



# ANNUAL REPORT 2012



**CENTRAL VIGILANCE COMMISSION**





सत्यमेव जयते

# ANNUAL REPORT

01.01.2012 to 31.12.2012



## CENTRAL VIGILANCE COMMISSION



**Shri Pradeep Kumar**  
Central Vigilance Commissioner



**Shri R. Sri Kumar**  
Vigilance Commissioner



**Shri J.M.Garg**  
Vigilance Commissioner

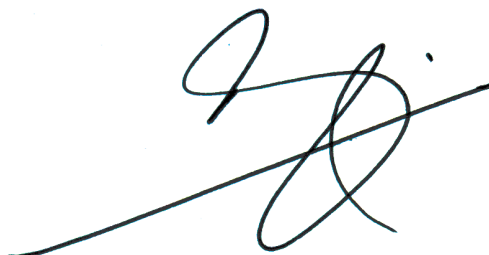
The 49<sup>th</sup> Annual Report of the Central Vigilance Commission is prepared under Section 14 of the CVC Act, 2003 for submission to the President of India. The report highlights the work done by the Central Vigilance Commission during the year ending 31<sup>st</sup> December, 2012 in fulfilling its mandate under the CVC Act, 2003.

Handwritten signature of Pradeep Kumar in black ink.

(PRADEEP KUMAR)  
CENTRAL VIGILANCE COMMISSIONER

Handwritten signature of R. Sri Kumar in black ink.

(R. SRI KUMAR)  
VIGILANCE COMMISSIONER

Handwritten signature of J. M. Garg in black ink.

(J. M. GARG)  
VIGILANCE COMMISSIONER

New Delhi  
Dated: the 27th June, 2013

## **ACKNOWLEDGEMENT**

*The Central Vigilance Commission thanks the Government of India, its Ministries/Departments and other Organizations, the team of Chief Vigilance Officers and Central Bureau of Investigation for their cooperation and assistance.*

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## IMAGES-2012



*Shri Pradeep Kumar, Central Vigilance Commissioner addressing participants at the conference organized by Confederation of Indian Industry (CII), on 18.04.2012 at New Delhi.*

*Justice Kailash Gambhir, Judge, Delhi High Court (left), Justice T.S. Thakur, Justice Supreme Court (centre) and Shri R. Sri Kumar, Vigilance Commissioner (right) participating at the XIth Lokayukta's Conference - 2<sup>nd</sup>-4<sup>th</sup> November, 2012 at New Delhi.*



*Shri J.M. Garg, Vigilance Commissioner addressing the workshop organized by Vigilance Study Circle-Bangalore (VSCB) in association with Transparency International India(TII) on Ethics in Governance, Forensic Audit, Transparency in Public Procurement on 25.09.2012 at Bangalore.*

## ANNUAL REPORT - 2012

### AN OVERVIEW

- The Central Vigilance Commission (CVC) was established on 11th February in 1964 by the Government of India by a Resolution as an Integrity Institution to supervise vigilance administration of the country through Chief Vigilance Officers (CVOs). The Commission thus setup by the said Resolution was to be headed by a Central Vigilance Commissioner. It functions through a well established vigilance administrative set up, guidelines and manuals. The Commission is assisted by Chief Technical Examiner's Organization (CTEO) for technical matters including formulation of guidelines concerning tendering in procurement and construction related issues.  
(Para 1.1 to 1.3)
- The Commission was given statutory status by enactment of CVC Act, 2003 and vested with autonomy and insulation from external influences. After enactment of CVC Act, 2003, the Commission became a multi-member body consisting of a Central Vigilance Commissioner (Chairperson) and not more than two Vigilance Commissioners (Members), to be appointed by the President. The total sanctioned staff strength of the Commission is 296. As on 31.12.2012, the total staff strength in position in the Commission was 244.  
(Para 1.6 & 1.17)
- The Commission is entrusted with powers to inquire or cause inquiries, call for any information / documents from the Central Government and exercise superintendence over the functions of CBI for offences related to Prevention of Corruption Act, 1988.  
(Para 1.6)
- 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 197 posts of full time CVOs and 410 posts of part time CVOs.  
(Para 1.19 & 1.21)
- The Commission received more than 37,000 complaints during 2012 as compared to 17,407 complaints in 2011 which is 113% more than that of previous year. Despite the manifold increase in the volume of work being handled by the Commission, there has been no increase in the staff strength. Complaints received in the Commission are processed electronically through IT enabled core processes to ensure speed and transparency.  
(Para 2.23 & 2.29 )

- The Commission received over 800 whistle blower complaints under Public Interest Disclosure and Protection of Informers Resolution, 2004. Out of these, the Commission disposed of 693 complaints which include 221 complaints sent for Investigation and report to the concerned CVOs /CBI. The Public Interest Disclosure and Protection to Persons Making the Disclosures Bill 2010 was introduced by the Central Government in the Lok Sabha and passed by the Lok Sabha on 27.12.2011. The Public Interest Disclosure and Protection of Persons Making the Disclosures Bill, 2010 was renamed as “The Whistleblowers’ Protection Bill, 2011” by the Standing Committee on Personnel, Public Grievances, Law and Justice. Presently, the Bill is under consideration in the Rajya Sabha.

(Para 2.31)
- The Commission tendered advices in 5720 cases during the year 2012 as compared to 5341 cases during 2011. These include Commission’s advice of initiation of major penalty proceedings in 616 cases and minor penalty proceedings in 279 cases at its first stage advice. Similarly, Commission advised imposition of major penalty in 523 cases and minor penalty in 270 cases. During the year 2011 about 27% of its advices were tendered within four weeks of receipt of a case while during the year 2012 more than 30% were tendered within four weeks, despite increased work load.

(Para 2.4, 2.6, 2.7 & 2.9)
- The Commission recommended grant for sanction of prosecution in 80 cases during the year 2012. In pursuance of the Commission’s advice, the competent authorities have granted sanction of prosecution against 199 public servants as against 183 public servants in 2011. CVC is working out a frame work whereby such delays in prosecution sanction can be sorted out quickly by CVC/CBI/Investigation agency/disciplinary authority.

(Para 2.7 & 2.11)
- The Commission reviews the progress of cases pending for sanction of prosecution with various organizations, under the Prevention of Corruption Act, 1988. CBI reported that at the end of the year 2012, a total of 89 cases (5 cases are common to more than one Ministry / Department) over three months were pending for grant of sanction for prosecution under PC Act, 1988.

(Para 6.6)
- As per the Annual Reports received from CVOs, more than 20,000 penalties, both major and minor, were imposed on all categories of public servants, as a result of punitive action during the year 2012. Major penalties were imposed against 5825 officers and minor penalties were imposed against 14984 officers.

(Para 3.5)
- The Commission observes Vigilance Awareness Week every year as an outreach measure for creating awareness against corruption. In the year 2012, Vigilance Awareness Week was observed from 29.10.2012 to 03.11.2012 on the theme of “Transparency in Public

Procurement'. A total of 325 organisations along with some State governments furnished their report in this regard. Besides pledge taking ceremony, several activities/ competitions were also organised by various Ministries /Departments/ Organisations during the week.

(Para 2.33)

- The Commission has been advocating transparency, equity and competitiveness in public procurements also. Integrity Pact (IP), a concept promoted by Transparency International India (TII) is an useful tool in this direction. To facilitate implementation of the Integrity Pact to quickly resolve disputes in procurement etc, the Commission has approved names for appointment of Independent External Monitors (IEMs) in more than 74 Ministries/ Departments/ Organisations so far. Vide OM No. 14(12)/2008-E-II(A) dated 19<sup>th</sup> July, 2011 issued by D/o Expenditure, the adoption of Integrity Pact has become mandatory for all Ministries/ Departments.

(Para 3.23 to 3.30)

- The Commission has been continuously emphasising on Leveraging technology like e-procurement, e-payment, reverse auction etc. for reducing scope for corruption and improving transparency.
- Central Vigilance Commission started a monthly Newsletter called VIGEYE VANI in April, 2011. VIGEYE VANI helps CVOs as well as the Commission to highlight initiatives, activities, achievements and various preventive measures. During the year 2012, 12 issues of VIGEYE VANI were released and its distribution increased to more than 1000 copies. The newsletter is also uploaded on the Commission's website every month.
- The Commission has been engaging with various international anti-corruption agencies/ organizations, as a measure of international co-operation. Creating a Knowledge Management System for International Association of Anti-Corruption Authorities (IAACA) has been one of the collaborative initiatives. Shri Pradeep Kumar, Central Vigilance Commissioner, presented a concept project report for development of "Knowledge Management System" for IAACA which was accepted by the IAACA Secretariat.

(Para 2.32(i))

- The Commission had suggested introduction of moral curriculum on values of honesty and integrity in the schools. Accordingly, the M/o Human Resource Development and Central Board of Secondary Education (CBSE) introduced the Values Education Kit on 01.11.2012. The Kit consists of a Values Education Handbook for teachers and a CD with songs. CBSE has made the process more inclusive by making value education an essential part of curricular and co-curricular activities.

(Para 3.7)

- Central Vigilance Commission, Indira Gandhi National Open University (IGNOU) and M/o Human Resources & Development organized an interactive panel discussion on the occasion of International Anti-Corruption Day at IGNOU, New Delhi on 09.12.2012. The debate was also webcast live at all the regional centres of IGNOU. “VIGEYE” which is a citizen centric project of CVC to empower citizens to report and combat corruption was discussed. Advocacy programs to demonstrate how people can lodge their complaints on VIGEYE by uploading photographs, audio and video formats using their mobile phones was continued through the reporting year.
- The Commission always endeavours for capacity building of the Chief Vigilance Officers to fill up the knowledge gap. Commission organized two induction training courses for CVOs, in April, 2012 and October, 2012. About 50 CVOs of Organizations/PSUs/Banks attended the training programmes. The course schedule consisted of various matters related to vigilance administration and anti-corruption strategies including investigation techniques and criminal prosecutions etc. Vigilance Study Circles where CVOs of various regions learn by sharing experience were promoted during the year.
- The Commission has been entrusted by the Hon’ble Supreme Court in CA No.10660 of 2010 of Centre for PIL & others Vs Union of India & others on 02/02/2012 to assist the Court in monitoring the investigation being carried out in the 2G Spectrum cases. The Commission submitted six reports during 2012 to the apex Court.

(Para 1.20)

(Para 6.16 to 6.19)



*Zonal Review Meeting of the Commission with the CVOs of the Defence Sector held on 18.07.2012 at Bengaluru*

## A FEW IMPORTANT CASES

(i) **Irregularities in allocation of Coal Blocks**

A complaint dated 14.03.2012 was received in the Commission from a group of Members of Parliament alleging corruption in allotment of coal blocks during 2006-2009 enclosing list of the allotments done. The complaint mentioned that Ministry of Coal had allotted 64 coal blocks to private parties between 2006 to 2009 and alleged a loss of ₹43,96,943 crores to the exchequer. The Commission directed CBI to initiate investigation into the complaint on 05.04.2012. Subsequently, another complaint dated 05.09.2012 was received from some other Members of Parliament alleging malpractices in allocation of captive coal blocks during 1993- 2004. This complaint was also referred to CBI on 18.09.2012 for preliminary inquiry. CBI has registered three Preliminary Enquiries (PE) and nine Regular Cases (RC). These nine regular cases have arisen out of the first PE. The cases have been registered against several private organizations and unknown officials of Coal Ministry alleging submission and processing of false information to obtain coal blocks in an illegal manner. The investigation is under way.

(ii) **Irregularities in group account of a TV Channel group**

A group which is into TV channel and broadcasting business has availed facilities from various banks led by Punjab National Bank (PNB) to the tune of ₹2700 crores through their five companies. The finance was made available under consortium arrangement. Serious irregularities have been observed on the part of bank officials in due diligence, disbursement, inspection, deviations from terms of sanction, follow up etc. One of the glaring irregularities observed is non-verification of the suppliers of machinery/equipments at the initial stage, who later on proved to be non-existent suppliers. It transpired that the suppliers were also the group company/firm of the borrowing company. Instead of making payment to supplier through the escrow account wherein all the banks were to deposit their share of loan, payment to suppliers were made directly. Case is registered with the CBI and the matter is under investigation.

(iii) **Irregularities in multiple financing by PSBs to a group financing farmers**

A Company engaged in the manufacture of castor oil was availing facilities to the tune of ₹350 crores from a consortium of banks led by State Bank of India (SBI). In the year 2009-10, the company approached certain banks outside the consortium, requesting for short term loan for financing the farmers who were supplying the Castor Oil Seeds. Such farmers would be identified through certain village level aggregators as informed by the company. The company undertook to have the Know Your Customer (KYC) verification of such farmers done. Based on such submissions the banks sanctioned short term loans and these funds have been diverted resulting in account becoming Non Performing Assets (NPA). In all, eight banks

have been defrauded by the borrowing company. The Commission initially had examined the report of one particular bank and the Department of Financial Services (DFS) was advised to take up with all concerned bank for fixing accountability and lodging complaint with CBI. Simultaneously Commission also directed the CBI to register case in respect of complaints lodged by respective banks. Accordingly, CBI registered cases in the matter and after investigations recommended launching of prosecution / regular departmental action against various officials of the Banks and the company directors. Commission advised CBI to trace the funds which have been siphoned off by promoters.

(iv) **Irregularities in non fund based limits (guarantee limits)**

In a consortium lending involving 25 banks led by Punjab National Bank, aggregate credit facilities amounting to ₹3200 crores were sanctioned. The borrowing company is engaged in supply of manpower for the execution of engineering contracts on behalf of business firms, termed aggregators who had access to large business corporates to procure contracts globally. The borrowing company had entered into agreements with its aggregators to provide continuous and uninterrupted manpower. Every year, the borrowing company had to submit to the aggregators, bank guarantee limits that can be arranged and the aggregators estimate the value of contracts that can be awarded to the borrowing company. Bank guarantees equivalent to mobilization advance are issued by the Banks in India, confirmed by foreign intermediary banks. The borrowing company received mobilization advance to the extent of 30-50% of initial contract value of the project.

Due to inordinate delay in execution / completion of contracts, the company continuously got the Bank Guarantees extended on the assurance that the projects will be completed in due course. The borrowing company also succeeded in substituting the names of beneficiary banks in whose favour guarantees were issued. The financial strength of overseas parties with whom borrowing company had entered into contract has been falsely stated while seeking issuance of Bank guarantees. The borrowing company also did not provide any evidence of having utilized the mobilization advance for execution of contracts for which these guarantees were issued. Huge sum of banks advance is at stake due to encashment of the guarantees and the advance has become Non Performing Assets (NPA).

The officials of the Banks have failed to ascertain the source of funding by which the capital base of the company increased from ₹39.87 crores to ₹ 500 crores without any actual cash flow in their books. Allegations of FEMA/RBI violations etc. were also noticed. The case is being investigated by CBI as it is treated as fraud.

(v) **Irregularities by way of kite flying transactions**

An investment company in connivance with a deputy general manager (DGM) level official of State Bank of India indulged in kite flying transactions which cost them a sum of ₹46 crores. The bank allowed withdrawal of funds against cheque lodged in clearing but not yet cleared.

The fraud came to light when the same was pointed out by the auditor. The DGM of the branch allowed continuous overdrawings in the group accounts of the investment company against cheque deposited in clearing. When the earlier cheques got dishonored, advance against fresh cheques sent in clearing was given to adjust the earlier debits. Officials of the branch were putting through these transactions and the Branch in charge never objected and allowed these transactions beyond his discretionary powers. A deposit of ₹6 lacs in the account of one of the bank officer from the company was the corroborative evidence to bring out quid-pro-quo between them. CBI after investigation recommended launching of prosecution against the officials concerned and the Commission advised prosecution as well as regular departmental action in respect of the officials involved.

(vi) **Irregularities in transactions in Local Service/Fast Collection Service**

Corporation Bank sanctioned Fast Collection Service (FCS) of ₹8 crores and ₹4 crores in two accounts. In all, cheques worth ₹19.20 crores were sent on collection within three days by the Manager of the Collection and Payment Services (CAPS) branch. These cheques were drawn on same set of drawers and drawn on the same branch. All the cheques were returned unpaid and were not marked as returned cheques in the computer system and cheques were also not delivered to the parties thereby exposing the Bank to unwarranted risk of claims from the clients. The companies did not repay the amount of the aforesaid returned cheques and an aggregate amount of ₹18.80 crores (after adjusting ₹40 lacs) is outstanding apart from uncharged interest. On examining the report of the bank, Commission noticed aspect of criminality and directed the bank to lodge complaint with CBI.

(vii) **Irregularities in exports of various items under Credit Linked Insurance Scheme (CLIS).**

A case regarding irregularities in trade transactions for exports of various items under Credit Linked Insurance Scheme (CLIS) operated by State Trading Corporation (STC), Mumbai was examined in the Commission. It was observed that during the period 2005-09, various business firms / associates had undertaken export of items such as gold jewellery, construction material, etc., through STC, Mumbai, under the CLIS scheme. After inquiry, it was revealed that due diligence was not exercised by the concerned officials of STC to ensure the credibility of suppliers/associates before entering into business transactions with them. Non compliance of various terms and conditions, as envisaged in CLIS and various circulars issued by STC from time to time, resulted in a huge financial risk/liability amounting to ₹725.09 crores, besides interest and other charges, without chances of recovery from the associates or insurance companies. There were adequate tools available with STC to take care of eventualities like default in payment by foreign buyers etc., but the same were not invoked/utilized by the concerned officials of STC to safeguard the organization's interests. Fixing of credit limit of local suppliers/associates and proper monitoring could have avoided the situation of accumulation of defaults in payments by foreign buyers. Initiation of major penalty proceedings against erring officials was advised by the Commission.

(viii) **Matters pertaining to Telecom Licences and Unified Access Service (UAS).**

A complaint was received in the Commission alleging that the telecom licenses issued by the Government to three telecom operators were being misused. These companies were issuing bulk connections to private companies for further renting out the same to their customers, on their self decided tariff in violation of Unified Access Service (UAS) License, which was a threat to the National Security since whereabouts of the end users of such sub-leased SIM Cards were unknown. Further, the telecom companies were not including the revenue share they were earning from the sub-leasing to private companies in their Aggregated Gross Revenue (AGR), resulting in a loss to the Government. The complaint was sent for investigation and report to CVO, Department of Telecom (DoT). The investigation report received from DoT revealed that one telecom provider had issued 2788 such bulk connections, the second provider had issued 3640 and the third had issued 10145 such bulk post-paid connections to two Delhi based companies, in violation of UAS License Agreement, which provided that user terminal registered against a company was non-transferable and such transfer without specific permission of the DoT was illegal. As per clause No. 17.1 of UAS license, the tariff of such service should be charged as decided by the TRAI from time to time, only. A penalty of ₹ 50 crores each on the above three telecom companies was imposed by DoT along with the filing of criminal cases under section 20 of IT Act against the private telecom companies.

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*Zonal Review Meeting of the Commission with the CVOs of the Commerce & Industry Sector held on 23.08.2012 at New Delhi*

## CHAPTER-1

### INTRODUCTION

Central Vigilance Commission is the apex integrity institution of India and has been striving to promote transparency, probity and integrity. It has been set up to inquire or cause inquiries to be conducted into offences of corruption in various Central Government institutions and public sector organizations.

#### I Background

1.1 Central Vigilance Commission was first constituted by the Government of India through a Resolution in the year 1964 for the prevention of corruption, following a debate in the Parliament in June, 1962 among Members of Parliament expressing concern over corruption in Public Administration. The debate and concern over corruption resulted in a decision by the then Minister for Home Affairs Shri Lal Bahadur Shastri, to set up a Committee under the Chairmanship of Shri K. Santhanam, Member Parliament. The Committee was to review the existing instruments with a view to prevent corruption in central services and suggest steps for initiating effective anti-corruption measures. The Santhanam Committee identified four major causes of corruption, which are as under :-

- (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.

