two years time, but even after lapse of seven years only 55% of the work has been completed.

(xi) In a work relating to construction of a multi-storied office building for a Central PSU, costing Rs. 344 crores, following major irregularities were observed :

1. Selection of the 'design and architectural consultant' was done on the basis of quality of the proposal presented by the bidders before a jury and price bid of the best judged bidder was evaluated. The criteria to judge the quality of the proposal used by the jury and the assessment/marking of the proposals of the bidders against this selection criteria was not placed on record. Queries were made by the bidders regarding disclosure of the criteria / marking scheme, which was stated to be secret. As per extant procurement policy, Quality cum Cost Based Selection is permitted, where quality of the services is important. Therefore, selection of consultants purely on the basis of assessment of a jury was not only subjective but also against extant procurement rules.

2. A foreign architectural firm was selected. Price quoted by this firm was Rs. 3.99 crores plus 10% additional cost to meet travel and other expenses of experts. While, the price quoted was to be all inclusive as per tender document, however, after award of contract, this firm claimed payment on various inadmissible grounds, which delayed the signing of the contract by three years. In spite of the delay being on account of the consultant, they were allowed 22% escalation (i.e. appx. Rs. 1 crore) over their

quoted amount for the intervening period during implementation of consultancy contract, on the grounds of increase in the cost of the project as well as increase in scope of services. After award of consultancy contract, inadmissible enhancements to the consultancy fee were made from Rs. 4.9 crores to Rs. 6.83 crores, and finally enhanced to Rs. 10.32 crores.

3. Initially, cost of construction worked out by the consultant was Rs. 280 crores which included the unconventional and largely cosmetic concept of constructing the building using white cement. Contract for construction work was awarded for Rs. 344 crores i.e. 22% above the estimated cost. The consultant incorporated various costly and unconventional items during construction and the cost of construction is likely to cross Rs. 500 crores. Thus, the contract for construction was awarded initially at a high rate and subsequently, the cost of the project was expanded unreasonably during execution.

4. For the item of providing and installing solar systems in the building, bidders were required to quote their rate and submit copy of the agreement with their proposed vendor for this item. The lowest bidder submitted an agreement with a foreign vendor for solar system. Rate quoted for this item by the lowest bidder was Rs. 1.82 crores whereas the rate quoted for this item by other bidders was more than Rs. 20 crores and the estimated cost was also around Rs. 23 crores. During execution of the work, the contractor was allowed to use solar panel of a different brand as well as a different vendor for this item of work. The change in the brand of solar panel as well as system integrator was in violation of the terms of the contract.

5. Widespread cracks have developed in slabs and retaining walls of the building and as per the assessment of the contractor's consultant (IIT, Delhi) while diagonal cracks could be on account of inadequacy of steel reinforcement in the design of the slabs, the other cracks could be due to non-homogeneous mix of the concrete. The building was designed to be constructed using post-tensioned slabs, which requires high degree of precision in design as well as during construction, which has been apparently compromised.

6. Construction of the building was to be completed in three years period (by 13.05.2018) but by this date only 33% of the work could be completed. Land for corporate office building was allotted by the development authority on the condition that failure to construct the building by a certain date would attract penalty. Since, building has not been constructed by due date, Rs. 5 crores have been paid by the authority as penalty. Because of delay in construction of building which is attributed to both consultant and contractor, the PSU has suffered double jeopardy on account of penalty to the development authority as well as payment of rent for the hired accommodation for its office. But no action in terms of penalty for delay has been taken so far.

(xii) In a work of construction of buildings for an engineering institute, costing approximately Rs. 250 crores, the following irregularities were observed :

1. The work of construction was entrusted to a construction PSU by the Institute on nomination basis and in turn, the PSU awarded the contract to a private firm through open competitive bidding. The financial soundness of the participating bidders was assessed on the basis of financial credentials certified by the Chartered Accountant, as provided in the tender document. However, one month after the date of award of contract, the lenders of the contractor firm had invoked Structural Debt Restructuring (SDR) due to financial stress and the bank account was frozen for 18 months as per RBI guidelines. The firm could not succeed in SDR and eventually the contractor's account turned into NPA with its lenders. Since the management of the PSU was apprehensive about the financial soundness of this firm, a cautionary remark that 'the performance of the contractor shall be continuously reviewed and certified quarterly by the project in charge' was made at the time of acceptance of the tender. As per the contract the contractor was required to submit a Bank Guarantee of Rs. 13 crores towards Performance Guarantee before issue of letter of award to them. However, the bidder submitted a Bank Guarantee of the required amount valid for only 9 months against the requirement of validity of 24 month. Since, this firm failed to submit the required Performance Guarantee, contract should have not been awarded to them especially keeping in view the apprehension expressed by the management at the time of acceptance of the tender. The Performance Guarantee for the required period was never submitted by the firm yet the contract was not terminated.