1.2 The Committee overviewed the existing administrative mechanism to deal with corrupt activities and felt the need to set up an apex body for exercising general superintendence over vigilance administration in the Government. It was also decided that the body should be equipped with technical expertise to deal with matters related to engineering, works, construction etc. The Committee also recommended that the apex body so created should also be empowered to undertake an enquiry into the allegations of misconduct and transactions of suspect public servant.

1.3 The recommendations of the Santhanam Committee was 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. The Commission thus set up by the said resolution to be headed by Central Vigilance Commissioner for prevention of corruption in central government institutions and public administration. The said resolution, *inter-alia*, provided that Central Vigilance Commission would for the present, be attached to the Ministry of Home Affairs, but in the exercise of powers and functions it will not be subordinate to any Ministry/Department and would have the same measures of independence and autonomy as the Union Public Service Commission (UPSC). Paragraph 3 of the said Resolution stipulated that the Central Vigilance Commissioner would be appointed by the President of India, by warrant, under his hand and seal and that he will not be removed or suspended from the office except in the manner provided for the removal or suspension of the Chairman or a Member of the Union Public Service Commission.

- 1.4 Subsequently, Supreme Court of India, in criminal writ petitions 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 Central Vigilance Commission Bill was passed by both the Houses of Parliament and received the assent of the President on 11<sup>th</sup> September, 2003. It came on the Statute Book as THE CENTRAL VIGILANCE COMMISSION ACT, 2003 (45 of 2003).

## II. The Central Vigilance Commission Act, 2003

- 1.6 The Central Vigilance Commission Act, 2003 provides for constitution of Central Vigilance Commission to inquire or to cause inquiries to be conducted into offences alleged to have been committed under the Prevention of Corruption Act 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 CBI under sub-section 1 of Section 4 of the DSPE Act, 1946. The Commission is also empowered to review the progress of investigations conducted by the CBI and the progress of applications pending with the competent Authorities for grant of sanction for prosecution for offences alleged to have been committed under the Prevention of Corruption Act, 1988. The Commission also exercises superintendence over the vigilance administration of the various Ministries/Departments/Public Sector Enterprises/Public Sector Banks and autonomous organizations under the central government.

### **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. PC – 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 organizations 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 organizations 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/ Organizations 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.*

### ***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 other two Vigilance Commissioners, Members of the two Committees, on whose recommendations; the Central Government appoints the Director of the CBI and the Director of Enforcement.*
- *The Committee concerned with the appointment of the Director, CBI is also empowered to recommend, after consultation with the Director CBI, appointment of officers to the posts of the level of SP and above in CBI and also the extension or curtailment of tenure of such officials in CBI;*
- *The Committee concerned with the appointment of the Director of Enforcement is also empowered to recommend, after consultation with the Director of Enforcement appointment of officers to the posts of the level of Deputy Director and above and also the extension or curtailment of tenure of such officials in the Directorate of Enforcement ;*
- *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**

- 1.7 According to Sections 8 (1) (d) and 8 (2) (a) of the Central Vigilance Commission Act, its jurisdiction in respect of suo moto 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.

### **Commission's jurisdiction under the Act.**

- *Members of All India Services serving in connection with the affairs of the Union and Group 'A' officers of the Central Government.*
- *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;*
- *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;*
- *Officers of the rank of Scale V and above in the Public Sector Banks;*
- *Officers in Grade 'D' and above in Reserve Bank of India, NABARD and SIDBI;*
- *Managers and above in respect of General Insurance Companies;*
- *Senior Divisional Managers and above in Life Insurance Corporation of India; and*
- *Officers drawing salary of ₹8700/- per month (pre-revised) 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.*

1.8 Certain persisting doubts about CVC's jurisdiction over organizations such as Multi State Cooperative Societies were clarified with the advice tendered by the Attorney General of India in November, 2012. DoPT accordingly, issued a circular dated 30<sup>th</sup> November, 2012 confirming Commission's jurisdiction over such societies under Multi State Cooperative Societies Act, 2002.

1.9 Addition of a new provision i.e. Section 6A after Section 6 in the DSPE Act, 1946 has been provided through the CVC Act, 2003. This stipulates that CBI shall not conduct an inquiry or investigation into any offence alleged to have been committed under the PC Act 1988 except with the prior approval of Central Government in respect of senior officers of the Central Government of the level of Joint Secretary and above and such officers as are appointed by the Central Government in Corporations established by or other any Central Act, Government Companies, societies and local authorities owned or controlled by the Government. However, such prior approval of the Central Government is not necessary in cases involving arrest of person on the spot on the charge of accepting or attempting to accept any gratification other than legal remuneration. In the year 2012, the CBI sought approval/permission of the Central Government in 27 cases. Out of these, permission was granted in 20 cases, denial in 3 cases and 4 cases were pending as on 31.12.2012.

#### **IV Public Interest Disclosure and Protection of Informers' Resolution - 2004**

1.10 The Supreme Court, in response to a PIL directed the Central Government to devise a suitable mechanism to act on the complaints from 'Whistle Blowers' till such time a suitable

legislation was enacted to that effect. Therefore, the Central Government through “Public Interest Disclosure and Protection of Informers’ Resolution” (PIDPI) dated 21.4.2004 made provisions for action 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 secret the identity of the complainant lodging a complaint under PIDPI resolution, in order to provide protection to whistle blowers from victimization. It also empowers the Commission to take action against complainants making motivated or vexatious complaints. The limitation of jurisdiction of the Commission under the CVC Act, 2003 to inquire or cause inquiry or investigation largely to Group ‘A’ officers and such level of officers is not applicable in case of Public Interest Disclosure and Protection of Informers’ Resolution 2004.

#### ***Important Features of the “Whistle-Blowers” Resolution***

- *The CVC shall, as the Designated Agency (herein after referred to as the Commission), receive written complaints or disclosure on any allegation of corruption or of misuse of office by any employee of the Central Government or of any corporation established under any Central Act, government companies, societies or local authorities owned or controlled by the Central Government;*
- *The Commission will ascertain the identity of the complainant; if the complaint is anonymous, it shall not take any action in the matter;*
- *The identity of the complainant will not be revealed unless the complainant himself has made either the details of the complaint public or disclosed his identity to any other office or authority;*
- *While calling for further report / investigation, the Commission shall not disclose the identity of the informant and shall also request the head of the organization concerned to keep the identity of the informant a secret, if for any reason the identity is revealed;*
- *The Commission shall be authorized to call upon the CBI or the police authorities, as considered necessary, to render all assistance to complete the investigation pursuant to the complaint received;*
- *If any person is aggrieved by any action on the ground that he is being victimized due to the fact that he had filed a complaint or disclosure, he may file an application before the Commission seeking redressal in the matter, wherein the Commission may give suitable directions to the person or the authority concerned;*
- *If the Commission is of the opinion that either the complainant or the witnesses need protection, it shall issue appropriate directions to the government authorities concerned;*
- *In case the Commission finds the complaint to be motivated or vexatious, it shall be at liberty to take appropriate steps;*
- *The Commission shall not entertain or inquire into any disclosure in respect of which a formal and public inquiry has been ordered under the Public Servants Inquiries Act, 1850, or a matter that has been referred for inquiry under the Commissions of Inquiry Act, 1952;*
- *In the event of the identity of the informant being disclosed in spite of the Commission’s directions to the contrary, the Commission is authorized to initiate appropriate action in accordance with the extant regulations against the person or agency making such a disclosure.*

- 1.11 For implementing the PIDPI resolution, the Commission had laid down a detailed procedure for lodging complaints, which was widely publicised. The purpose of these outreach measures were to create awareness among the public at large so that they feel encouraged to come forward and make complaints/ disclosures regarding any allegation of corruption noticed by them. However, protection under the resolution can only be provided to those complainants who follow the laid down procedures for lodging complaints.
- 1.12 Subsequently, the Commission has been actively engaged in preparation of PIDPI Bill, by forwarding its suggestions and observations for consideration of the Government. The Public Interest Disclosure and Protection to Person Making the Disclosures Bill 2010 was introduced by the Central Government in the Lok Sabha and passed by the Lok Sabha on 27.12.2011. The Public Interest Disclosure and Protection of Persons Making the Disclosures Bill, 2010 was renamed as “The Whistleblowers’ Protection Bill, 2011” by the Standing Committee on Personnel, Public Grievances, Law and Justice. Presently, the Bill is under consideration in the Rajya Sabha.

## **V Commission’s Advisory Role**

- 1.13 In terms of the provisions under Section 8(1)(g) of the CVC Act, 2003, the Commission has been mandated to tender advice. Advising the Government on all matters relating to vigilance administration referred to it by departments/organisations of the Central Government is an important dimension of the Commission’s functions. It is mandatory for the Government organisations to seek the Commission’s advice before proceeding in a matter where a report had been earlier called for by the Commission.
- 1.14 The investigation reports furnished by the CVO or the CBI are examined in the Commission. Depending upon the facts of each case and evidence/records available, the Commission advises launching prosecution and/or regular departmental action, for major or minor penalty as the case may be, against the public servants 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.
- 1.15 In cases where the Commission had advised initiation of major penalty proceedings in the first stage, the cases are required to be referred to the Commission for second stage advice on conclusion of the inquiry proceedings, only in those cases where UPSC is not to be consulted for imposition of any penalty. Further, second stage advice, is not required in cases where the Commission had advised initiation of minor penalty proceedings unless, the disciplinary authority concerned propose to exonerate the officer concerned.

## **VI Present composition of the Commission**

- 1.16 Section 3(2) and 3(3) of the CVC Act, 2003 lays down the provisions related to the composition of the Commission. 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 the Prime Minister; the Minister of Home Affairs; and the Leader of the Opposition in the Lok Sabha. As on date, Shri Pradeep Kumar, IAS (Retd.) is the Central Vigilance Commissioner (joined on 14.07.2011). S/Shri R Sri Kumar, IPS (Retd.) and J M Garg, CMD (Retd.), Corporation Bank are the two Vigilance Commissioners. Both the Vigilance Commissioners have joined the Commission on 08.09.2010.

## VII Staff Composition

1.17 In terms of 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, two OSD and four Under Secretaries. Officers of the rank of Director / Deputy Secretary also perform the function of Commissioners for Departmental Inquiries (CDIs), to conduct departmental inquiries on behalf of the disciplinary authorities in disciplinary cases against senior officers. The category-wise staff strength of the Commission as on 31.12.2012 and related information is at **Appendix- I**.

## VIII Technical Wing

1.18 The Chief Technical Examiners' (CTE) Organization 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 organizations. 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. The incumbency position of various posts as on 31<sup>st</sup> December, 2012 is as under:

Post	Chief Technical Examiner	Technical Examiner	Assistant Technical Examiner	Junior Technical Examiner
Sanctioned strength	2	8	6	5
In position	2	4	3	2
Vacancy	0	4	3	3

## IX Chief Vigilance Officers

- 1.19 The Commission's activities concerning inquiry or causing inquiry are ably supported by a gamut of vigilance administration across various organizations. All Departments/Organizations falling under the jurisdiction of the Commission have a vigilance unit headed by a Chief Vigilance officer (CVO). CVOs are assisted by vigilance staff. The CVOs act as an extended arm of the Commission in the Department/Organization concerned. The CVOs are required to provide assistance to the Chief Executive Officer of the organization concerned in all matters relating to vigilance administration by providing appropriate advice/expertise to them. CVOs are supposed to do vigilance audit of various systems and procedures in the organization and assist the management in establishing effective internal control systems and procedures, so that systemic failures can be reduced. The CVOs are also required to ensure speedy processing of vigilance matters, especially the disciplinary cases. The Commission has a system of obtaining monthly 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 / organizations 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 organizations.
- 1.20 The Commission endeavors in capacity building of CVOs and other officers engaged in vigilance activities. For this purpose, the Commission conducts induction training modules for CVOs and vigilance functionaries for equipping them with the latest vigilance/ anti-corruption tools. Eminent persons with immense domain knowledge are invited to interact with the CVOs during such trainings. Two training courses for newly inducted CVOs were conducted by the Commission in April, 2012 and October, 2012 in which about 50 CVOs attended. CBI Training Academy at Ghaziabad also conducts training courses for CVOs besides regular attachment programs and workshops.
- 1.21 Presently, in six departments of the Government of India, namely Central Board of Direct Taxes, Central Board of Excise & Customs, Department of Telecom, Department of Posts, Ministry of Railways, CPWD and a majority of the Public Sector Enterprises, Public Sector Banks and Insurance Companies have full-time CVOs, while others have part-time CVOs. Vigilance activities in Ministries/ Departments and other organizations are looked into by part-time CVOs, who are working in the concerned Ministry / Department / Organization at sufficient seniority level. There are 197 posts of full time CVOs and 410 posts of part time CVOs.
- 1.22 During the year 2012, the Commission considered the suitability of 203 officers recommended by the administrative authorities for appointment to the post of CVOs in different organizations including names of 110 officers for appointment as part time CVOs in various Departments/ Ministries/ Autonomous Bodies.
- 1.23 The Commission accorded 345 vigilance clearances for Board Level appointments. In addition to this, clearances were also accorded to 2335 officers of Group 'A' services for various purposes (like empanelment, appointment to statutory bodies, appointment to tribunals etc.).

## X Right to Information Act, 2005

- 1.24 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. Twenty three 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 function as the Appellate Authority, in addition to their other duties. Besides, a total number of thirteen CAPIOs have also been nominated to assist the CPIOs in providing information under RTI Act.
- 1.25 A total of 2441 applications were received, out of which 2330 applications were disposed, during the year 2012. Further, 511 appeal cases (including 43 applications brought forward from the previous year) as first appeal were filed with the Appellate Authority of the Commission out of which 492 appeal cases were disposed of. Further, 194 appellants (including 94 applications brought forward from the previous year) filed appeals before the Central Information Commission (CIC), out of which 81 appeals have been disposed. At the end of the year 2012, 111 RTI applications and 19 appeals to the Appellate Authority of the Commission were pending for disposal. A comparative statement showing receipt and disposal of references under RTI Act, 2005 during 2010 to 2012 is given as under:-

Year	Applications received	Disposal	First appeal references received	Disposal
2010	1937	1841	407	376
2011	2440	2296	527	484
2012	2441	2330	511	492

## XI Progressive use of Hindi

- 1.26 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 Reports and Papers which were to be submitted before the Parliamentary Standing Committee issued bilingually in both Hindi and English. Letters received in Hindi were invariably replied to in Hindi. Special emphasis is given on the Hindi training of the staff.
- 1.27 The Commission organizes Hindi Week in the month of September every year. During the year under report, the message of the Central Vigilance Commissioner was circulated in the Commission on the occasion of Hindi Day and a Hindi essay competition was organized in which prizes were distributed by the Commission to the winning participants.

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## CHAPTER-2

### COMMISSION'S ACTIVITIES DURING THE YEAR 2012

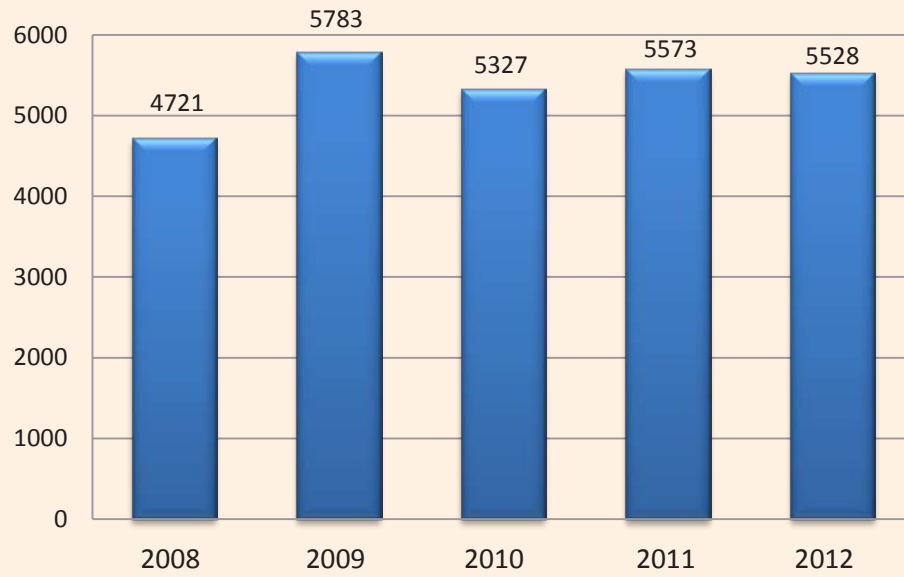
- 2.1 Corruption is one of the biggest challenges faced by India. It has a negative effect on developmental efforts and leads to disaffection and anger amongst the people. With increasing globalisation, international trade and financial flows, corruption is acquiring transnational dimensions. It not only increases transactional costs but also distorts decision making and results in misplaced priorities. Due to increased complexities of financial transactions, a multi disciplinary approach for tackling corruption cases is required.
- 2.2 The Central Vigilance Commission is the apex integrity institution entrusted with the task of overseeing vigilance administration and implementing Government policies against corruption. Over the years the Commission has acquired immense experience in over-seeing vigilance administration of various organisations. The Commission has been stressing on various preventive and punitive measures to mitigate the corruption levels. The Commission's role, as a watch-dog, became more crucial after the Supreme Court judgement in the Vineet Narain Case popularly known as Jain Hawala case. It is the endeavour of the Commission to ensure transparency and accountability in public administration. CVC has taken many new initiatives in leveraging of technology and has been continuously emphasizing PSUs and other organizations for adoption of latest technological initiatives like e-tendering, e-procurement and reverse auction etc.
- 2.3 In order to ensure systemic improvements, the Commission has laid down guidelines for promoting strong internal control mechanisms for transparency, fair play, objectivity in matters related to public administration. These guidelines are based on the Good governance principles. The Commission has been stressing on predictive, proactive and participative vigilance measures in addition to building up public awareness to fight corruption.

#### **I Receipt and Disposal of Vigilance Cases**

- 2.4 The Commission received 7224 cases (5528 cases received during the year and 1696 cases brought forward from the previous year) and tendered its advice in 5720 cases in the year 2012. This includes cases disposed of by the Commission as first stage and second stage advice and also reconsideration requests. Penalties were imposed on a total of 2507 officers by various organizations under the jurisdiction of Commission during 2012.
- 2.5 The comparative figures of cases received and disposed in the Commission during the last five years is given in Charts- 1 & 2 respectively.

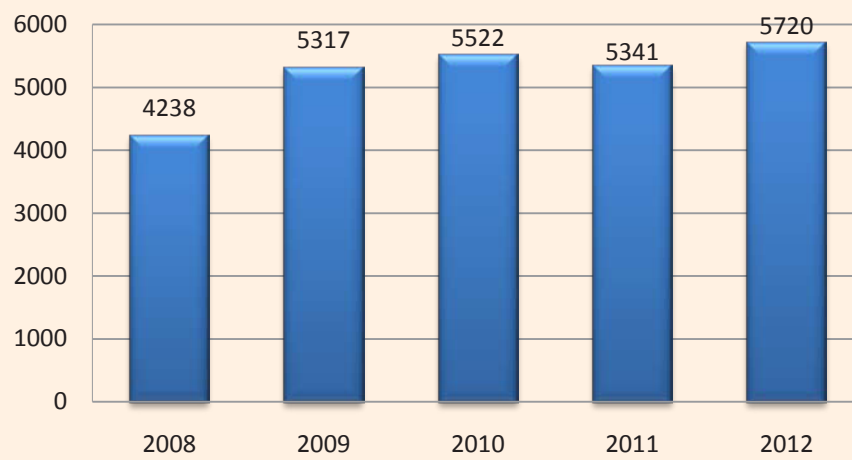
### Numbers of cases received in the Commission

Chart -1



### Numbers of cases disposed by the Commission

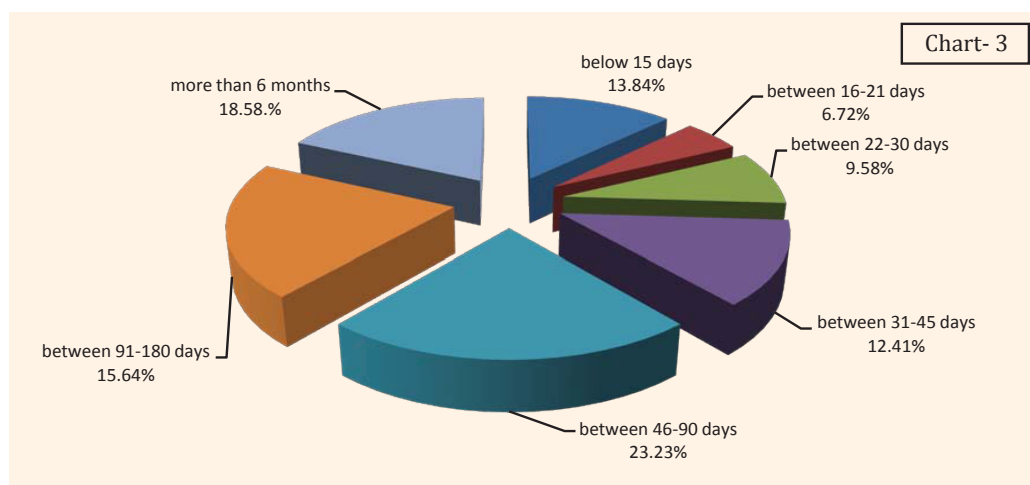
Chart -2



## II Advice on vigilance cases by the Commission

2.6 The Commission makes all out efforts to ensure that its advice is tendered within the stipulated period of four weeks. In the year 2012, more than 30.14 percent of its advices were tendered within four weeks of receipt of the cases. It has been the Commission’s experience that many a times the organizations 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 seeking further clarifications, causing delay in tendering advice. The break-up of time taken by the Commission in tendering advice is given in Chart-3.