2. After award of the contract, the contractor failed to deploy the required resources to start execution of the work. In spite of such conspicuous default on the part of the contractor, contract was not terminated as required under the terms of the contract; rather, the contractor was allowed to sub-contract the entire work. Interest free mobilization advance of Rs. 13 crores was also given to the contractor for which no utilization certificate was sought. Since the contractor did not mobilize resources for execution of the work, it is obvious that the interest free advance was not utilised for any bona-fide purpose of the project.

3. The PSU allowed sub-contracting of the entire work to two sub-contractors against the condition that not more than 40% of the work was to be sub-contracted. By allowing 100% of the work to be sub-contracted, the basic character of the contract was vitiated. Assessment of the capability/capacity of the sub-contractors was not done. As per records, the sub-contractors were not eligible to take up works of the assigned magnitude, as per the policy of the PSU. Thus, the entire work of such high magnitude was being executed by ineligible sub-contractors.

4. Till the scheduled date of completion of work, physical progress of less than 40% was achieved. Despite the fact that the contractor failed to meet the mile-stones of the work completion and there was express provision in the contract, punitive action for recovery and withholding of specified amount of Rs. 25 crores was not taken.

5. Mix design with 360 kg per cum of concrete for M25 grade was adopted in this work. However, test results of five out of nine samples collected from the work site

showed the cement content to be much lesser than the prescribed norm. Even if the maximum 20% margin for error in testing was considered over the test results, which is permitted in codes yet the cement content was falling short of the norms. Apart from this, the concrete core samples also failed to meet the requirement of compressive strength, indicating sub-standard execution of work.

(xiii) In a contract for civil infrastructure works in a power plant costing more than Rs. 60 crores, following irregularities were observed :

1. The contract valuing Rs.60 crores was awarded by a power sector PSU to another PSU through open competitive bidding. Sub-contracting of some part of the work was permitted in the contract; but, since the construction PSU did not have internal resources to execute the work, the whole work was sub-contracted to a private firm. However, this sub-contractor further sub-contracted the whole work to two private firms. The entire work was sub-contracted to third tier contractors, whose capacity and capability for execution was never assessed in blatant violation of the contract provisions.

2. The contract was awarded to the construction PSU at a contract value of Rs. 60 crores, but, the construction PSU further sub-contracted the work to the private firm at a contract value of Rs. 47 crores after retaining a margin of 21%. Since, the work was further sub-contracted, a further margin would have been retained by them. This resulted in the work being executed by unauthorized firms, who were getting lesser payment than the justified cost of the work.

3. Numerous compromises in quality were observed in this work viz. sagging and warping in beams and columns, honey-combing in concrete, cracks, depression and ravelling in bituminous roads, improper lines and levels due to poor workmanship in masonry works etc. Further, as the work was being executed by unqualified agencies in an unauthorized manner, pace of execution was very slow. Physical progress of mere 45% was achieved after a delay of more than 10 months from the scheduled date of completion.

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Appendix VII

(Para 5.10)

Cases arising out of Intensive Examination/Inquires which got converted into Detailed Vigilance Investigations (DVI):

i) In a work of supply, installation, testing and maintenance of Wi-Fi Hot Spot Network:

1. Material to be procured was to be inspected as per quality assurance plan.

2. However no inspection was carried out except for some passive materials, which were not part of the main system. The inspection date was found to be post-receipt of material as against the provision of pre-dispatch inspection with respect to the items for which inspections were carried out.

3. The total value of work was Rs. 12.91 cr. and major portion of this was for supply of items. In view of the high proportion of supply in overall contract value, the compromise from the quality assurance plan was taken seriously and the para was referred for vigilance investigation.

4. On processing as per existing guidelines, minor penalty action against the officials concerned was recommended and the organization advised to identify other officials responsible for dispatch clearance without inspection and for forging inspection certificates.

ii) In a tender for procuring Modern Flight Planning System at an estimated cost of Rs. 27 cr.:

1. Bids received were supposed to be evaluated on the basis of technical criteria, mentioned in the NIT and all mandatory requirements mentioned in the NIT were to be fulfilled by prospective bidders.

2. However, during the technical evaluation of bids, one bid was rejected on the ground of non fulfillment of all mandatory requirements. On the other hand, another bid was qualified despite three mandatory requirements not being met in the offer and with conditional agreement for one of the mandatory requirements. Thus there was inconsistency in evaluating the bids, giving undue advantage to one bidder.

3. Further, the bid evaluation criteria was not disclosed to bidders prior to evaluation, despite one of the bidders communicating to the authority its request for advance disclosure of the evaluation criteria. The non-transparent evaluation of bids resulted in undue benefit to one of the bidders and this bidder was the L-1 bidder in this tender.

   The Para has been referred for detailed vigilance investigation.

iii) In a procurement case of turn-key implementation of “Integrated Port Information System and Establishing a Data Centre in One Port”:

1. As per the pre qualification (PQ) conditions laid down in the NIT, if the bidder was independent, it should have possessed experience of supply, implementation and commissioning of ERP Products, IT Infrastructure (servers & related hardware) and allied works of certain values.

2. However, if the bidders were applying as a consortium, the leader was required to possess the above qualifications and the other consortium members were required to possess qualification of installation and commissioning of hardware servers and allied systems of certain value, supply, installation and commissioning data centers of certain value, and implementation of POS solution of certain value.

3. Thus any bidder, either quoting independently or quoting as leader of the consortium, should have possessed experience of supply, implementation and commissioning hardware servers, data centres, etc. There was no relaxation in qualifying criteria even if other partners of the consortium were fulfilling the prescribed requirement.

4. The issue regarding restrictive nature of PQ conditions was raised by some prospective bidders (who wanted to quote as consortium leaders with their role as system integrator and other members of consortium fulfilling the PQ conditions) during pre-bid meeting. However no such relaxation was allowed and two bidders were affected due to restrictive nature of the eligibility conditions.

5. One of the bidders was given relaxation by considering the supply experience of a sister concern and this bid was the L-1 bid for this work. The tender was awarded at Rs. 19.75 cr. against the estimated cost of Rs. 17.82 cr.

The case has been referred for detailed vigilance investigation.

iv) In a tender related to Supply, Site Survey, Installation, Commissioning and 5 year maintenance of Solar Power Packs, floated by a PSU and having an estimated cost of about Rs. 40 cr., following lapses were observed:

1. The estimate of 40000 sets was prepared based on actual purchase made for 4000 sets. Moreover, overhead and finance cost of 10% each was added in the LAR cost despite the fact that this rate of 4000 sets included provisioning for overheads and finance component in it. There was difference of Rs. 2329.60 between the L-1 cost in the supply of 4000 sets and the estimated cost for 40000 sets. Moreover the prescribed manufacturing experience for prospective bids was restrictive in nature.

2. Deficiencies were observed during technical evaluation of bids by Tender Committee. There was no mechanism in place to ensure acceptance of supply as per contract specifications. The work was awarded to more than one vendors without bringing out this condition in the tender documents,

The case was referred for detailed vigilance investigation.

v) In procurement cases of a PSU related to printing of currency notes, following irregularities were observed:

1. Exclusive contracts for security features (ink, m-features, security thread etc. which are essential against counterfeiting of currency) were signed in 2004-05, for a time period of 5 years. On expiry of these contracts in 2009-10, these contracts were extended further several times, both with and without price negotiations up to 2017. Such type of extensions are tantamount to selection of source on nomination basis and this in violation of Commission's existing guidelines on the subject matter.

2. Security material of about Rs. 5.71 cr. was found unutilized and already beyond its usable life. Moreover, inventory of about Rs. 60.75 cr. was found at one unit, reflecting poorly on production and material planning; no proper accountal and disposal of waste was being done, which was sensitive material.

The case has been referred for detailed vigilance investigation.

vi) In a project related to the upgradation of a National Highway under EPC mode, costing around Rs. 200 crores, following major irregularities were observed :

Contract was awarded to a Joint Venture comprising a Foreign and an Indian firm. As per contract, the lead member of the Joint Venture was mandatorily required to execute at least 30% of the total length of the highway. Sub-contracting of not more than 70% of the total length of the project highway was allowed, that too, after obtaining explicit approval from the competent authority based on due assessment of capability, experience and resources of the proposed sub-contractor. However, the entire work was sub-contracted to a firm without obtaining any approval from the authority, without carrying out due assessment of capability and capacity of the firm and with the lead member of the JV not executing any work at all in the project.