**Time taken for giving first and second stage advice for cases in the year 2012**



## III First stage advice cases

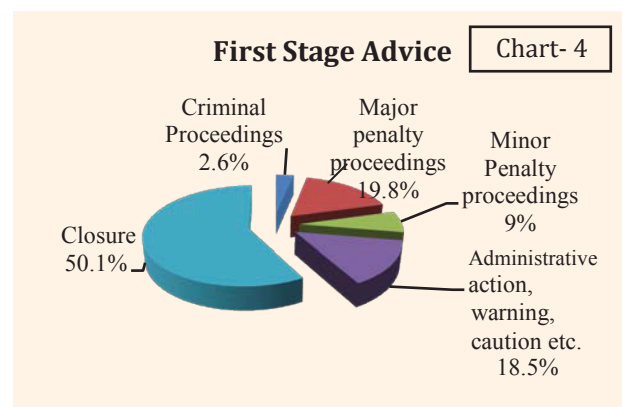
2.7 In 3109 cases, the Commission tendered its first stage advice during the year 2012. Out of these 3109 cases, 201 cases were based on the investigation reports of the CBI and 2908 cases were based on investigation reports forwarded by the CVOs concerned. In the cases investigated by the CBI, the Commission advised launching of prosecution in 27.4 percent cases, major penalty proceedings in 19.4 percent cases and minor penalty proceedings in 8 percent cases. In the cases investigated by the CVOs concerned, the Commission advised initiation of major penalty proceedings in 19.84 percent cases and minor penalty proceedings in 9 percent 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. Table- 1 provides the summary of the nature of advice tendered by the Commission at first stage.

**Table - 1**

**First Stage Advice Cases during 2012**

Nature of advice	On the investigation reports of		Total
	CBI	CVO	
Criminal Proceedings	55	25	<b>80</b>
Major penalty proceedings	39	577	<b>616</b>
Minor penalty proceedings	16	263	<b>279</b>
Administrative action, warning, caution etc.	34	541	<b>575</b>
Closure	57	1502	<b>1559</b>
<b>Total</b>	<b>201</b>	<b>2908</b>	<b>3109</b>

2.8 The Commission recommended criminal proceedings in 2.6 percent of the cases where investigation reports had been received from the CBI and the CVOs concerned during the year 2012. Chart-4 provides a summary of various types of advice tendered by the Commission at first stage in percentage terms.



**IV Second stage advice cases**

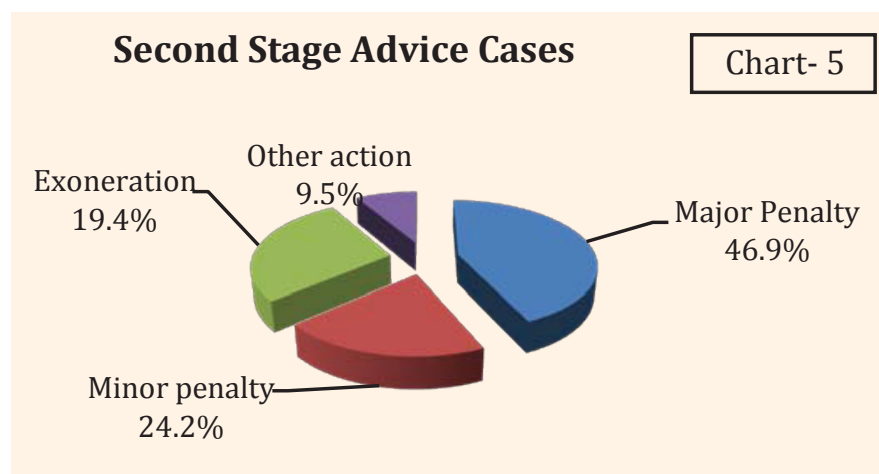
2.9 During the year 2012, the Commission tendered second stage advice in 1115 cases. While the Commissioners for Departmental Inquiries (CDIs) of the Commission conducted inquiry in 33 cases, in the remaining 1082 cases the inquiries were conducted by the departmental inquiry officers appointed by the respective disciplinary authorities. Table-2 provides a break-up of the advices tendered by the Commission, during the year 2012, on the cases received from various disciplinary authorities at the second stage.

**Table - 2**

**Second Stage Advice Cases during 2012**

Nature of advice	On CDI's Reports	On cases received from CVOs	Total
Major penalty	18	505	<b>523</b>
Minor penalty	8	262	<b>270</b>
Exoneration	3	213	<b>216</b>
Other action	4	102	<b>106</b>
<b>Total</b>	<b>33</b>	<b>1082</b>	<b>1115</b>

2.10 The Commission while tendering its second stage advice, recommended imposition of major penalty in 523 cases (constituting 46.9 percent of the total) and minor penalty in 270 cases (constituting 24.2 percent of the total) during the year 2012. In 19.4 percent of the cases, the charges could not be proved conclusively. The percentage figures regarding various actions advised by the Commission has been indicated in Chart-5.



**V Punishments and Prosecution**

2.11 In pursuance to the Commission's advice, the competent authorities in various organizations, issued sanction for prosecution against 199 public servants. Major penalties have been imposed on 1051 public servants and minor penalties on 1125 public servants during 2012 (Table-3 and 3(A)). The nature of punishments awarded in percentage terms during the year has been indicated in Chart-6.

**Table - 3**

**Punishments Awarded**

Year	Punishments awarded			
	Major penalty	Minor penalty	Administrative Action	Total
<b>2008</b>	909	1173	429	<b>2511</b>
<b>2009</b>	876	947	381	<b>2204</b>
<b>2010</b>	994	1269	457	<b>2720</b>
<b>2011</b>	897	1039	376	<b>2312</b>
<b>2012</b>	1051	1125	331	<b>2507</b>

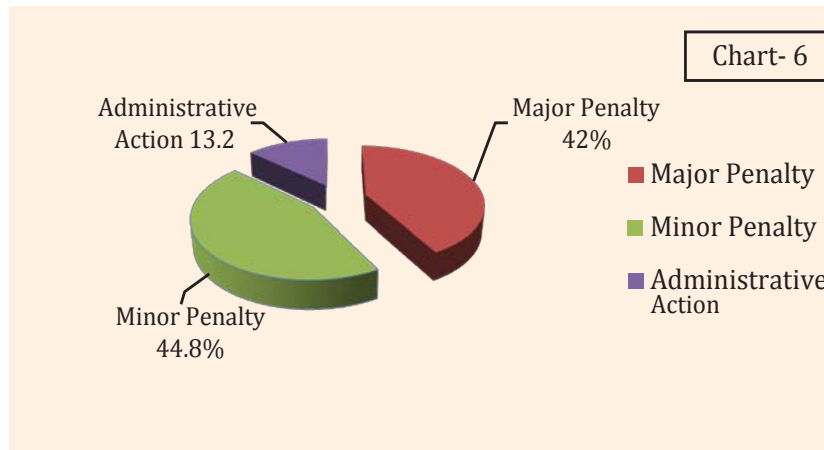
**Table - 3(A)**

**Prosecutions Sanctioned**

Year	Prosecution sanctioned
<b>2008</b>	138
<b>2009</b>	225
<b>2010</b>	262
<b>2011</b>	183
<b>2012</b>	199

**Imposition of Penalties during 2012**

**Nature of Punishment (% Share)**



2.12 A few cases of deterrent actions taken against senior officers based on the Commission's advice are:-

<b>Action Taken</b>	<b>Details of officials</b>
<b>Sanction for Prosecution</b>	<p>Four IAS officers, Ministry of Personnel P.G. &amp; Pensions            One IPS officer, Ministry of Home Affairs            Two IFS Officers, M/o Environment &amp; Forests            Four IRS officers, Central Board of Direct Taxes            Three IRS officers, Central Board of Excise &amp; Customs            Two Directors, Department of Expenditure            One Financial Advisor &amp; Chief Accounts Officer, M/o Railways            One Chief Security Commissioner, M/o Railways</p>
<b>Dismissed/ Removed from Service</b>	<p>One Joint Commissioner, Central Board of Excise &amp; Customs            One Commissioner, Central Board of Direct Taxes            One Deputy General Manager (Finance &amp;Accounts), MMTC            One Deputy General Manager, Bank of Baroda            One Senior Divisional Manager, National Insurance Co. Ltd.</p>
<b>Compulsorily Retired from Service</b>	<p>One Joint General Manager, Ministry of Defence            One Scientist 'F', Bureau of Indian Standards,            One Director, Khadi and Village Industries Commission</p>
<b>Cut in Pension</b>	<p>One Joint Director, Municipal Corporation of Delhi            One Chief Engineer, Bharat Sanchar Nigam Ltd.            One Chief Engineer, Ministry of Shipping            One Chief Commercial Manager, Ministry of Railways            One General Manager, Department of Telecommunications            One General Manager, Industrial Development Bank of India            One Commissioner, Central Board of Direct Taxes</p>
<b>Reduction of pay to lower stage</b>	<p>One Chief General Manager, Industrial Dev. Bank of India            One Chief General Manager, Bank of Baroda            One General Manager, Canara Bank            One General Manager, Central Bank of India            Two General Managers, Syndicate Bank            One General Manager, Union Bank of India            One General Manager, Mahanagar Telephone Nigam Limited            One General Manager, D/o Telecommunications</p>

2.13 An overview of organization-wise break up of penalties imposed by the disciplinary authorities concerned in cases where the Commission's advice was obtained, indicates that Central Board of Excise & Customs has issued sanction for prosecution in 47 cases, Central

Board of Direct Taxes in 19 cases, Ministry of Railways in 15 cases, State Bank of India in 10 cases, Union Bank of India and Ministry of Personnel, P.G & Pension in 9 cases each, Punjab National Bank in 7 cases and Ministry of Home Affairs in 6 cases. **Appendix-II** provides organization wise breakup of the number of cases, where either sanction for prosecution has been accorded or a penalty has been imposed on the public servants on Commission's advice.

- 2.14 During the year 2012, the maximum number of punishments including Administrative Action have been imposed by the Ministry of Railways (537), Central Board of Excise & Customs (206), Syndicate Bank (229), State Bank of India (143), Punjab National Bank (102), Union Bank of India (83), Department of Telecommunication and Services (81), Allahabad Bank (60), Delhi Development Authority (51), Canara Bank (48), Vijaya Bank (54), Central Board of Direct Taxes (35) and Indian Oil Corporation (34).
- 2.15 An analysis of the penalties so imposed, major penalties of the higher order, viz. dismissal, removal and compulsory retirement from service were imposed on 94 officers by the disciplinary authorities in various organizations.

## VI Pendency

- 2.16 During the year 2012, out of a total of 7224 cases received (including 1696 brought forward), the Commission disposed of 5720 cases – leaving a pendency of 1504 cases at the end of 2012 (Table-4).

**Table – 4**

### Number of Cases Received and Disposed of during the Year - 2012

Cases	Investigation Reports (1 <sup>st</sup> Stage)	Inquiry Reports and minor penalty cases (2 <sup>nd</sup> Stage)	Other Reports / cases such as reconsideration etc.	Total
Brought forward	1300	280	116	1696
Received	2967	1060	1501	5528
Total	4267	1340	1617	7224
Disposed of	3109	1115	1496	5720
Percentage of disposal	72.86%	83.20%	92.51%	79.18%
Pending	1158	225	121	1504*

*\*(Out of 1504 cases pending at the end of 2012, 813 cases were pending for want of clarifications/comments on CBI reports from the concerned organisations. In other words, only 691 cases were actually pending with the Commission at the end of the year 2012).*



- 2.17 The Commission attempts to set an example for promptness in handling the vigilance cases/ matters. It continuously monitors all aspects relating to the examination of cases and dispatch of advices of cases in its internal meetings with the various wings of the Commission.

## **VII Handling of Complaints in the Commission**

- 2.18 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. The complaints are also referred from other organizations engaged in fight against corruption. The Chief Technical Examiners Organization of the Commission, while conducting inspections of works/ procurements etc., looks into the aspects of lapses and irregularities which may become a vigilance reference subsequently. Besides, whenever any misconduct which comes to the notice of the Commission directly, it is treated as source information.
- 2.19 The Commission has advised all organizations 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 organise seminars/sensitizations 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, even separate complaints are lodged containing similar allegations to authorities other than the Commission thereby compromising on the secrecy and safety of the complainant. Even so, the Commission has issued guidelines asking the organizations 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
- 2.20 The Commission has laid down a complaint handling policy for processing of complaints which is available on its website. Complaints received in the Commission are scrutinized thoroughly and wherever specific and verifiable allegations of vigilance nature are noticed, the complaints are forwarded to the appropriate agency to conduct investigation into the matter and report to the Commission expeditiously. After examining the report from the organization concerned, the Commission advises them about further appropriate 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.

## VIII General Complaints

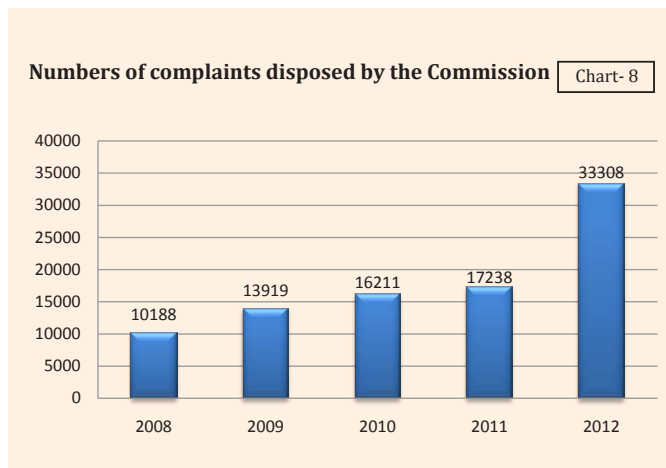
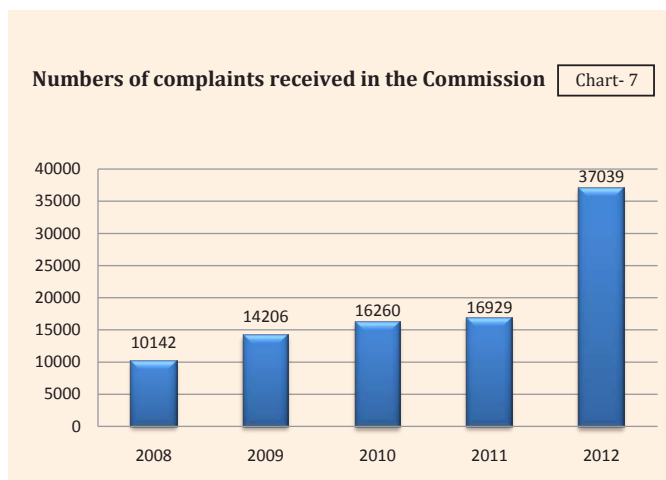
- 2.21 The Commission recognizes the importance of complaints as a good source of information. This is reflected in the increasing number of complaints being received in the Commission. However, many of these complaints received by it pertain to procedural lapses and administrative violations or even against officers not within the jurisdictions of the Commission. Scrutiny of the complaints received in the Commission indicates that numbers of complaints on which detailed investigation reports have been called from the concerned Chief Vigilance Officers form a small proportion.
- 2.22 It is also observed that a large number of complaints being received in the Commission are anonymous/ pseudonymous in nature. In majority of such complaints, the intention of the complainant is to harass someone rather than reporting corrupt activities. Therefore, as a policy, anonymous/pseudonymous complaints are not to be entertained. However, in order to ensure that genuine complaints having verifiable / specific allegations do not remain uninvestigated, the Commission, as a safeguard, has issued directions to seek Commission's prior approval before conducting investigation into such complaints by the organizations concerned. The Commission also considers the request of the complainants in those cases where the complainants (other than those making complaints under PIDPI Resolution) have requested to the Commission to keep their identity secret.
- 2.23 During year 2012, the Commission received a total of 37208 complaints which includes 169 complaints brought forward from the previous year. Of these complaints, 6.03 percent were anonymous / pseudonymous, which were filed in accordance with the Commission's complaint handling policy. In majority of complaints the allegations were found to be either vague allegations or containing administrative issues. The Commission also received a considerable number of complaints against public servants working in the state governments etc. who do not come under the jurisdiction of the Commission.
- 2.24 In the year 2012, a total of 37208 complaints were received, out of which 33308 complaints were disposed of during the year 2012 and 3900 complaints remained pending at the end of the year. Table-5 indicates the nature of complaints received and action taken thereon.

**Table - 5**

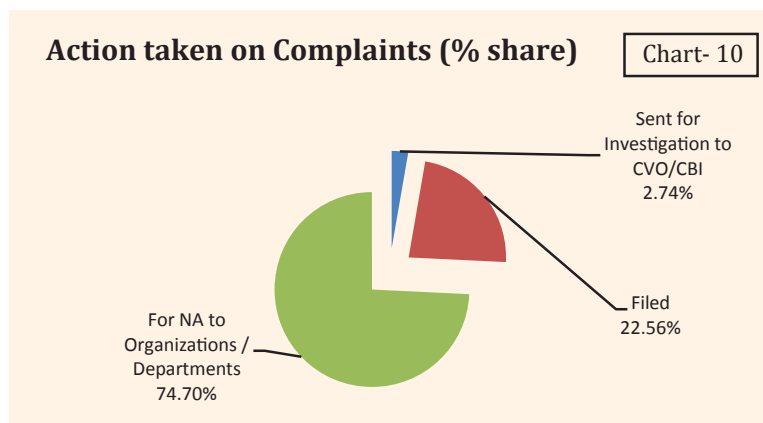
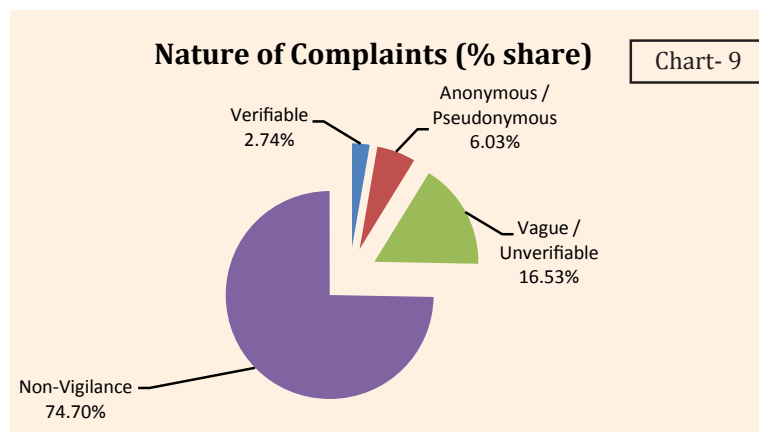
**Complaints received and disposed of during 2012**

<b>Complaints</b>	<b>Nos.</b>	<b>Action Taken</b>
No. of complaints received and brought forward	37208	
Anonymous/Pseudonymous	2010	Filed
Vague/Unverifiable	5505	Filed
Non-vigilance/officials not Under CVC jurisdiction	24880	For necessary action to Organizations / Departments
Verifiable	913	Sent for investigation to CVO / CBI
Total disposed of	33308	
Pendency	3900	

2.25 The comparative figures of complaints received and disposed by the Commission during the last five years are given in Chart-7 and Chart-8 below.



2.26 After a scrutiny of complaints received in the Commission, only 913 (2.74 percent) complaints were found serious enough to warrant further follow up at the Commission's end and these complaints were forwarded to the CVOs concerned or the CBI, for investigation and report. Charts 9 and 10 provide break-up of all the complaints received and action taken thereon in percentage terms.



2.27 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 finalizing 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 call CEOs/CVOs concerned personally with records/documents. Sometimes, the Commission may assign such complaints to its own officers for conducting direct inquiry.

2.28 During the year 2012, four complaints were entrusted to the officers of the Commission for direct inquiry. Out of this, three direct inquiries were completed.

### **Tax non-conformance noticed in CWG 2010 Projects**

*Delhi hosted the XIXth Commonwealth Games from 3<sup>rd</sup> October 2010 to 14<sup>th</sup> October 2010. The CTE organization of the Commission conducted intensive technical examination of some of the major projects/contracts relating to Commonwealth Games, 2010, to ensure adherence to the desired quality in execution and to unearth the short comings/lack of appropriate standards in the projects. A total of 30 projects/contracts, valued at ₹3500 crores (approximately) were taken up for technical examination, from 2008 onwards.*

*Further, a number of complaints questioning the quality of works executed and justifiability about the cost escalation were also received. Some of these complaints were directly inquired by the Commission and others were referred to the Central Bureau of Investigation/Chief Vigilance Officers concerned for investigation, keeping in view the seriousness of the allegations levelled in the complaints. A total of 19 RCs and 10 PEs were registered by CBI on CWG 2010, many of which were on the basis of references sent by the Commission. Similarly, a total of 26 cases were forwarded to the Chief Vigilance Officers concerned for detailed investigation and fixing responsibility for the lapses.*

*For the direct inquiry, considering the number of agencies involved in organization of the games, the Commission used crowd sourcing method through a web-based application. A total of 37 organizations uploaded the details covering more than 9000 projects, costing about ₹13000 crores.*

*The Commission while scrutinizing the details of the various projects, as provided by the organizations, observed non-conformance of statutory tax obligations also and decided to take up the issue with concerned authorities. The initiative taken by the Commission in collaboration with the Labour Department resulted in recovery of an amount of ₹41.8 crores towards workers welfare cess, up to 31<sup>st</sup> October 2012 as confirmed by GNCTD and further progress is underway. The data was also shared with Central Board of Excise and Customs (CBEC). CBEC informed that service tax has been recovered to the tune of ₹ 67.33 crores so far, which includes ₹ 52.21 crores on the basis of the Commission's inputs. It has also been informed that demand notices have been issued to the tune of ₹ 240.77 crores. The reconciliation process with various departments / organizations regarding tax non-compliance issues concerning CWG 2010 is underway.*

### **IT enabled Core Processing**

- 2.29 CVC initiated the IT enabling of Core Processes in 2010. The aim of the application was to convert the core processing into electronic form and provide value addition through better tracking, monitoring and storage of information. During the year 2012 there has been a significant rise in usages of application. All complaints received in the Commission are being handled electronically through this software. It has helped in reducing the handling of paper files. It has also helped in minimising delays in correspondence, enhancing efficiency in record keeping etc. The Commission plans to gradually integrate the application with the office of CVO thereby minimising time loss involved in physical movement of documents. The application also aims at converting HR management and information relating to administrative matters in to electronic form. Apart from improving operational efficiency, the IT applications aim at making the Commission's working citizen-friendly.

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

- 2.30 Under Public Interest Disclosure and Protection of Informers' Resolution dated 21<sup>st</sup> April, 2004, the Central Government had designated the Central Vigilance Commission as the Agency to act on complaints from "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.
- 2.31 During 2012, the Commission received 837 (including 33 complaints brought forward from the previous year) complaints under PIDPI Resolution. Out of these, 221 complaints were sent to the CVOs concerned or CBI for investigation/discreet verification of facts/comments which constitute 31.9 percent of such complaints. 470 (67.8 percent) of these complaints were sent for necessary action and 2 complaints (0.3 percent) being anonymous / pseudonymous or without vigilance angle were filed, thus leaving a pendency of 144 complaints. Table - 6 below gives the nature of complaints received under PIDPI Resolution and action taken by the Commission on them during the year.

**Table - 6**

#### Complaints Received and Disposed of during 2012 Under the PIDPI Resolution

Complaints Received	Nos.	Action Taken
No. of complaints received and brought forward	837	
Anonymous/Pseudonymous	2	Filed
Non-vigilance	470	For necessary action to Organizations / Departments.
Verifiable	221	For investigation to CVO / CBI
Total disposed of	693	
Pendency	144	

## International Cooperation

2.32 The Commission has increased its engagement in international cooperation with an aim of increased sharing of information among various anti-corruption agencies. This not only helps in exchange of international best practices but also increasing the foot prints of the Commission in the global arena. Some of the international cooperation efforts made by the Commission have been detailed as below:-

(i) IAACA Knowledge Management System

The Central Vigilance Commissioner is a member of Executive Board of International Association of Anti-Corruption Authorities (IAACA). India had offered to lead a task force on Knowledge Management. The Knowledge Management System would enable International cooperation in enforcement and prevention, definition of best practices and benchmarks, development of new approaches to tackle the problem of corruption and capacity building of anti-corruption authorities. In the Executive Committee Meeting of IAACA held from 30<sup>th</sup> March to 1<sup>st</sup> April 2012 in Arusha, Tanzania. Shri Pradeep Kumar, Central Vigilance Commissioner (CVC) presented a concept project report explaining the plan for development which was approved by the IAACA Secretariat and a ten member task force led by India (Central Vigilance Commission) has been constituted consisting of representatives from various regions. The Knowledge Management is called ISAAC-Information Sharing and Analysis for Anti-corruption.

(ii) A delegation from Organization for Economic Cooperation and Development (OECD) headed by Mr. Patrick Moulette, Head, Anti-Corruption Division, OECD, Mrs. Christine Uriarte, General Counsel, Anti-Corruption Division, OECD and Ms. Melissa Khemani, Junior Anti-Corruption Policy Analyst, Anti-Corruption Division, OECD met Shri Pradeep Kumar, Central Vigilance Commissioner on 9<sup>th</sup> May 2012. During the meeting, they exchanged the ideas and shared experiences in the fight against bribery and corruption. The OECD provided a brief overview of the OECD Anti-Bribery Convention, Working Group on Bribery and work of the Anti-Corruption Division.

(iii) Shri R. Sri Kumar, Vigilance Commissioner, visited Washington DC to attend 2<sup>nd</sup> Biennial Meeting of the International Corruption Hunters Alliance (ICHA) (organized by the World Bank) from 5<sup>th</sup> to 8<sup>th</sup> June, 2012. He also visited Laxenburg, Austria to attend the Expert Group Meeting of the UNODC & International Anti Corruption Academy (IACA) from 22<sup>nd</sup> to 24<sup>th</sup> October, 2012.

(iv) Shri J.M. Garg, Vigilance Commissioner, visited Hanoi, Vietnam to attend 17<sup>th</sup> Steering Group Meeting & 11<sup>th</sup> Regional Seminar of the ABD/OECD Anti Corruption initiation for Asia &

Pacific from 22<sup>nd</sup> to 24<sup>th</sup> October, 2012. He chaired one of the sessions and presented various steps taken by the India to implement the conclusions of 2011 Regional Anti Corruption Conference held in New Delhi.

- (v) A delegation from World Bank Independent Advisory Board comprising of Mr. Peter Costello, former Treasurer of the Commonwealth of Australia, Mr. Chester Crocker, former US Assistant Secretary of State for African Affairs, Mr. Simeon Marcelo, former Solicitor General and Ombudsman, Philippines, Mr. Mark Pieth, Professor of Criminal Law and Criminology at the University of Basel, Switzerland and Mrs. Denyse Morin, Secretary of the Independent Advisory Board visited the Commission on 6<sup>th</sup> December, 2012. Besides exchange of views on various initiatives taken by CVC and the World Bank, issues of cooperation and knowledge sharing were discussed.

### 2.33 **Vigilance Awareness Week - 2012**

The Commission observes Vigilance Awareness Week every year as an outreach measure. In the year 2012 Vigilance Awareness Week was observed from 29.10.2012 to 03.11.2012 on the theme of 'Transparency in Public Procurement'. A report regarding the way the week was observed by various Ministries/Departments/Organisations was also sought by the Commission. Compilation of reports received in this regard indicated that a total of 325 organisations had furnished the report to the Commission on observance of Vigilance Awareness Week 2012. Three State Governments (Andhra Pradesh, Rajasthan and Odisha) also submitted their reports in this regards. Besides pledge taking ceremony, various other awareness activities were also organised by Ministries/Departments/Organisations. Some of the important activities organised were (i) Training classes were conducted for vigilance officials on various aspects of disciplinary proceedings. (ii) Handout containing Frequently Asked Questions (FAQ) was circulated apprising role of CVC and relevant information on RTI & anti corruption measures. (iii) Essay competitions, Slogan writing and online Quiz programme were conducted for awareness in vigilance and prizes were also distributed. (iv) Procedures for lodging complaints including whistle blower complaints publicised at prime locations. (v) Vigilance bulletins/special journals, brought out. (vi) Talks on corruption and vigilance related issues were held to motivate officials and (vii) Booklets on "compendium of circulars" and "case studies" were published.

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**World Bank Independent Advisory Board delegation visited the Commission on 06.12.2012**



**Visit of the Parliamentary Standing Committee of Bangladesh to the Commission on 30.04.2012**





*Vigilance Awareness Week 2012*



*Pledge taking ceremony in the Commission during Vigilance Awareness Week - 2012*

## CHAPTER-3

### SUPERINTENDENCE OVER VIGILANCE ADMINISTRATION

3.1 Section 8(1)(g) of the Central Vigilance Commission Act, 2003 empowers the Commission to exercise superintendence over vigilance administration of 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 Central Government. The Central Vigilance Commission exercises its function of superintendence over vigilance administration through Chief Vigilance Officers (CVOs) of the concerned organisation. The Chief Vigilance Officers of the organisations, as extended arms of the Central Vigilance Commission, are mandated to exercise duties and responsibilities of vigilance administration on behalf of the Commission and the CVOs in-turn are supervised by the Commission in discharge of their duties and responsibilities.

3.2 Though primary responsibility for maintaining integrity and effective vigilance administration rests with the CEOs/Heads of the organisations, the Commission's impartial and objective advice keeps the organisation to take suitable action. The Commission advises the organizations 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 of the organisation concerned, thus discharging its advisory role.

#### I. Performance of the Chief Vigilance Officers

3.3 Performance of the Chief Vigilance Officers in exercise of its function of superintendence over vigilance administration is continuously monitored by the Commission through a well established mechanism like monthly reports, annual performance assessments and sectoral / zonal meetings convened by the Commission.

3.4 CVOs are also required to send quarterly progress report to the CTE Unit of the Central Vigilance Commission giving details about the major purchases/procurements/works undertaken or being under-taken by the organization. From these reports the CTE unit select some of the activities, as a test-check, to be under-taken for intensive examination. As a measure of vigilance administration the Commission has also 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.

3.5 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 2012, as per their annual reports, is reflected in **Appendix III (A to F)**. List of organizations who have submitted their annual reports are at **Appendix III -G**. During the year 2012, punitive action was taken in 22368 cases (for all category of officers) dealt with by the CVOs, as per the figures provided. Further, major penalty was awarded in 5825 cases and minor penalty was awarded in 14984 cases. These details are given in Table-7 below.

**Table - 7**

**Details of penalties imposed in cases for all categories of officers handled by the CVOs**

<b>Nature of Penalty</b>	<b>No. of officers</b>
<b>Major Penalty</b>	<b>5825</b>
Cut in pension	224
Dismissal/Removal/Compulsory retirement	1310
Reduction to lower scale/rank	2412
Other major penalty	1879
<b>Minor penalty</b>	<b>14984</b>
Minor penalty other than censure	9001
Censure	5983

Note: This data is not comprehensive since the data is based on annual reports sent by the organizations and some organizations have not sent their annual reports.

- 3.6 In order to review the performance of the CVOs, the Commission also holds zonal/ sectoral meetings every year. These meetings provide an opportunity to CVOs to seek Commission's guidance on various issues relating to vigilance administration in their organizations. The Commission also takes this opportunity to inform the CVOs about the focus areas where they need to pay greater attention to ensure that the vigilance mechanism functions smoothly and effectively. During the year 2012, the Commission held 14 zonal / sectoral review meetings, which were attended by 160 CVOs, covering a wide spectrum of organizations including Ministries, Financial Institutions, Public Sector Banks, Power, Coal and Oil Sector PSUs, manufacturing sector PSUs & Port Trusts etc.
- 3.7 In these Zonal / Sectoral meetings, the Commission stressed upon the need to fill the knowledge gap amongst the employees about the procedures of contracting /tendering and to carry out systemic improvements. The use of e-procurement, e-tendering and proper codification of procurement procedures in the manuals of the organisation was emphasized. CVC also emphasised the importance of value education and desired the Central Board of Secondary Education (CBSE) to expedite the task of preparing appropriate curriculum with moral values which can go a long way in building trust and inculcating right values in

young minds. Timely finalisation of Agreed List was emphasized, as was the submission of Quarterly Progress Reports to the CTE Unit of the Commission by the organizations. Timely completion of investigation reports on complaints sent by the Commission and adherence of time limits in disciplinary matters was given utmost importance. Specialized training of staff and utilization of man power in preventive vigilance work, sharing best practices, leveraging of technology were the areas of concern in the meetings.

## **II Pendency with the CVOs**

- 3.8 Timely finalization of investigation into complaints and completion of disciplinary proceedings is of paramount importance for effective vigilance administration. Therefore, Commission constantly reviews the status of complaints and cases pending in the organizations concerned. At the close of the year 2012, 14632 complaints were pending with the CVOs concerned for investigation out of which 6145 complaints were pending beyond a period of 6 months. The complaints forwarded by the Commission, including complaints received under the Whistle Blower Resolution, mainly relating to officers under the Commission's jurisdiction, were 3580 out of which 1457 were still pending at the close of year 2012. The number of departmental inquiries pending with the inquiry authorities was 1812 in respect of officers under the jurisdiction of the CVC and 6049 in respect of officers outside its jurisdiction.
- 3.9 As per the information made available to the Commission by various organizations, the CBI referred cases involving 425 officials of all categories for sanction of prosecution during the year under report. Sanctions for prosecution in respect of 316 officials were given by the Competent Authorities. Sanction for prosecution against 32 officials was denied. At the end of 2012, requests for sanction for prosecution involving 77 officials were reported as pending.
- 3.10 Delay in completion of vigilance cases is a matter of concern and the Commission has been emphasizing on timely completion of vigilance cases. Since the completion of action on vigilance matters/complaints rests with the disciplinary authority, the Commission periodically reminds them about the cases where undue delays have taken place. Wherever necessary, the Commission calls the Heads of the organization along with the CVOs to find out the reasons of delay and to finalize such cases expeditiously. The Commission has been impressing upon the organizations that timely completion of investigations/cases ensures that guilty officials are punished promptly whereas honest officials caught in a vigilance case are absolved without any delay.

## **III Appointment of CVOs**

- 3.11 Chief Vigilance Officer heads the vigilance division of the organisation concerned and acts as an advisor to the chief executives in all matters pertaining to vigilance. He also provides a link between the organisations and the Central Vigilance Commission and also with the CBI. The Commission carries out its mandate of superintendence of vigilance administration through the CVOs. Therefore, the candidature for appointment of CVO in each organization is scrutinised carefully by the Commission. CVOs are also responsible for implementing Commission's advices and guidelines issued by the Commission.

3.12 During the year 2012, the Commission, approved the suitability of 203 officers for appointment to the post of CVOs in various organizations. Further, it has also approved names of 110 officers for appointment as part time CVOs in various Ministries / Departments / Autonomous Bodies.

#### **IV. Vigilance Clearance**

3.13 The Commission provides vigilance clearances for senior level positions/empanelment and also for Board level appointments in the Public Sector Undertakings etc. During the year 2012, a total of 345 vigilance clearances were processed and issued by the Commission for the Board level appointments.

#### **V. Guidelines for compliance to Quality Requirements of e-Procurement Systems.**

3.14 Commission has been advocating leveraging of technology for activities prone to corruption and one of the important initiatives was adoption of e-procurement for goods, works and services by Ministries/ Departments/ Organisations. The Commission advised all Organizations to ensure security of the e-procurement systems and to get their system certified by Department of Information Technology (DIT).

#### **VI. Reporting of Fraud cases to police/State CIDs/Economic Offences wing of state police by public sector banks.**

3.15 Commission has enhanced the threshold limit for reporting of Bank fraud cases to Local Police/State Police and CBI. Henceforth, the following monetary limits would be followed to refer financial fraud investigations to the BS&FC unit of the CBI and the Local/State Police as under:-

##### **Cases to be referred to CBI**

- a) Cases of ₹ 3 crores and up to ₹ 15 crores:-
  - Where staff involvement is prima facie evident : CBI (Anti-Corruption Branch)
  - Where staff involvement is prima facie not evident : CBI (EOW Branch)
- b) All cases of ₹ 15 crores and above : BS&FC Unit of CBI

##### **Cases to be referred to the Local/State police**

- Cases below ₹ 3 crores : Local police / State police

## **VII Constitution of Committee of Experts for scrutiny of prosecution sanctions.**

- 3.16 The Commission, in accordance with the guidelines issued by Ministry of Personnel, Public Grievances & Pensions (Department of Personnel & Training) vide O.M No.399/33/2006-AVD-III dated 06.11.2006, had constituted a committee of experts(drawn from civil services, public sector undertakings/banks) to examine reconsideration proposals received in the Commission from various Ministries/Departments/Organisations in matters where Commission had earlier advised grant of sanction for prosecution.
- 3.17 On expiring the tenure of the panel of experts of the committee last constituted, the Commission reconstituted the panel of experts with effect from 1<sup>st</sup> July, 2012 vide office order No. 13/06/12 dated 29.06.2012.
- 3.18 Depending upon the nature of the case, a committee consisting of three members including the Chairperson (i.e. Vigilance Commissioner) examines the CBI recommendation and the tentative views of the Ministry/Department concerned in greater detail. Two members of the Committee are drawn from the panel of experts and one of the Vigilance Commissioners in the Commission chair the meeting. In the light of the expert committee's recommendation, the Commission renders appropriate advice to the competent authority.