Since, the construction was being carried out by sub-contractors in an unauthorized manner and the qualified firms to whom the contract was awarded were not executing the work, the progress and quality of work is suffering. The project was stipulated to be completed in May, 2018 but progress of work achieved by the end of stipulated construction period was merely 50%. The reasons for delay are mainly attributed to the contractor, which are delays in mobilization of the plant, machinery and manpower, delays in submission of design/ drawings of pavement and structures, identification and finalization of borrow areas for earth for embankment construction etc.

The contractor was required to achieve various milestones of progress of work prescribed in the contract and a levy of compensation @ 0.05% of the contract value for each day of delay, subject to a maximum of 10% of the contract value, was required to be recovered from the contractor's dues in case of failure to achieve them. As the contractor failed to achieve any of the milestones stipulated in the contract agreement, an amount of 10% of the contract value should have been recovered. However, instead of recovering/withholding an amount of Rs. 20 crores from the contractor's due, much lesser amount of Rs. 9 crores was recovered.

As per the contract, interest free mobilization advance @10% of the contract value amounting to Rs. 20 crores was given to the contractor in two equal installments. The advance was given without ensuring due utilization of the advance amount in the project. Further, the recovery of the 'interest free' advance amount was linked with the progress of the work and not with the time required in contravention with the guidelines issued by CVC.

Contractor was required to maintain the existing road in traffic worthy condition throughout the construction period; however, during visit to the construction site, the existing road was found to be in a dilapidated condition. Similarly, the contractor was also required to put in place prescribed safety measures throughout the construction period which were found missing during the visit of the construction site. Thus, the contractor has been unduly benefited in terms of saving the cost of maintenance of the existing road in traffic worthy condition and safety measures and the safety of the road users was also compromised.

As per contract specifications, steel reinforcement from primary/original producers was to be procured; however, cheaper reinforcement steel from secondary producers was procured in violation of contract conditions.

vii) In a work relating to construction of institutional campus costing Rs. 280 crores, bids were invited on 'design and build lump-sum' basis. On opening of the price bids of the three technically qualified bidders; M/s. A emerged as L-1 with quoted price of Rs. 355 crores, M/s. B as L-2 (a Central Govt. PSU) with quoted price of Rs. 370 crores and M/s. C as L-3 with quoted price of Rs. 425 crores. In spite of disclosure of inter-se position of the bidders, the department cancelled the tendering process on the pretext of change in location of construction site and the layouts and re-invited bids from the same qualified bidders, except the PSU bidder who was not included citing the reason of subcontracting the work on back to back basis. In this second round of tendering, the inter-se position of the bidders got altered. The L3 of the earlier round became L1 with a price reduction of around Rs. 40 crores and the L1 became L2 on account of enhancement in their earlier quoted price by Rs. 40 crores. The reasons cited for re-invitation of the bids were not justified as the changed construction site was in the vicinity of the earlier one and further, that the layout containing location of individual buildings within the construction site had a minimal impact on pricing. Apparently, this entire exercise was aimed at awarding the contract to a particular firm. As per contract, interest free mobilization advance of Rs. 13.58 crores was stipulated to be given to the contractor; however, interest free mobilization advance of Rs. 28 crores was provided to the contractor in deviation from the contract provision.

viii) In a work relating to doubling of railway track costing Rs. 153 crores, contract provided for use of earth having California Bearing Ratio (CBR) value (a parameter to check suitability of earth) of more than 7, and the blanketing layer over this earthwork having CBR of more than 25. However, locally available earth was used in earthwork as well as in blanketing layer, without ascertaining its CBR value. Samples of blanketing material collected during intensive examination failed to meet the prescribed CBR requirements.

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Appendix VIII

(Para 5.11)

System improvements undertaken by Public Sector Units, based on CTEO's advice:

i) In a case for procurement of reactor packages by a Power PSU, a contract, valued at approximately Rs. 102.6 cr. was entered into.

1. While comparing the price of the bidders, differential losses in reactors were capitalized and loaded in price bids. While loading losses, per KW loss was taken equivalent to approximately Rs. 3.69 lakh. However, it was very difficult to verify the losses as quoted by the bidders, at any stage. Any bidder could quote arbitrary figures of losses just to minimize the value of equivalent monetary value.

2. The PSU was advised not to go for loading of price bid by capitalizing the losses; rather they were advised to ensure that a maximum percentage of loss was fixed for the transformers / reactors as a measure of transparency, and any bidder had to quote the losses below the allowable losses. The same has been implemented in the organization.

ii) In a contract related to procurement of performance based refractories by a PSU:

1. Deficiencies related to lower guaranteed life, payment conditions on actual life achieved and non-usage of leftover material were found.