## **VIII Second stage consultation with the CVC in disciplinary case involving consultation with UPSC - Amendment to the Vigilance Manual –reg.**

- 3.19 In order to ensure speedy finalisation of disciplinary matters, and to avoid possibilities of difference of opinion between UPSC and CVC, it has been decided as a policy to prescribe only one consultation (either with UPSC or with CVC). The Commission, therefore in suppression of all its existing instructions/provisions in the Vigilance Manual prescribed that in disciplinary cases involving Group 'A' officers of the Central Government, members of All India Services and such categories of officers where an original order is to be issued by the President imposing any of the penalties wherein, the UPSC is required to be consulted as per extant rules, the Central Vigilance Commission need not be consulted for second stage advice on conclusion of the disciplinary proceedings. In all such disciplinary cases, in which it is necessary to consult the UPSC, the disciplinary authorities concerned would forward the records of the disciplinary case to the UPSC for its advice and take further action taking into consideration, the advice of the UPSC.
- 3.20 However, in disciplinary cases wherein, the disciplinary authorities tentatively propose not to impose any of the statutory penalties at the conclusion of the disciplinary proceedings, (i.e. cases where the UPSC are not required to be consulted), the second stage consultation would continue to be made with the Central Vigilance Commission, involving Group 'A' officers of the Central Government, members of All India Services and such other categories of officers of the Central government involved in composite cases. In other words, all disciplinary proceedings in which the disciplinary authorities propose to exonerate or drop the charges,

the consultation at second stage would continue to be made to the CVC by the concerned administrative authorities.

- 3.21 The above dispensation would not be applicable to the disciplinary cases being referred to the Commission involving officials of by CPSEs/PSBs/Public Sector Insurance companies/societies/Local Authorities/Autonomous Organisations etc. and such cases would continue to be referred to the Commission for its second stage advice as per existing prescribed procedure.

**IX. Constitution of the Advisory Board on Bank, Commercial and Financial Frauds (ABBCFF) – regarding.**

- 3.22 On the completion of the term of the Advisory Board on Bank, Commercial and Financial Frauds, on 31.01.2012, the Commission reconstituted the Board under the chairmanship of Smt. Shyamala Gopinath, Ex-Dy. Governor, Reserve Bank of India. The basic functions of the Board is to advice CBI in those cases where there was a difference of opinion regarding registration of PE/RC between the organisation concerned and the CBI in respect of allegation of a fraud in a borrower account in a Public Sector Bank or financial or commercial fraud in CPSUs/FIs. The tenure of the Members is for a period of two years from 26.03.2012.

**X. Integrity Pact**

- 3.23 The Commission has been emphasizing/promoting transparency and fair play in the functioning of the government organizations. As a part of systemic improvements in vigilance administration, the Commission has been advocating transparency, equity and competitiveness in public procurements also. Integrity Pact (IP), a concept promoted by Transparency International India (TII) is an effort in this direction. The Commission issued guidelines in this regard to all organizations under its advisory jurisdiction to incorporate/adopt Integrity Pact as part of tendering process in all major procurements by them voluntarily.
- 3.24 The IP essentially envisages an agreement between the prospective vendors/bidders and the buyers committing the persons/officials of both the parties, not to exercise any corrupt influence on any aspect of the contract. Only those vendors/ bidders who have entered into such an Integrity Pact with the buyer would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification. The Integrity Pact in respect of a particular contract would be effective from the stage of invitation of bids till the complete execution of the contract.
- 3.25 The Commission also directed the organizations to appoint a panel of Independent External Monitors (IEMs), as envisaged in the Integrity Pact in order to ensure proper implementation of the Integrity Pact. The IEM has the power to access all project documentation and to examine any complaint received by him and is required to submit a report to the Chief Executive of the organization, at the earliest.

- 3.26 The IEMs are persons of high integrity and repute with experience. Their names are approved by the Commission, for appointment as IEMs.
- 3.27 After issue of guidelines by the Commission, various Ministries / Departments / Organizations of Govt. of India have approached the Commission for appointment of IEMs. The Commission has approved names for appointment of IEMs in more than 74 Ministries/Departments/Organizations.
- 3.28 The Commission issued a “Standard Operating Procedure” (SOP) for Integrity Pact vide circular dated 18.5.2009. Further, the Commission vide circular dated 11.08.2009 clarified that review/internal assessment of the impact of IP are to be carried out on annual basis and reported to the Commission through monthly reports of CVO’s. Commission reviews the status of implementation of Integrity Pact in an organisation from time to time.
- 3.29 M/o Finance, D/o Expenditure (DOE) vide OM No. 14(12)/2008-E-II(A) dated 19.7.2011 has also issued circular for implementation of Integrity Pact in Ministries/Departments/Organisations. After issuance of guidelines on integrity pact by D/o Expenditure, it has become mandatory for all Ministries/Departments of Govt. of India to implement integrity pact. Further, appointment of IEMs in consultation with Central Vigilance Commission is one of the laid down provisions in the DOE OM dated 19.07.2011.
- 3.30 During the year 2012, the Commission has considered appointment/ extension of IEMs in 20 Organisations. Out of which in 5 Organisations, the Commission has first time considered appointment of IEMs.

**Important instructions/guidelines issued by the Commission - January 2012 to December 2012.**

- *Instructions regarding guidelines for compliance to quality requirements of e-procurement systems (Circular No. 01/01/2012 dated 12.01.2012)*
- *Instructions regarding consideration of Indian Agents (Circular No. 03/01/12 dated 13.01.2012)*
- *Instructions regarding GoI Resolution on the Public Interest disclosure & Protection of Informers (PIDPI)-Guidelines thereon. Circular No. 04/02/12 dated 13.02.2012*
- *Instructions regarding constitution of Advisory Board on Bank, Commercial and Financial Frauds (ABBCFF)-regarding (Circular No. 06/03/12 dated 26.03.2012)*
- *Instructions regarding guidelines for checking delay in grant of sanction for prosecution. (Circular No. 07/03/12 dated 28.03.2012)*
- *Instructions regarding sanction for prosecution request under the PC Act, 1988 against All India Services officers -procedure regarding (Circular No. 08/03/12 dated 29.03.2012)*
- *Instructions regarding IT enabled application in CVC for the core processes (Circular No. 09/03/12 dated 29.03.2012)*
- *Instructions regarding constitution of Advisory Board on Bank, Commercial and Financial Frauds (ABBCFF)-regarding (Circular No. 11/05/12 dated 23.05.2012)*

- *Instructions regarding reporting of fraud cases to Police/State CIDs/Economic Offences Wing of State Police by Public Sector Banks. (Circular No. 12/06/12 dated 12.06.2012)*
- *Instructions regarding constitution of Committee of Experts for scrutiny of prosecution sanctions. (Circular No. 13/06/12 dated 29.06.2012)*
- *Instructions regarding Adoption of Integrity Pact-Standard Operating Procedure reg. (Circular No. 06/07/12 dated 23.07.2012)*
- *Instructions regarding revised threshold values for submission of Quarterly Progressive Report (QPR). (Circular No. 15/07/12 dated 30.07.2012)*
- *Instructions regarding Second stage consultation with the CVC in disciplinary cases involving consultation with UPSC- Amendment to the Vigilance Manual-reg. (Circular No. 17/12/12 dated 07.12.2012)*
- *Instructions regarding Transparency in works/purchase/consultancy contracts awarded on nomination basis-reg. (Circular No. 18/12/12 dated 11.12.2012)*

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### Induction Training Course for Chief Vigilance Officers held in the Commission in April, 2012



## CHAPTER-4

### AREAS OF CONCERN INCLUDING NON-COMPLIANCE AND DELAY IN THE IMPLEMENTATION OF THE COMMISSION'S ADVICE

4.1 The Central Vigilance Commission, under section 8(1) (g) of the CVC Act, 2003, tenders advice to organizations within its normal jurisdiction. The Commission also exercises superintendence over the vigilance administration of these organizations. The advice is tendered by the Commission based on a reasoned appreciation of all the facts and documents/records, relating to a particular case, brought to its notice by the organizations concerned. The Commission has noted with satisfaction that in a majority of cases, where the officials involved are covered under its advisory jurisdiction, the authorities concerned have accepted the Commission's advice and acted in accordance with them. Acceptance of the Commission's advice in majority cases by Disciplinary Authorities is an indication of the objectivity and fairness of the Commission's advice. However, it remains a matter of concern that in some individual cases of officers, covered under the Commission's jurisdiction, either the 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 advices tendered by the Commission have been diluted considerably without approaching the Commission for reconsideration of its advice.

#### I Cases of non-compliance and selective approach

4.2 The Commission has observed that during the year 2012, there were some deviations from the Commission's advice. Any failure on the part of the organizations concerned to seek the Commission's advice in vigilance related matters involving the category of officials under its jurisdiction or the organizations unwillingness to accept the Commission's advice against some officers are viewed as examples of a "selective approach" by the organizations in order to favour / disfavour certain officers, which not only affects the credibility of the vigilance administration but also weakens organization's objectivity and impartiality. Whenever such cases come to the Commission's notice, its concerns are conveyed to the organizations. Some of the significant cases of deviations from the prescribed procedure or of non-acceptance of the Commission's advice have been specifically illustrated in Table-8 below:

**Table - 8**

**Cases of non-compliance/non-consultation/non-acceptance**

S. No.	Department/ Organisation	Commission's Advice	Action taken by the Department	Remarks
1	M/o Railways	Minor Penalty	No Action	Non-compliance
2	M/o Railways	Major Penalty	Recordable Warning	Non-compliance

S. No.	Department/ Organisation	Commission's Advice	Action taken by the Department	Remarks
3	M/o Railways	Major Penalty (two officers)	Minor Penalty other than Censure Withholding of Passes / PTO's	Non-compliance
4	M/o Railways	Major Penalty Proceedings	Warning Minor Penalty	Non-compliance
5	M/o Railways	Major Penalty	Recordable warning	Non-compliance
6	M/o Railways	Major Penalty (two officers)	Minor Penalty proceedings No action	Non-compliance
7	Bank of Maharashtra	Major Penalty Proceedings	Exoneration	Non-compliance
8	State Bank of India	Major Penalty Proceedings	Minor Penalty (Reduction to lower stage)	Non-compliance*
9	United India Insurance Company Ltd.	Sanction for Prosecution and Major Penalty Proceedings (2 Officials)	Prosecution denied. Closure	Non-compliance
10	United India Insurance Company Ltd.	Sanction for Prosecution and Major Penalty Proceedings (4 Officials)	Prosecution denied. Closure	Non-compliance
11	State Bank of Patiala	Major Penalty	Minor Penalty	Non-compliance*
12	Indian Rare Earths Ltd. (IREL)	Major Penalty	Exoneration	Non-compliance
13	Hindustan Petroleum Corporation Ltd. (HPCL)	CBI sought sanction for prosecution.	Denied sanction for prosecution without consultation with the Commission	Non-consultation
14	Delhi Development Authority	Suitable cut in pension	Displeasure	Non-Compliance*
15	Delhi Development Authority	Major Penalty	Displeasure	Non-Compliance*

S. No.	Department/ Organisation	Commission's Advice	Action taken by the Department	Remarks
16	Delhi Development Authority	Major Penalty	Censure	Non-Compliance*
17	Delhi Development Authority	Suitable cut in pension	Displeasure	Non-Compliance
18	Delhi Development Authority	Major Penalty	Displeasure	Non-Compliance
19	Delhi Development Authority	Major Penalty	Censure	Non-Compliance*
20	Delhi Development Authority	Major Penalty	Exoneration	Non-Compliance*
21	Delhi Development Authority	Major Penalty Proceedings	Major Penalty one officer	Non-Compliance
		(Three officers)	Exoneration (Two officers)	
22	Delhi Development Authority	Major Penalty	Exoneration	Non-Compliance**
23	Delhi Development Authority	Major Penalty Proceedings (Seven cases)	No Action	Non-Compliance
24	Delhi Development Authority	Major Penalty	Exoneration	Non-Compliance*
25	Delhi Development Authority	Major Penalty Proceedings	Exoneration	Non-Compliance*
26	Delhi Development Authority	Major Penalty	Exoneration	Non-Compliance*
27	M/o Urban Development	Major Penalty (Two officers)	Minor Penalty	Non-Compliance
28	Mazagon Dock Ltd.	Major Penalty (Three Officers)	Exoneration	Non-Compliance

(\* - cases finalized by appellate authority) (\*\* - cases finalized by revising authority).

**The illustrative brief of the cases indicated in Table-8 above are as follows:-**

### **Ministry of Railways**

#### **Case 1**

#### **Charge**

Use of sub-standard seat fabric in seats of LHB Shatabdi AC chair car coaches and use of substandard welding electrode and copper coated wire.

## **Advice**

The Commission advised initiation of minor penalty action against the then Chief Design Engineer (CDE) on 04.04.2011.

## **Brief**

The then CDE approved the samples of sheet for quality without examining whether there are financial implications in accepting the quality other than the contract specifications, or not. As such there was a change in the shade and quality of the accepted product.

## **Outcome**

The case was referred back to the Commission for review on 28.02.2011. On reconsideration, the Commission reiterated its earlier views on 04.04.2011. The DA {Board Member(Mechanical)} did not implement the Commission's advice and took a decision that no action needs to be taken against the then CDE on 18.05.2012 after a lapse of more than one year even though substandard work was involved and indicated lack of adherence to quality.

## **Case 2**

### **Charge**

Irregularities in award of risk & cost tender.

### **Advice**

The Commission advised imposition of suitable major penalty on the Chief Engineer (Construction) {CE(C)}, M/o Railways on 22.09.2008.

### **Brief**

CE(C) accepted forged documents arranged by the tenderer and brought them on record in deliberate manner. He was also charged with tampering authentic official documents and deliberately hiding the fact from other members of the tender committee so as to extend undue favour to the builder resulting in wrongful award of contract to an ineligible firm.

### **Outcome**

The Commission reiterated on 16.07.2012, its earlier advice when reconsideration was sought without any new facts. However, the DA {Board Member(Engineering)} did not proceed to implement the Commission's advice and chose to issue a recordable warning to the CE (C) on 06.08.2012. Deliberate use of forged documents as genuine was being encouraged even though a crime in itself.



### **Case 3**

#### **Charge**

Irregularities in award of tender & tender related matters.

#### **Advice**

The Commission advised initiation of major penalty proceedings against the then Divisional Engineer (DEN) and the then Senior Divisional Engineer (Sr. DEN), M/o Railways on 16.08.2011.

#### **Brief**

Hiking of rates in the rate analysis so that ultimately the tender could be accepted at higher rates as justifying these rates would be easier as compared to the rates given in the DV or detailed estimate.

#### **Outcome**

The case was referred back to the Commission for reconsideration without adducing any new facts on 29.09.2011. The Commission observed that such a common lapse was being observed especially in the works contracts and Railway Board (RB) was found lenient in dealing with such case. The Commission, therefore, reiterated its earlier advice on 16.11.2011. However, the DA {Board Member (Engineering)} chose to ignore Commission's advice and imposed minor penalty other than censure on the then Divisional Engineer (DEN) and withholding of passes/PTO's for the then Sr. DEN on 19.01.2012.

### **Case 4**

#### **Charge**

Irregularities in award of tender.

#### **Advice**

The Commission advised initiation of major penalty proceedings against the General Manager (GM) and the then Deputy General Manager (DGM), M/o Railways on 25.02.2011.

#### **Brief**

Tender was awarded to the firm, which was not fulfilling financial and technical eligibility criteria. Both the tender committee members did not raise any objection or give any explanation in the tender committee minutes for considering award of tender to an ineligible firm.

## **Outcome**

The case was referred back to the Commission for reconsideration on 24.08.2011 without any new facts. The Commission reiterated its earlier advice on 11.10.2011. However, the Disciplinary Authority {Director (Network Planning & Marketing)} issued only a warning to the GM on 02.01.2013 and a minor penalty was imposed by the Disciplinary Authority (Group General Manager) in respect of the DGM on 17.12.2012. Serious nature of lapses in processing tenders were overlooked and viewed leniently.

## **Case 5**

### **Charge**

Irregularities in tendering and execution of works of DC/AC conversion in sub urban section of Mumbai Division of Western Railway (CCG-BVI-VR section).

### **Advice**

The Commission advised initiation of major penalty proceedings against the Senior Divisional Electrical Engineer (Sr. DEE)/BCT on 09.12.2011.

### **Brief**

Supervisory Control and Data Acquisition (SCADA) system was erected by a private firm and later on same was replaced by another private firm. The existing SCADA systems in section CCG-BVI, BVI-VR (suitable for 25 KV AC) were replaced without outliving the codal life. Instead of up-gradating the existing system in section BVI-VR as per scope of work, new SCADA systems was provided.

## **Outcome**

The case was referred back to the Commission for reconsideration on 11.06.2012. The Commission had observed that the issue of modifying the tender conditions was inappropriately brought in after opening of bids. It was not a justified decision especially once it was known that a vendor other than that one from whom budgetary quote was obtained, had turned out to be lowest bidder. Further, budgetary quote was taken only from one vendor without any proper market survey, which was also not appropriate. Thus, it appeared that even before the prototypes were tried, switch over to a new system even before completion of codal life of the earlier system was restored that too in the name of up- gradation. Since no new facts were adduced, the Commission reiterated its earlier advice on 27.08.2012. The Disciplinary Authority (Board Member (Electrical), Railway Board) chose not to implement the Commission's advice and issued only recordable warning to the Sr. DEE/BCT on 18.09.2012.

## **Case 6**

### **Charge**

Irregularities in allotment of iron ore rakes under Wagon Investment Scheme (WIS).

### **Advice**

The Commission advised initiation of major penalty proceedings against the then Chief Operations Manager (CoM) and the then Chief Transportation Planning Manager (CTPM), of Railways on 28.01.2010.

### **Brief**

The CoM was responsible for slack supervision which led to violation of Railway Board guidelines related to maintaining seniority of applications and non-issuance of NOC within the stipulated time. The CTPM was responsible for not ensuring proper scrutiny with regard to seniority of applications, eligibility of applicants and justifications in the OD matrix prepared by Deputy CoM (P&D).

### **Outcome**

The case was referred back to the Commission for reconsideration on 28.06.2011. The Commission observed that as per the guidelines of Railway Board, NOCs under Wagon Investment Scheme (WIS) are to be issued by the CoM of Zonal Railways and these NOCs are to be issued normally within seven days of receipt of application. From the conduct of CoM it is seen that he was aware about the importance of the scheme and also receipt of certain applications directly in his dak pad but still he failed to take corrective action and implement RB guidelines to maintain seniority and processing of individual application within seven days from the date of receipt. He just cannot escape from his responsibility merely by nominating one of his sub-ordinates as the nodal officer for dealing with the applications under WIS. The Commission, therefore, reiterated its earlier advice on 12.08.2011. However, the DA (Railway Board) did not implement the Commission's advice and initiated minor penalty action against, the then, CTPM on 20.12.2011 and no action was taken in respect of the then CoM (Retired) on 05.12.2011.

## **Bank of Maharashtra (BOM)**

### **Charge**

A Senior Manager, had irregularly recommended proposal of sanction of Packing Credit (PC) limit of ₹400 lacs of a private firm. The allegation included not seeking extension of PC which was overdue for over seven months in a group account.

## **Advice**

The Commission in disagreement with the views of the Disciplinary Authority (CMD)/Chief Vigilance Officer (CVO) advised initiation of major penalty proceedings against the Senior Manager on 29.04.2011.

## **Brief**

The officer had relied fully on branch's classification without being cautioned by the warning signals. He had also agreed that the account was overdue which should also have cautioned him before recommending the proposal. The inquiry officer held none of the charges as proved.

## **Outcome**

Deviating from the Commission's advice, the Disciplinary Authority (CMD of the Bank) exonerated the charged officer without seeking second stage advice of the Commission on 04.06.2012.

## **State Bank of India (SBI)**

### **Charge**

An Assistant General Manager (AGM) of SBI had allowed disbursements in current account (OD) before sanction of the term loan limit of ₹15 crores to a private firm without reporting to sanctioning authority. In another case mortgage formalities were completed after release of term loan limit of ₹12.5 crores. The terms of sanction for release were not adhered to. Also in another case, the mortgage was defective. The accounts with substantial limits had turned to Non Performing Assets (NPA) and thereby Bank was likely to suffer substantial losses.

### **Advice**

The Commission in agreement with the Disciplinary Authority (Chief General Manager) advised initiation of major penalty proceedings against the AGM on 09.07.2010.

### **Brief**

The inquiry officer, in his report, held thirteen charges out of fifteen charges as proved and two charges as not proved. On account of the lapses, the bank had to suffer a substantial loss. The Commission therefore, advised imposition of suitable major penalty against the charged officer.

### **Outcome**

The Appellate Authority (AA) (i.e. Committee of three CGMs) on 13.12.2012, reduced the major penalty punishment imposed by the Disciplinary Authority (Chief General Manager) on 09.08.2010,

to a minor penalty of 'reduction to lower stage in the time scale of pay by one stage for a period of one year without cumulative effect and not adversely affecting his pension'. Thus the AA's decision involved a deviation from the Commission's advice for imposition of a major penalty to minor penalty.

## **United India Insurance Company Ltd. (UIICL)**

### **Case 1**

#### **Charge**

Case relates to CBI's recommendation to United India Insurance Company Ltd. for according sanction for prosecution as well as RDA for major penalty against a Divisional Manager and Assistant Manager for abusing their official position and allowing an insurance claim of ₹29,66,715/- as against the eligible payment of ₹10,000/-.

#### **Advice**

The Commission thereafter advised issue of sanction for prosecution as well as RDA for major penalty proceedings against both the Divisional Manager and Assistant Manager on 07.09.2011.

#### **Brief**

CVO, UIICL had reported that the Disciplinary Authority (Deputy General Manager) tentatively refused to grant sanction for prosecution in this case. Accordingly a joint meeting with CBI officials and CVO/DA, UIICL was convened in the Commission's office to resolve the difference of opinion.

#### **Outcome**

The Disciplinary Authority (Deputy General Manager) on 26.09.2011, declined to grant sanction for prosecution as well as to initiate RDA for major penalty proceedings against Divisional Manager and Assistant Manager, thus disregarding Commission's advice.

### **Case 2**

#### **Charge**

CBI sought sanction for prosecution in respect of a Deputy Manager (Scale-III Officer), two Branch Managers, and an Asst. Manager, United India Insurance Company Ltd. for abusing their official position & allowing an undue payment of ₹17,94,632/- thus causing wrongful loss to UIICL .

## **Advice**

The Commission advised launching of prosecution as well as Regular Departmental Action (RDA) for major penalty against a Deputy Manager, two Branch Managers and Assistant Manager on 08.07.2011.

## **Brief**

The CVO, UIICL reported that the DA tentatively refused to grant sanction for prosecution in this case. Accordingly a joint meeting with the CBI officials and CVO/DA, UIICL was convened in the Commission to resolve the difference of opinion.

## **Outcome**

The DA has declined to grant sanction for prosecution as well as RDA for major penalty proceedings against all the four officials & disregarded Commission's advice by not implementing the same.

## **State Bank of Patiala (SBoP)**

### **Charge**

Irregularities in cash credit account of two private firms by a Manager Accounts of SBoP. The charged officer did not report the overdrawing being allowed to controlling authority, passing cheques against uncleared effects and for debiting the cheques to an internal account of the branch instead of debiting the same to the account to the party.

### **Advice**

The Commission in agreement with the Disciplinary Authority (Chief General Manager), had advised initiation of major penalty proceedings against the Manager Accounts on 13.09.2011.

### **Brief**

While differing with the views of the DA, the Commission observed that the officer failed to detect that the documents being accepted by them under Equitable Mortgage (EM) are fake and as they committed various irregularities in the accounts like impersonation of the guarantor, sanctioning the limits in the accounts of private firm to regularize the account of the firm and not bringing the facts to the notice of the higher authorities. The Commission in agreement with the CVO advised on 13.09.2011, imposition of a major penalty on the Manager Accounts which was imposed by the DA (Chief General Manager).

## **Outcome**

The Appellate Authority reduced the penalty to a minor penalty of “withholding increments of pay for one year without cumulative effect” on 30.05.2012.

### **Indian Rare Earths Ltd (IREL)**

#### **Charge**

Irregularities in placement of order to a non-pre-qualified bidder and to a different entity, and reduction in technical scope of work without referring to Technical Committee (TC).

#### **Advice**

The Commission on 09.08.2012 advised imposition of a suitable major penalty on the then Deputy General Manager (DGM) of IREL.

#### **Brief**

The Commission had on 30.10.2009 advised initiation of major penalty proceedings against the official. A charge-sheet was issued on 30.10.2009 by the Disciplinary Authority (CMD, IREL). Department of Atomic Energy (DAE) on 08.03.2011 sought Commission 2<sup>nd</sup> stage advice. DA had recommended exoneration of the official from all the charges. However, the Commission after examining the case observed that the findings of IO (supported by DA) that the CO was not member of Price Committee as not acceptable as charged officer had signed the report of Price Committee which was responsible to change the scope of work during negotiation. The Commission therefore advised in disagreement with DA imposition of a suitable major penalty.

## **Outcome**

CMD, IREL, the Disciplinary Authority, however exonerated the official from all the charges on 20.11.2012.

### **Hindustan Petroleum Corporation Ltd. (HPCL)**

#### **Charge**

Irregularities in award of dealership of a retail outlet by Hindustan Petroleum Corporation Ltd. (HPCL).

#### **Brief**

CBI sought sanction for prosecution in respect of then SRM of HPCL. In response, HPCL refused to grant sanction for prosecution without seeking Commission’s advice as per the extant procedure laid down by Department of Personnel & Training (DoPT) before taking a decision on the request of CBI..

## **Outcome**

HPCL denied sanction for prosecution of the officer. A case of non-adherence to laid down consultation procedures in the matter of difference of opinion with CBI by HPCL.

## **Delhi Development Authority (DDA)**

### **Case 1**

#### **Charge**

Irregularities related in the construction of 600 LIG Houses on turnkey basis in Pkt. III, Sector 18, Rohini were detected like (i) justification was not prepared as per the prescribed norms laid down in the CPWD Manual and (ii) extra provision taken on lump sum percentage basis for foundation and framed structure had led to working out and justifying higher rates.

#### **Advice**

The Commission advised on first stage initiation of major penalty proceedings against an Executive Engineer (EE) (Retd.). On second stage, the Commission advised suitable cut in pension of the EE (Retd.)

#### **Brief**

The case pertains to preparation and scrutiny of the justification of rates in violation of CPWD norms and taking extra provision on lump sum basis. These lapses led to justification of rates on a higher side. Specific lapses attributed were (i) Justification were prepared in violation of the prescribed CPWD norms, which resulted in working out justification at ₹7,521.76 per sq. m. plinth area against the justified rate of ₹5584/- per sq. m worked out by vigilance department (ii) extra provision was taken on lump sum percentage basis including foundation and frame structure which led to the justification on higher rates. (iii) none of the two methods, prescribed in the CPWD manual, for working out justification was followed while scrutinising justification of the said work. IO held the Article of charge as partly proved. Commission had observed that the charges against an Executive Engineer were proved to the extent that the justification of the rates was not prepared and scrutinized as per CPWD norms; and that the rates were on the higher side. There was a clear indication of mala-fide on the part of charged officer to cause pecuniary benefits/advantages to the contractor. Therefore, Commission advised imposition of suitable cut in pension against the EE (Retd.).

#### **Outcome**

Disciplinary Authority (Vice-Chairman, DDA) imposed the penalty of 5% cut in pension for one year against the EE (Retd.). However, the Appellate Authority (Lt. Governor, Delhi) reduced the penalty to "Authority's Displeasure".

### **Case 2**

#### **Charge**

Irregularities in allotment of MIG flat under reservation quota i.e. Scheduled Tribe (ST) category on the basis of OBC certificate submitted by the registrants along-with application form.

## **Advice**

The Commission advised initiation of major penalty proceedings against a Deputy Director (Retd.), Delhi Development Authority.

## **Brief**

The officer while working as Assistant Director in MIG Housing Branch of DDA during the year 2004 dealt with the case of allotment of MIG flat under reservation quota i.e. ST category. He failed to point out the irregularity in allotment which was made against ST category on the basis of OBC certificate submitted by the registrants along with application form. The IO held the charges as partly proved. Disciplinary Authority accepted the findings of IO and recommended for major penalty. Commission also advised imposition of suitable major penalty on the Deputy Director (Retd.), Delhi Development Authority.

## **Outcome**

Disciplinary Authority (Vice Chairman, DDA) imposed the penalty of 5% cut in pension for one year against the Deputy Director (Retd.). The Appellate Authority (Lt. Governor, Delhi) reduced the penalty to only an "Authority's Displeasure".

## **Case 3**

### **Charge**

Irregularities in Watch & Ward payment (made in 1999 and early 2000) with regard to seven items of work at Narela.

### **Advice**

The Commission on second stage advised imposition of suitable major penalty on an Assistant Administrative Officer (AAO).

### **Brief**

The AAO during 1999-2000 had passed and released the running account ( RA) bills for watch and ward service for seven works, on the basis of which payment amounting to ₹24,34,143/- was made to the contractors. The Officer was responsible for the following lapses with respect to payment of watch & ward service charges:-

- (a) Recommended and allowed the bills for payments of watch & ward service charges without the issuance of the budget slips for the above works in violation of circular No.19 dated 19.6.96 issued by CAO/DDA.

- (b) Recommended and allowed the bills for payment of watch & ward service without any valid sanction in violation of office circular No. EM3 (21)86 dated 16.02.88 as there was no such provision of watch & ward service charges in the administrative approval and expenditure sanction.

### **Outcome**

Disciplinary Authority (Finance Member/DDA) imposed a penalty of reduction of pay by two stages in the pay scale held by him for a period of two years with cumulative effect against the AAO. The Appellate Authority (Vice-Chairman, DDA) and Revisioning Authority ( Lt. Governor, Delhi) reduced the penalty to “censure”.

### **Case 4**

#### **Charge**

Large scale deviations were approved in works relating to development of land at Ph-I & II of Dwarka, New Delhi.

#### **Advice**

The Commission on second stage advised imposition of a suitable cut in pension on a Chief Engineer (CE) (Retd.) of DDA.

#### **Brief**

The deviation in extra item amounting to ₹55,29,728/- whereas the tendered amount of work was only ₹27,37,030/-. Although, the proposal for deviation was submitted by Executive Engineer/ Superintending Engineer, but the charged officer yielded to their request. The Inquiry Officer held the charge as proved and also observed that there was no necessity that the work was to be done on an emergency basis by deviating the work by such a huge amount.

### **Outcome**

Disciplinary Authority (Lt. Governor, Delhi) conveyed only an Authority's Displeasure to the CE (Retd.), DDA.

### **Case 5**

#### **Charge**

Irregularities in allotment of MIG Flat at Dwarka through computerized draw held on 27.09.2002 by Director (Retd.), Delhi Development Authority.

### **Advice**

The Commission on its second stage advised imposition of Major Penalty (suitable cut in pension) on a Director (Retd.) of DDA.

### **Brief**

The Director (Retd.) while working as Dy. Director in MIG Housing branch during the year 2004 indulged in malpractice of altering the course of action in the case of cancelled allotment to give undue benefits to the private person in the shape of reviving his claim to allotment. The approved mutation of allotment by him stood cancelled and refund was to be processed. The Inquiry Officer in his findings had held the Article of charge as proved.

### **Outcome**

The Disciplinary Authority (Lt. Governor, Delhi) conveyed only an Authority's Displeasure to the Director (Retd.), DDA.

### **Case 6**

#### **Charge**

In a work related to development of group housing society (GHS) area in Ashok Nagar, the work was awarded for ₹1,91,598/-, but the payments were made for ₹23,54,729/- without budget slip etc.

#### **Advice**

The Commission on second stage advised imposition of a suitable major penalty on a Senior Accounts Officer (Sr. AO) of DDA.

#### **Brief**

The Sr. AO had released payments for two works without ensuring issuance of budget slip from CAU (EZ). He also failed to ensure control on the Budget provisions for the year 2001-02 and 2002-03 and failed to have control on the expenditure incurred for the work which was beyond the amount of administrative approval / expenditure sanction. The inquiry officer had held the Article of charges as proved.

#### **Outcome**

Disciplinary Authority (DA) imposed the penalty of stoppage of two increments for a period of two years with cumulative effect on the Sr. AO. However, the Appellate Authority (Lt. Governor, Delhi) reduced the penalty to that of censure.

## Case 7

### Charge

While passing the demolition order, Joint Director (Planning) ordered that the unauthorised construction in the form of shops having an area less than 7.5 sq. mtr. and width less than 4.2 mtrs. were to be sealed under the supervision of Deputy Director (Lands Management) North etc. According to DDA under the prevalent byelaws, the width and size of shop was not provided and Jt. Director (Planning) arbitrarily specified the area of shop with a motive of giving undue benefit to a private party. He ignored the fact that the certificate was already issued and that the said commercial space was disposed off before issuing the sealing-cum-demolition order.

### Advice

The Commission on second stage advised imposition of a suitable major penalty on a Joint Director (Planning) of DDA.

### Brief

The CO while working as Joint Director (Building) during 1993-94 passed sealing cum demolition orders in respect of unauthorized construction of 31 shops and certain deviation raised on a commercial plot in Wazirupur Residential Scheme wrongly specifying therein the minimum area of shop to be covered under the prevailing building bye-laws. He also ignored the fact that the completion certificate in respect of the said building had already been issued on 18.08.1992 and the commercial space already disposed of. This was done with the motive to extend undue favour to the private party which had illegally disposed of the Unit. The inquiry officer in his finding held the Article of charge as proved.

### Outcome

Disciplinary Authority (Vice-Chairman, DDA) had imposed the penalty of stoppage of two increments with cumulative effect on the Joint Director (Planning), DDA. The Appellate Authority, (Lt. Governor, Delhi) accepted his appeal and set aside the penalty and exonerated the officer from all the charges.

## Case 8

### Charge

During the technical audit of Eastern Division No.14, large scale deviations, ranging from ₹10 Lacs to more than ₹50 Lacs, in 107 contracts reported by Member (Engineering), DDA. The deviations occurred mainly in earth work, kerb stone/interlocking tiles and sign boards etc. The original tender limits had been exceeded by the EEs and instances of gross violation of manuals/procedures were also noticed.

### Advice

The Commission advised initiation of major penalty proceedings against an Assistant Engineer (AE) and two Junior Engineers (JE) of DDA.

## **Brief**

As regards one of the JEs, the inquiry officer held the Article of charge 1 as proved and the Disciplinary Authority considering the findings imposed a major penalty of reduction by two stages in the time scale of pay for a period of three years on him.

As regards the other JE and AE, the inquiry officer had held the Article of charge I & II as not proved against the JE and Article of charge I as not proved against the AE. Commission observed that the findings were based on technical grounds and benefit of doubt has been given by the inquiry officer. All the officials contributed to the deviation during their tenure as has been admitted in the findings of inquiry officer. Further, it was observed, although, approvals are accorded by the Competent Authorities, the subordinates are duty bound to put up the proposal as per prescribed rules/guidelines. While all other officials connected with execution of each work have been found guilty for their respective share of responsibility and awarded major penalty, the remaining officials should not escape responsibility on the benefit of doubt and major penalty be imposed against them. Besides in disciplinary matters, strict parameters of proof beyond doubt were not required and action can be taken on preponderance of probability. Accordingly, Commission in disagreement with DA advised imposition of a suitable major penalty on the other JE and AE also.

## **Outcome**

As regards one JE on whom the Disciplinary Authority had imposed a major penalty, the Appellate Authority (Engineer Member, DDA) reduced the penalty to reduction by one stage in the time scale for a period of one year with cumulative effect. However, Disciplinary Authority (Commissioner (P), DDA) exonerated, the other JE and AE.

## **Case 9**

### **Charge**

Irregularities in the payment of watch and ward service charges for two works in Rohini.

### **Advice**

The Commission had on second stage advised imposition of suitable major penalty against an Assistant Engineer (AE).

## **Brief**

There were various lapses in the two works and inquiry officer had held the charge proved that the payment had been released for the period prior to date of drawing of supplementary agreement.

## **Outcome**

Disciplinary Authority (Engineer Member, DDA) imposed the penalty of reduction of pay by one

increment for one year with cumulative effect on the AE. The Appellate Authority (Vice-Chairman, DDA) rejected the appeal, however, the Revising Authority i.e. Lt. Governor, Delhi accepted the appeal and set aside the penalty and exonerated the officer.

### **Case 10 (i)**

#### **Charge**

The then Financial Advisor (Housing), DDA, an officer from Indian Audit & Accounts Service (IA & AS), committed irregularities in wrongful revision of cost of flat allotted (to the allottee) in violation of DDA's Resolution No.103 dated 13.09.1991, and thereby extended undue benefit of ₹9,05,685/- to the allottee and consequent loss to DDA.

#### **Advice**

The Commission had reiterated its earlier advice for initiation of major penalty proceedings against the then Financial Advisor (Housing), DDA.

#### **Brief**

The demand cum allotment letter of flat at Vasant Kunj for an amount of ₹23,69,100/- did not contain the condition of any kind of reduction of cost at later stage. Further, the allottee also did not object about the cost even when conveyance deed was executed on 29.11.99. With the execution of conveyance deed every material particulars then stands agreed to by both the parties and therefore, said documents become final and conclusive. Therefore allowing refund subsequent to execution of conveyance deed was objectionable. The said refund amount was withdrawn by the impostors from bank. Being a responsible officer and financial head of housing wing, Financial Advisor (Housing), DDA was required to ensure whether the said proposal was as per prevailing rules and policies or not. Even the case of huge financial implication was not routed through Financial Member (FM), DDA.

#### **Outcome**

Disciplinary Authority of the officer [Comptroller & Auditor General (CAG)] did not agree with the Commission's reiterated advice and viewed no case to proceed against the then Financial Advisor (Housing), DDA.

### **Case 10(ii)**

#### **Charge**

Irregularities committed by, the then Financial Advisor (Housing), DDA, an officer from Indian Audit & Accounts Service (IA & AS), in wrongful revision of cost of flat at Jasola in violation of DDA's decision dated 31.03.1999 thereby extending undue benefit to the allottee and consequent loss to DDA.

## **Advice**

The Commission had reiterated its earlier advice of initiation of major penalty proceedings against the then Financial Advisor (Housing), DDA.

## **Brief**

The demand letter was revised on 14.01.2000 when possession was already handed over on 14/18.05.99, which appears to be violating order of Vice-Chairman, DDA dated 07.09.99 as once allottee had paid all dues and obtained possession, cost need not have been revised as it was a closed case on date of receipt of such a request otherwise DDA should have revised all the cases falling under above category on their own as a policy matter without waiting for general public to approach them which becomes a breeding ground for corruption.

## **Outcome**

The Disciplinary Authority of the officer [Comptroller & Auditor General (CAG)] did not agree with the Commission's reiterated advice and viewed that there was no case to proceed against the officer.

## **Case 10(iii)**

### **Charge**

Irregularities committed by the then Financial Advisor (Housing), DDA, an officer from Indian Audit & Accounts Service (IA & AS), in wrongful downward revision of cost of SFS flats (to the allottee) in violation of DDA's decision thereby extending undue benefit to the allottee and consequent loss to DDA.

### **Advice**

The Commission had reiterated its earlier advice of initiation of major penalty proceedings against the then Financial Advisor (Housing), DDA.

### **Brief**

The fourth instalment was deferred up to 30.09.96 and 5<sup>th</sup> and final demand letter was issued on 5.11.98 as per prevailing guidelines. Further, the cost was revised on 10.2.2000 based on representation of allottee dated 31.01.2000 when possession letter was dated 19.08.99 and possession was already handed over on 14.09.99, which appears to be violating order of Vice-Chairman, DDA dated 07.09.99 as once allottee had paid all dues and obtained possession, cost need not have been revised as it was a closed case on date of receipt of such a request otherwise DDA should have revised all the cases falling under above category on their own as a policy matter

without waiting for general public to approach them which often becomes a breeding ground for corruption.

### **Outcome**

The Disciplinary Authority of the officer [Comptroller & Auditor General (CAG)] did not agree with the Commission's reiterated advice and viewed no case to proceed against the officer.

### **Case 10(iv)**

#### **Charge**

Irregularities committed by the then Financial Advisor (Housing), DDA, an officer from Indian Audit & Accounts Service (IA & AS), in wrongful revision of cost of flat in violation of DDA's decision thereby extending undue benefit of to the allottee and consequent loss to DDA.