2. On advice of CTEO, a committee for systemic improvement was constituted for review and major changes were suggested.

3. As a result, the guaranteed life was enhanced which consequently led to uninterrupted production. Payment was linked to one campaign / cycle which was defined in terms of quantity of refractories used to achieve certain output.

4. Provision for pro rata payment beyond guaranteed life and penalty for not achieving the minimum life was envisaged for future procurements. The leftover material was to be used in different shops, as per requirement, with proper accountal.

iii) In an Organization, it was observed that it was following a practice of calling item rate tenders for procurement of works, keeping some of items in Bill of Quantities (BOQ) on tentative basis, without indicating their quantity in the BOQ.

1. Bidders were required to quote only the rates for such items. Such items termed as "QRO" (quote rate only) items were provided in BOQ in anticipation of their use during execution. Such items were not examined during the financial evaluation of bids.

2. On being pointed out possible misuse and manipulation of such quantities, the organization discontinued the practice.

3. Suitable clauses were provided in the contract agreements to deal with such unforeseen situations by executing extra or substitute item, as the need might be.

iv) In an organization involved in the construction of strategic roads, it was observed that the practice of inviting percentage rate tenders was in vogue.

1. However, Schedule of Rates on which bidders were quoting their rates was of the year 1964.

2. The actual quantum of work was not adequately reflected in the tender notices for such works. On being advised, the organization adopted current Schedules of Rates.

v) Intensive Examination of one tender for procurement of 4000 nos. of passenger baggage trolleys and maintenance thereof (after two years warranty period), at cost of approximately Rs. 5.82 cr. was carried out.

1. In this tender, the principal employer, which was a PSU, wrote to the bank for encashing bank guarantee (BG) on account of breach of the contract by the contractor, due to failure of timely supply of material. In the meantime, the contractor filed a case with Hon'ble High Court, Delhi for stay on encashing BG and stay was granted by the Court.

2. The reason given by Hon'ble High Court was that relevant clause in BG read:

   "........we agree to pay to purchaser on demand and without demur the sum of Rs. 1730124.31/- or any part thereof upon presentation of a written statement by the purchaser that the amount of said demand represents damages due from the contractor to the purchaser by virtue of breach of performance by the contractor ...."

   "The .... (PSU) invoked the aforesaid B.G. by a letter ....There is no assertion made by ...... (PSU) that the amount of B.G. to be encashed is due for damages ......"

   "Thus clearly the invocation of B.G. is not in its terms..."

3. The format of BG was conditional in the tender conditions due to which BG could not be encashed without presentation of written statement of damages. The PSU was advised to removing this conditional clause. Accordingly, as a measure of system improvement, a revised BG format was issued making encashment unconditional.

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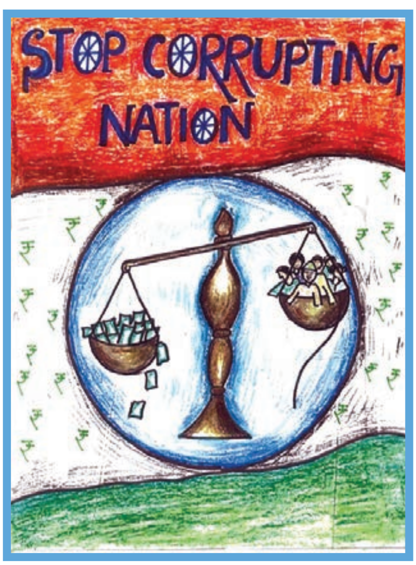
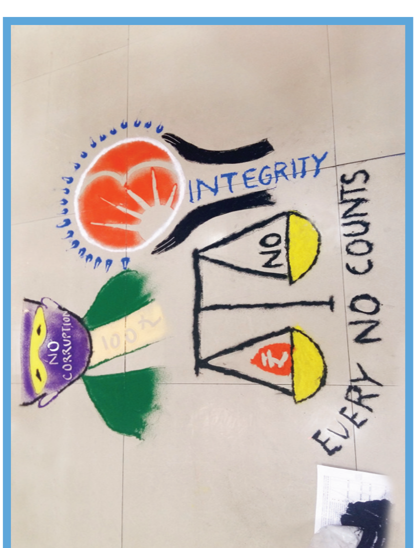
Glimpses of activities held during Vigilance Awareness Week 2018 across the country

What our children think





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