#### **Advice**

The Commission had reiterated its earlier advise of initiation of major penalty proceedings against the then Financial Advisor (Housing), DDA.

#### **Brief**

The fourth instalment was deferred up to 30.09.96 and was delayed beyond 90 days and 5<sup>th</sup> and final demand letter was issued on 31.05.99 as per prevailing guidelines. Further, the demand letter was revised on 14.07.2000 based on representation of allottee dated 06.03.2000 when possession letter was dated 08.12.99 and possession was already handed over on 25.01.2000. Which appears to be violating order of Vice-Chairman, DDA dated 07.09.99 as once allottee had paid all dues and obtained possession, cost need not have been revised as it was a closed case on date of receipt of such a request otherwise DDA should have revised all the cases falling under above category on their own as a policy matter without waiting for general public to approach them which becomes a breeding ground for corruption.

### **Outcome**

The Disciplinary Authority of the officer [Comptroller & Auditor General (CAG)] did not agree with the Commission's reiterated advice and viewed no case to proceed against the officer.

## **Case 10(v)**

### **Charge**

Irregularities committed by the then Financial Advisor (Housing), DDA, an officer from Indian Audit & Accounts Service (IA & AS) in wrongful downward revision of cost of SFS in violation of DDA's decision thereby extending undue benefit to the allottee and consequent loss to DDA.

### **Advice**

The Commission had reiterated its earlier advise of initiation of major penalty proceedings against the then Financial Advisor (Housing), DDA.

### **Brief**

It is observed that O/o Comptroller & Auditor General (CAG) has taken more than 5 years to seek reconsideration of Commission's advice. Further, the O/o CAG has been interpreting the provision of policy dated 31.3.1999 that even if some of the instalment were received before 22.08.96 or when no demand for a particular amount had been raised prior to 22.08.96, or deferred due to administrative reason, benefit of old cost is to be given to allottee. Further, O/o CAG has taken interpretation of clarification dated 7.9.99 that wherever, possession had not been given prior to 31.3.99 are to be revised. Both these interpretations amount to stretching the policy far too much and would have covered lot many cases. Plain reading of clarification dated 7.9.99 implies that old and settled cases need not be reopened otherwise all the cases irrespective of whether allottee is requesting or not, refund should have been processed on their own by DDA.

### **Outcome**

The Disciplinary Authority [Comptroller & Auditor General (CAG)] did not agree with the Commission's reiterated advice and viewed that there is no case to proceed against the officer.

## **Case 10(vi)**

### **Charge**

Irregularities committed by the then Financial Advisor (Housing), DDA, (an officer from Indian Audit & Accounts Service (IA & AS) in wrongful downward revision of cost of SFS flats in violation of DDA's decision thereby extending undue benefit to the allottee and consequent loss to DDA.

### **Advice**

The Commission had reiterated its earlier advice of initiation of major penalty proceedings against the then Financial Advisor (Housing), DDA.

## **Brief**

The fourth instalment was deferred up to 30.09.96 and 5<sup>th</sup> and final demand letter was issued on 24.09.98 as per prevailing guidelines. Further, the demand letter was revised on 10.01.2000 based on representation of allottee dated 14.09.99 when possession letter was issued on 06.05.99 and physical possession was already handed over on 04.06.99. which appears to be violating order of Vice-Chairman dated 07.09.99 as once allottee had paid all dues and obtained possession, cost need not have been revised as it was a closed case on date of receipt of such a request otherwise DDA should have revised all the cases falling under above category on their own as a policy matter without waiting for general public to approach them which becomes a breeding ground for corruption.

## **Outcome**

The Disciplinary Authority [Comptroller & Auditor General (CAG)] did not agree with the Commission's reiterated advice and viewed no case to proceed against the officer.

## **Case 10(vii)**

### **Charge**

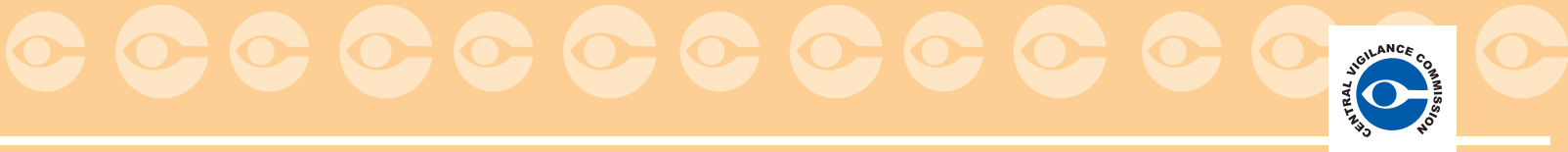
Irregularities committed by Financial Advisor (Housing) (an officer from Indian Audit & Accounts Service (IA & AS) in wrongful revision of cost of various flats allotted to various people by wrongly applying the policy dated 31.03.1999 and Vice-Chairman, DDA clarification order dated 07.09.99.

### **Advice**

The Commission had reiterated its earlier advice of initiation of major penalty proceedings against the then Financial Advisor (Housing) DDA.

## **Brief**

It was observed that despite no regularization of delay, the cost of the flat was revised on 15.11.99 on a representation dated 11.10.99 when possession letter of the flat was issued on 23.06.99. Thus as per DDA's contention, it was a closed case and cost should not have been revised. This interpretation of order of Vice-Chairman, DDA dated 07.09.99 appears to be correct as while dealing in that particular case, it appears that as possession was not given in that case, the cost may be revised, as a corollary on a allottee had paid all dues and obtained possession, cost need not have been revised on date of receipt of such a request otherwise DDA should have revised all the cases falling under above category on their own as a policy matter without waiting for general public to approach them which becomes a breeding ground for corruption. It is further observed that even though the responsibility for regularization of delay rest with management wing but account should also have examined whether all the formalities are over or not rather than mechanically issuing demand letter on receipt of reference from management wing.



## **Outcome**

The Disciplinary Authority [Comptroller & Auditor General (CAG)] did not agree with the Commission's reiterated advice and viewed that there is no case to proceed against the officer.

## **Case 11**

### **Charge**

A Deputy Director (Building), DDA did not comply with the directions of the Appellate Tribunal to dispose of the matter within the stipulated time. Instead, he moved an agenda item for deciding the minimum area of the shop in the Technical Committee with the motive of diverting from the issue to give undue benefit to a private party.

### **Advice**

The Commission advised imposition of suitable major penalty against the Deputy Director (Building).

### **Brief**

The Deputy Director (Building) was proceeded for failing to comply with the order dated 23.09.94 of the Appellate Tribunal Court in the matter of sealing-cum-demolition orders dated 06.07.94 in respect of unauthorized construction of 31 shops and certain deviations raised on commercial plot No. 37-38, Wazirpur Residential Scheme. The officer diverted the issue and made an agenda item for Technical Committee for deciding the minimum area of shop. This was done with the motive to extend undue favour to the unit. The IO held the Article of charge as proved in his findings.

## **Outcome**

Disciplinary authority (Vice-Chairman, DDA) imposed the penalty of stoppage of two increments with cumulative effect upon the, Deputy Director (Building), DDA. However, the Appellate Authority ( Lt. Governor, Delhi) has accepted the appeal, set aside the penalty and exonerated the officer.

## **Case 12**

### **Charge**

Making payments for bogus works, by resorting to fabrication of documents and huge deviations in works etc.

### **Advice**

The Commission advised initiation of major penalty proceedings against a Junior Engineer (JE), DDA.

### **Brief**

JE while working as JE/SWD-2/DDA failed to get the location where malba, building material, de-silting material was to be dumped approved from the competent authority in respect of a particular work in deviation by 165.79% and submitted the final bill before approval of extra item.

### **Outcome**

The Disciplinary Authority has imposed the penalty of reduction of pay by two stages in the time scale of pay for one year on JE. The Appellate Authority (Engineer Member/DDA) has accepted the appeal, set aside the penalty and exonerated the officer.

### **Case 13**

#### **Charge**

No action was taken to stop the illegal construction at flat at Munirka Enclave, New Delhi.

#### **Advice**

The Commission had on second stage advised imposition of major penalty against an Executive Engineer (EE), DDA.

### **Brief**

EE, DDA has failed to take action to demolish unauthorized construction carried out in a property at Munirka Enclave, Delhi while functioning as Assistant Engineer (AE), Enforcement, Housing during the year 2000-03.

### **Outcome**

The Disciplinary Authority imposed the penalty of reduction by three stages in the scale of pay for a period of two years with cumulative effect. The Appellate Authority (Lt. Governor, Delhi), accepted the appeal, set aside the penalty and exonerated the officer.

### **M/o Urban Development**

#### **Charge**

Irregularities/shortcomings in the tender for the work of construction of 494 family quarters for Group Centre, Muzaffarpur, Bihar.

#### **Advice**

The Commission on second stage advised imposition of suitable major penalty against two Superintending Engineers (SE) of CPWD.

## **Brief**

The officers failed to recommend rejection of the tenders when they very well knew that pooling of tenders had taken place which had huge financial implication of ₹3.26 crores. The Inquiry Officer held the charges as not proved against the above both officers.

## **Outcome**

The Disciplinary Authority imposed only a minor penalty of 'reduction to a lower stage in time scale of pay by one stage without cumulative effect' against both the officers.

## **Mazagon Dock Ltd. (MDL)**

### **Charge**

Irregularities committed in cash purchasing in Material Purchase Department of Mazagon Dock Ltd. by members of the team comprising Purchase officers and Finance Officers.

### **Advice**

The Commission on second stage advised imposition of major penalty against the Deputy General Manager (Finance) and two Managers (Finance) of MDL on 21.02.2011.

## **Brief**

One Manager (Finance) participated as team Member in total cash purchase of ₹96 lacs, out of which ₹55 lacs was from the three suspected firms. The DGM (Finance) made total cash purchase of ₹10.11 lacs, out of which ₹6.42 lacs was from the three suspected firms. Other Manager (F) made total cash purchase of ₹11.94 lacs, out of which ₹8.2 lacs was from the three suspected firms. All the three charged officers were equally responsible as a team member for a number of irregularities committed in the purchase of material on cash from three fictitious firms.

The Disciplinary Authority (Director, Corporate & Planning) recommended for not initiating disciplinary proceedings against Finance Officers, while CVO, MDL recommended initiation of major penalty proceedings. The Commission agreed with the CVO, MDL and advised initiation of major penalty proceedings against all the three COs.

In the Inquiry Reports, the charges against the COs were held as not proved and the Disciplinary Authority recommended exoneration. However, CVO recommended imposition of major penalty against the two Finance Managers and minor penalty against the DGM (Finance). Keeping in view the lapses on the part of the charged officers, the Commission advised imposition of major penalty on all the three officers on 21.02.2011.

## **Outcome**

The Disciplinary Authority (Director, Corporate & Planning), MDL issued final orders on 21.04.2011 exonerating all the COs maintaining his previous stand that none of the charges levelled against them have been proved.

## **II Delays and Deficiencies**

4.3 The Commission has been impressing upon the organizations about the need for prompt action in matters relating to vigilance. The Commission emphasizes expeditious inquiry of complaints in order to determine the accountability for an improper action and the finalization of the disciplinary proceedings within the prescribed time-schedule. These factors not only contribute to the efficiency of the organizations but also send a message to the erring officials that any inappropriate action on their part would not go unpunished. The Commission is also of the view that honest officials implicated in complaints/cases should be cleared of the allegations/charges expeditiously. The Commission has already issued guidelines declaring undue/ unjustified delays in the disposal of a case as one of the elements of the existence of a vigilance angle in any case.

4.4 The Commission, therefore, considers it imperative that instances of suspect malpractices are followed up vigorously by the Administrative Authorities. Delays have been noticed not only at various levels of processing the complaints/cases but also at the level at which decisions are to be taken by the competent authorities who are senior level functionaries in the organizations. Although the Commission's constant endeavor has been to sensitize the organizations about the importance of timely and efficient handling of vigilance related matters but it has been observed that many a time the authorities in the organizations show apathy to these factors. The common areas where delays have been noticed pertain to the investigation of complaints, issue of charge-sheets for initiation of appropriate departmental proceedings, appointment of inquiry officers and the issue of the final orders after the completion of the disciplinary proceedings. It has also been noticed that sometimes the inquiry officers appointed by the disciplinary authorities from within the organizations to conduct oral inquiry against the charged officers take unduly long time in conducting the inquiry, which adds to the delay in the finalization of the vigilance cases.

## **III Delay in investigation of complaints**

4.5 The Commission pays due attention to the complaints received from various sources. With the increasing levels of awareness and expectation among the public, the number of complaints being received in the Commission is rising every year. The Commission is of the view that complaints provide valuable information about the systemic deficiencies in any organization besides pointing out towards the instances of malpractices being indulged in by individual officers for personal gains or undue favour to some particular persons, parties etc.

4.6 The Commission while scrutinizing the complaints where it finds serious, verifiable allegations

with a perceptible vigilance angle, they are normally forwarded to the CVOs concerned for thorough investigation and sending a report to the Commission. However, the Commission, in case it feels that it would not be possible for the CVOs to investigate the matter properly (e.g. where outside agencies/persons are involved over whom the CVOs have no jurisdiction/control) the complaints are forwarded to CBI for discreet verification/investigation.

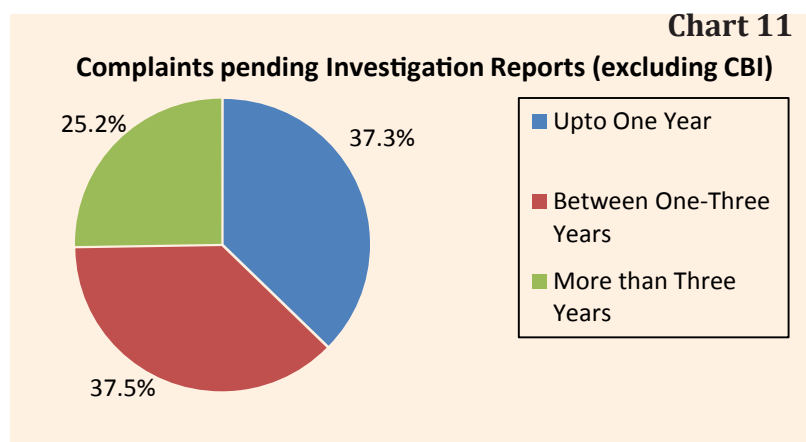
- 4.7 At the end of the year 2012, the Commission has noted with concern that investigation reports are awaited in 1359 complaints forwarded by the Commission to the CVOs. The organization-wise break-up of pendency is given in **Appendix-IV**. Table-9 and Chart-11 below provide the details regarding pendency in submission of investigation reports during 2011 and 2012:

**Table - 9**

**Complaints Pending for Investigation and Report**

Year	Up to one year	Between 1-3 years	More than 3 years
2011	646	594	166
2012	507	509	343

**Chart 11**



Some of the organizations where a considerably large number of complaints are pending for investigation and submission of report to the Commission are:

S. No.	Organisations/ Departments	No. of Complaints pending reports
1	Municipal Corporation of Delhi	201
2	Government of NCT of Delhi	181
3	Central Board of Direct Taxes	73
4	Ministry of Urban Development	64

S. No.	Organisations/ Departments	No. of Complaints pending reports
5	Delhi Development Authority	61
6	Department of Secondary & Higher Education and Department of Elementary Education & Literacy	47
7	Ministry of Railways	39
8	Central Board of Excise & Customs	38
9	Department of Posts	36
10	Central Public Works Department	23

#### IV Delay in the implementation of the Commission's advice

4.8 The Commission takes every possible effort to tender its advice within a period of four weeks. However, Commission observed that organizations take longer time in implementing Commissions advices. It reflects laxity on the part of vigilance administration of the organizations concerned. At the end of the year 2012, the Commission noted with concern that as many as 1424 cases were pending for over six months for the implementation of the Commission's first stage advice. During the same period, 683 cases were pending for the implementation of the second stage advice of the Commission beyond six months. The organization-wise details of these cases are given in Appendix-V. Some of the organizations where a large number of cases have been considerably delayed are as follows:-

**Table - 10**

#### **Delay in the implementation of Commission's advice for over 6 months**

S. No.	Name of the organisation	First stage advice	Second stage advice
1	Ministry of Railways	231	63
2	Central Board of Excise & Customs	122	106
3	Municipal Corporation of Delhi	30	44
4	Ministry of Personnel, P.G. & Pensions	36	13
5	Department of Telecom	29	19
6	Ministry of Urban Development	30	15
7	Bharat Sanchar Nigam Ltd	13	28
8	State Bank of India	35	3
9	Kendriya Vidyalaya Sangathan	27	6
10	Ministry of Home Affairs	26	7

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*Zonal Review Meeting of the Commission with the CVOs of the Banking Sector held on 08.06.2012 at Bank of Baroda, Mumbai*



*Zonal Review Meeting of the Commission with the CVOs of the Banking Sector held on 17.08.2012 at Kolkata*

## Activities during Vigilance Awareness Week, 2012



*Shri R.S. Sinha, DS receiving the prize from Shri Pradeep Kumar, CVC.*



*Shri Arvind Kumar, SO receiving the prize from Shri R.Sri Kumar, VC.*



*Smt. Narinder Kaur, PS receiving the prize from Shri J.M.Garg, VC.*



*Ms. Gauri, DEO participating in the slogan competition in CVC*



*Smt. Jyoti Mehta, Director, CVC (3rd from left) & Shri Keshav Rao, Director, CVC (4th from right) as chief guest in Kendriya Vidhyalaya, Tagore Garden, New Delhi on the occasion of Vigilance Awareness Week, 2012*



*Students of Kendriya Vidhyalaya, Tagore Garden, New Delhi participating in a programme on the occasion of Vigilance Awareness Week, 2012*

## CHAPTER-5

### CHIEF TECHNICAL EXAMINER'S ORGANISATION

- 5.1 The Chief Technical Examiner's (CTE) Organisation was established in the year 1957 under the Ministry of Works, Housing and Supply now known as the Ministry of Urban Development. The objective of Chief Technical Examiner Organisation was to conduct concurrent technical audits of works of the Central Public Works Department (CPWD) and securing economy in expenditure as also better technical and financial control.
- 5.2 The Santhanam Committee (1963), on prevention of corruption, while appreciating the contribution of Chief Technical Examiner's (CTE) Organization recommended for its strengthening so as to make it more effective. It also recommended enlarging the jurisdiction of CTE Organisation so as to cover construction works undertaken by other Ministries/ Departments also and to place it under administrative control of the Central Vigilance Commission. As these recommendations were accepted by the Government, CTE Organisation was placed under the administrative control of the Central Vigilance Commission (CVC) in the year 1964.
- 5.3 The CTE Organization initially started with intensive examination of selected civil and electrical construction works only. However later, with the growing expenditure on purchase of stores, outsourcing of services etc., CTE Organisation started examining these contracts also. Presently, intensive examination is being done by CTE Organisation in respect of all contractual activities of the Government / Central PSUs and other government organizations ranging from execution of work, purchase of stores, to hiring of services etc., that are financed from public funds.
- 5.4 The selection of works or contracts for intensive examination is either *suo-motu* or based on inputs like Quarterly Progress Reports (QPR) made available by the Chief Vigilance Officers (CVOs) of the different organisations. The CVOs in the QPR are required to furnish details pertaining to on-going Civil Works/ Turnkey Work Contracts/Stores & Purchase/ Contracts under Public Private Partnership/ Leasing / Purchase / Sale of Goods/ Scrap/ Land etc with contract value above the prescribed threshold values. Some of the reported works are selected for the intensive examination. If any of the CVO feel the necessity of conducting Intensive Examination of a lower value Contract / Work, they may recommend so. The threshold values w.e.f. July-September, 2012 quarter are: ₹5 Crore and above for Civil works/ Turnkey work contracts/Stores & purchase/ Cost-Revenue values of Public Private Partnership/ Sale of Goods/ Scrap/ Land etc; ₹1 Crore and above for Electrical /Mechanical works/ Maintenance/ Service contracts/ Manpower supply/ Consultancy contracts etc.; ₹50 Lacs and above for Medical Equipments; ₹10 Lacs and above for Horticulture works; and of four largest value contracts of Supply of medicines.

- 5.5 In the intensive examination reports observations on over-payments, quality deficiencies, time and cost overrun, lack of transparency and fairness, non-adherence to public procurement procedures, etc. are brought out to the notice of executing organizations. The action taken on these observations resulted in a large number of systemic improvements, besides punitive action against erring officials, during the year. A substantive amount of recoveries was also realised by various departments from the contractors when such deficiencies were pointed out during the inspections.
- 5.6 Apart from intensive examinations CTE Organisation provides technical advice to the Commission wherever called for. It also facilitates / conducts training sessions on the subjects like, Preventive Vigilance; Tendering and Contracts, e-Procurement and Reverse Auction, etc., for the benefit of CVOs and other executives of different government entities and organizations.

### Technical Examinations

- 5.7 During the year 2012, the CTE Organisation undertook inspection in 61 Projects/ works covering 45 organizations. The value of these projects/contracts was over ₹8400 crores. The summarised position of such inspection is given below in Table -11.

**Table - 11**

### Inspections by CTE Organisation during the year 2012

Sectors	No. of Organisations	No. of Intensive Examinations
Government Departments	08	14
Banks/Insurance Companies & financial Institutions	12	12
Public Sector Undertakings, Autonomous Bodies etc.	25	35
<b>Total</b>	<b>45</b>	<b>61</b>

- 5.8 Some of the organizations inspected by CTE Organization during the period under report were Air India, Aligarh Muslim University, Allahabad Bank, Andaman Lakshadweep Harbour Works, Andhra Bank, Central Bank of India, Bhartiya Anvik Vidyut Nirman Nigam (BHAVNI), Bharat Petroleum Corporation Ltd., (BPCL), Bharat Sanchar Nigam Ltd., (BSNL), Coal India Limited (CIL), Delhi Development Authority (DDA), Damodar Valley Corporation (DVC), East Coast Railway, Eastern Coalfield Ltd., Employees State Insurance Corporation (ESIC), Gas Authority of India Ltd. (GAIL), Garden Reach Shipbuilders & Engineers Ltd, HLL Life Care Ltd., Hindustan Petroleum Corporation Ltd., (HPCL), Hindustan Steelworks Construction Ltd., (HSCL), Hospital Services Consultancy Corporation (HSCC), Indian Bank, IIT Guwahati,

Indian Overseas Bank, Indian Statistical Institute, Kudremukh Iron & Steel Company Ltd., (KISCO), Life Insurance Corporation (LIC), Municipal Corporation of Delhi (MCD), Military Engineering Services (MES), National Projects Construction Company (NPCC), Northern Railway, National Buildings Construction Corporation (NBCC), National Highways Authority of India (NHAI), National Hydro-electric Power Corporation (NHPC), National Thermal Power Corporation Ltd. (NTPC), Oil & Natural Gas Corporation Ltd. (ONGC), Power Grid Corporation of India Ltd., (PGCIL), Punjab & Sind Bank, Public Works Department (PWD), Delhi, South Central Railway, South Eastern Coalfields Ltd., (SECL) Southern Railway, Steel Authority of India Ltd. (SAIL), Syndicate Bank, Union Bank of India, UCO Bank, etc.

- 5.9 CTE inspection reports are forwarded to the respective heads of the project and CVOs for their comments. The Commission refers serious cases having criminal culpability to CBI. Other irregularities/misconducts, involving vigilance angle, are referred to concerned CVOs for detailed inquiry and fixing responsibility, if any. Twenty seven such cases were referred to the respective CVOs for detailed vigilance investigations during the year 2012.
- 5.10 During the year 2012, recoveries to the tune of ₹151.20 Crores were realized as a result of the inspections conducted by the CTE's organization and also as a result of scrutiny of the projects related to Commonwealth Games 2010 for shortfall in recovery of statutory taxes like service tax, work contract tax, labour cess and income tax. The recoveries pertained mainly to the overpayments made to the contractors, deficiency in quality of material used or service rendered, damages due to delay in execution etc. The recoveries effected during the last three years is given below in Table -12.

**Table - 12**

**Recoveries effected during the last three years**

<b>Year</b>	<b>Amount (₹in Crores)</b>
2010	58.70
2011	88.90
2012	151.20

- 5.11 Some important prima facie irregularities observed during the intensive examinations of works/contracts with respect to the appointment of consultants, invitation and award of work, non-compliance of contract conditions etc. during 2012 are at **Appendix-VI**.

**System improvements arising out of CTEO inspections during 2012**

- 5.12 As a result of inspections by CTEO system improvements were initiated by some of the organisations under the jurisdiction of the Commission. These system improvements range from accuracy in cost estimate, framing of rules pertaining to percentage limit above justified

cost for acceptance of tenders, compliance with Commission's circular etc. Some cases of system improvements undertaken are at **Appendix-VII**.

**Cases arising out of Intensive Examination taken up for detailed vigilance investigations during 2012.**

- 5.13 In a contract valuing about ₹65 Crores awarded by a central PSU for construction of a new airport building, the stipulated date of completion of the contract was 10 months. At the contract execution stage, unreasonably high substitution/additional items were incorporated and the final cost became about ₹109 Crores. On this plea, the completion time was amended to 18 months. The work was however completed with abnormal delay in a period of about 30 months. The organization accepted this delay on their account except 23 days which only was attributed to the contractor. The correspondence in the case pointed out that the delay was mainly on Contractor's account due to delay in resource mobilization and slow speed of work. Besides, even for the delay of 23 days which was attributed to the contractor, full damages as per contract were not levied on the contractor. Thus undue benefit was passed on to the contractor. Further it was seen that the official who approved the extra/substituted items to the extent of ₹43 Crores, was having power to award new work to the extent of ₹2.5 Crores only. In all 148 extra items were approved at the worked out prevailing market rates which appeared on higher side. There were also quality deficiencies for which the adequate recoveries were not enforced.
- 5.14 In a rail laying work executed by a Port Authority at a cost of about ₹52 Crores, rates of sleepers and rails were quoted abnormally high by the contractor. The estimated rate of sleeper was ₹1,400/- each while the awarded rate was ₹2,871/- each. Similarly, for 52 kg steel rails, while the estimated rate was ₹56,500 per MT, the awarded rate was ₹80,190/- PMT. It appeared that an effective negotiation for reduction of cost of these items was not done. An excess expenditure over the estimate to the extent of ₹5.5 Crores, was noticed. Further it was noticed that though the tender document was purchased by 4 bidders, only two bids were received. The request made by other two bidders for extension of bid submission time was not agreed. The awarded cost appeared high due to inadequate competition.
- 5.15 A contract for leasing of land for a period of 20 years was awarded to a developer for construction and operation of a Mall cum Multiplex complex in a prime area. The tender conditions provided bidders to quote upfront payment which they would be paying besides annual rental charges. The bidders were expected to take into account the site conditions and the constraints and submit bid price accordingly. It was however observed that after award of the contract, a property, on a piece of land, measuring more than 906 sq.m, which was outside the leased premises, was demolished. This provided extra access to the contractor and consequent undue benefit.
- 5.16 In a tender case pertaining to transportation contract for over burden (OB) of a coal PSU,

the cost estimates were prepared based on certain transporting capacities of trucks/tippers. The actual capacity of trucks /tippers was much higher. By preparing the cost estimates with lower capacities, the cost per unit was taken on higher side which resulted in overall increase in the estimated cost. The awarded cost was based on this faulty estimate and thus was on higher side. Further, cases of overloading even to the higher rated capacity by a margin of 50-100% were noticed in the actual practice.

- 5.17 In a tender for finalizing a pre-tender tie-up was floated by a Central PSU at an estimated cost of ₹21.5 crores. As per the tender conditions, only those bidders who were empanelled/registered/working/new agencies having experience in similar work were eligible to participate. The bidder who was finally selected had submitted his bid and was qualified on the basis of his association with another contractor. However, no agreement with the bidder's contractor was enclosed by the bidder along with the bid. The work was awarded to this bidder. It was noticed that the work was being fully executed by that bidder only and the role of other contractor was shown only for the purpose of getting qualified in the tender. The bidder was otherwise empanelled with the organization for award of work only up to ₹5 crores which shows that an ineligible contractor was selected for award through a non transparent tender process.
- 5.18 In a work pertaining to construction of a medical college by a State Government, a Central PSU participated in the tender floated by the State authorities. The tender condition provided that the upper limit for sub-contracting will be 20% and that too with the approval of contracting agency. Thus atleast 80% of the work could not have been sub-letted /sub-contracted by the participating bidders. However, despite this condition in the tender, the Central PSU participated without disclosing that they have already made 100% back-to-back arrangement with a private entity. Thus *ab-initio*, the PSU knew they would not be in a position to meet the tender condition of the State Government department, yet they participated and got the contract even though they were violating a material tender condition.
- 5.19 In a coal and over burden (OB) transportation contract, awarded by a Coal PSU, the contract provided rates for a single item both for removing soft and hard OB. Bid prices were received accordingly. In the cost estimate the ratio of soft OB was taken as 2.8% and balance 97.13% as hard OB. The rate considered in cost estimate was @ ₹27.76/cum for soft OB and @ ₹48.96/cum for hard OB. The cost of removal of hard OB is more because of additional drilling and blasting operations involved. As per the site records it was observed that 43.3% of excavation was of soft OB and balance 56.7% was hard OB. Separate item rates for Soft and Hard OB would have taken care of variation in cost of hard and soft OB. By not following this methodology, the contractor got unduly benefitted.
- 5.20 In a consultancy contract, in the cost of preparation of detailed project, the cost included preparation of DPR for original road stretch, likely by-passes, etc. However, when the by-pass road proposal was approved by the department, the consultant demanded extension

of time and the revised cost. The department accepted the consultant demand and allowed extra time of 10 months and additional payment of about 15% over the contracted amount. Further, extra amount was paid to the Consultant, when the provision of road work changed from un-controlled access to controlled access with necessary fencing on either side. The extra amount agreed by the organization was about ₹90 Lacs, while no extra effort was involved on the part of DPR Consultant and thereby extra payment made to the Consultant which was not justified.

- 5.21 In a work pertaining to expansion of a steel plant being executed, two stage tendering process was followed. After pre-bid conference, where 10 prospective bidders participated, a revised price schedule was sent and six bids were subsequently received. During the techno-commercial bid evaluation minor changes in commercial clause were made and communicated to three qualified bidders for submission of revised updated price bids. On receipt of bids, tender was awarded to L-1 after negotiations. The L-1 bid was higher by 13% over the departmental justified cost. Calling of revised price bids subsequently provided opportunity to the technically qualified bidders to cartelise and quote higher rates.

#### **Important initiatives taken by the CTE Organization**

- 5.22 In continuation of the efforts towards emphasis on preventive vigilance CTE Organisation provided technical inputs to various organizations towards capacity building and sensitizing officials about various aspects of vigilance. Specific areas pertaining to tenders and contracting, estimation of rates, legal aspects in contracting etc. were covered in various training programs and seminars. The organizations covered during the year were as under:-

Union Public Service Commission (UPSC)
Ministry of Home Affairs (MHA)
Ministry of Human Resource Department (HRD)
Lal Bahadur Shastri National Academy of Administration, Mussoorie
Govt. of NCT of Delhi (GNCTD)
Tehri Hydro Development Corporation India Limited, (THDC), Rishikesh
All India Institute of Medical Sciences (AIIMS)
Indian Oil Corporation Limited (IOCL)
Bharat Coking Coal Limited, (BCCL)
Shipping Corporation of India (SCI)
Scooters India Limited (SIL)
The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
National Academy of Audits, Shimla
Satluj Jal Vidyut Nigam Ltd., (SJVN)

Research Design and Standards Organization (RDSO), Lucknow
Unique Identification Authority of India (UIDAI)
Central Bureau of Investigation (CBI)
Hindustan Copper Limited (HCL)
Bharat Petroleum Corporation Limited, (BPCL)
Ministry of Small and Medium Enterprises (MSME)

- 5.23 In order to facilitate greater use of “e-Procurement and Reverse Auction” methods, CTE Organisation organized workshops for Central Public Sector Enterprises, Public Sector Banks, and Government departments. First workshop was organized in Delhi on 26<sup>th</sup> July 2012 which was attended to by the officials of Government departments / PSUs / Banks. The second workshop was conducted for defence sector PSUs in Bengaluru on 12<sup>th</sup> October 2012. Queries raised by the participants were addressed besides sensitizing officials towards greater use of e-Procurement methods. During the year several similar workshops were organized in other Public Sector Undertakings also.

#### **Important circulars issued on tenders and contracts**

- 5.24 Based on experiences gained and references received from the other organizations, following, important circulars were issued for enhancing transparency and fairness in decision making.
- (i) Guidelines for compliance to Quality Requirements of e-Procurement Systems: (Circular No. 01/01/2012 dated 12.01.2012). This circular advised organizations to follow guidelines prepared by STQC and approved by DIT.
  - (ii) Consideration of Indian Agents. (Circular No. 03/1/12 dated 13.01.2012). The circular issued in supersession to earlier OMs dated 7.01.2003 and 21.04.2004 stipulates that in a tender both Indian agent and the Principal/OEM cannot bid simultaneously for the same item/product and that an agent cannot bid on behalf of more than one Principal/OEM in the same tender for the same item/Product.
  - (iii) Revised threshold values for submission of Quarterly Progress Report-QPR. (Circular No. 15/07/12 dated 30.07.2012). This circular indicates the revised threshold limit of contracts/works for reporting to the Commission.
  - (iv) Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis. (Circular No. 18/12/12 dated 11.12.2012). The circular reiterated the Commission’s earlier guidelines on contracts awarded on nomination basis and advised organizations to refrain award of contract on ‘back to back tie up’ basis without value addition.

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*Zonal Review Meeting of the Commission with the CVOs of the Banking Sector held on 01.08.2012 at SBBJ, Jaipur*



*Zonal Review Meeting of the Commission with the CVOs of the Port and Shipping sector held on 04.07.2012 at New Delhi.*

## CHAPTER-6

### FUNCTIONING OF DELHI SPECIAL POLICE ESTABLISHMENT (CENTRAL BUREAU OF INVESTIGATION)

- 6.1 CVC Act, 2003 empowers the Commission to exercise superintendence over the functioning of the Delhi Special Police Establishment (DSPE), popularly known as Central Bureau of Investigation (CBI), in so far as it relates to investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988 and to review the progress of such investigations conducted. The CVC is empowered to give suitable directions to the CBI for such purposes as per section 8(1)(b) of the CVC Act.
- 6.2 The Hon'ble Supreme court in Vineet Narain case in its judgment dated 18.12.1997 envisaged greater autonomy and objectivity in the functioning of CBI. Pursuant to the judgment, the Central Vigilance Commission was statutorily mandated to superintend the work of CBI in respect of investigations conducted under the Prevention of Corruption Act.

#### I **Superintendence of CVC over CBI**

- 6.3 In order to exercise superintendence over CBI, as prescribed in the CVC Act, 2003, the Commission has adopted a mechanism of periodical review by the Commission with Director, CBI and his team. The progress of cases investigated by the CBI under PC Act, 1988 are reviewed. The Commission also endeavors to ensure that the investigations in all the cases registered by the CBI are being conducted without any outside influences. The Commission also takes necessary steps, as and when required, for the purpose of efficient discharge of its functions by the CBI. During the year 2012, the Commission held ten review meetings at periodic intervals with CBI, wherein cases against senior officers of the Government, executives of banks/public sector enterprises and politicians were reviewed.
- 6.3.1 Some of the specific suggestions made by the Commission in the superintendence of the functions of CBI are as below:
- (i) CBI was advised to expedite PE or RC cases pending beyond prescribed time limits in CBI Manual.
  - (ii) Commission directed CBI to streamline procedure related to collection and custody of documents in investigations.
  - (iii) Commission suggested CBI to explore the feasibility of setting up of in-house facility for examination of questioned documents similar to GEQD facility for obtaining quick opinions.
  - (iv) CBI was advised to make sustained efforts to reduce the pendency and accord focus to

cases pending for investigation over two years.

- (v) Commission observed that there was a need for information dissemination to various banks as a preventive measure to alert against activities of fraudsters. CBI was advised to devise a system and send periodic alerts to RBI, SEBI, IBA and CIBIL.
- (vi) CBI was advised to make efforts to have a comprehensive database of cases under trial for better monitoring purposes.
- (vii) CBI is required to provide inputs in matters of vigilance clearance of officers being considered for appointment at Board level in PSUs/Banks etc. and empanelment of senior officers of AIS/other central services. In order to ensure that there is no mistake in the inputs/feedback provided by CBI, Commission has advised CBI to consider effecting systemic changes to plug loopholes in the system. A common platform to share information is under development.
- (viii) Commission suggested that officers from other services like income tax, customs and audit having experience of investigation and accounting could be taken on deputation in the CBI to broad base the human resources available for investigation.
- (ix) Commission also advised CBI to augment staff to address shortage of public prosecutors and other court staff for speeding up cases pending trial.

6.3.2 The status of the complaints referred from the Commission to CBI for inquiry/investigation under section 8(1)(d) of CVC Act,2003 during 2011 and 2012, are indicated in Table-13:-

**Table -13**

**Complaints sent by the Commission to CBI and their disposal**

Year	Complaints forwarded by the CVC for verification/ Investigations (Col. No. 1)	Mode of disposal out of column No. (1)				
		Number of complaints resulting into RC	Number of complaints resulting into PE	Number of complaints ended in recommendation of RDA / Such action deemed fit & SCN sent to Departments.	Number of complaints closed	Complaints Under Verification
2011	78	07	21*	14	36	0
2012	55	05*	10	09	19	12

2011 = \*In 02 Complaints, 5 PEs have been registered. 2012 =\*In one Complaint, 2 RCs have been registered.

## Details of disposal of RCs and PEs

**Table -14**

### Details of disposal PEs

Year	Number of PEs Registered	Disposal of PEs		
		Converted into RC	Under Enquiry	Closed / SCN sent
2011	24	7	5	12
2012	10	9*	6	4

\*In one PE, 9 RCs relating to Coal Blocks, have been registered, so far. PE is under enquiry.

### Details of disposal - RCs

Year	Complaints converted into RC straight-away	PEs converted in to RC	Total RCs (1+2)	Disposal of RCs		
				Cases under inv.	Closure Report filed	Under Trial
2011	7	7	14	10	2	2
2012	6	9	15	14	1	0

6.4 The CBI is normally required to complete investigation of a 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 while CBI has been generally able to complete investigations within a year, but there have been some delays in completing investigations in certain cases. Reasons for delays include delay in receipt of prosecution sanction from competent authorities, delay in obtaining responses to Letters Rogatory (LRs), and delay in obtaining reports from forensic laboratories.

6.4.1 The following important cases were registered and investigated as result of CVC references.

- (i) Coal blocks allotments.
- (ii) Transportation of iron ore through Railways declaring as for export by private parties causing huge avoidance of freight charges differential to Railways.

### **Delay in Trial of cases**

6.5 During its review meetings with Director, CBI the Commission has noted with concern, the large number of cases pending trial in different courts for years together, at times for over twenty years. It was observed that on an average it takes more than five years for judicial proceedings in any case under the PC Act to reach its logical conclusion after the charge sheet is filed in the designated court. Such inordinate delays in dispensation of justice defeat the very purpose of efficient vigilance administration and are an impediment in the fight

against corruption. It is therefore, imperative that effective measures are taken to increase the disposal of pending PC Act cases under trial / appeals / revisions in order to effectively combat corruption. Acute shortage of judicial officers and at times, a tendency to defer hearing of complicated cases are some of the reasons that could be attributed for delays in the judicial proceedings. The Commission has taken up these issues at appropriate levels with the Government. The Commission has also noted with satisfaction that a large number of special courts have been sanctioned and many of them have started functioning as well. CBI has informed the Commission that measures have been taken up to fill up the vacancies of court / pairvi officers. The Commission is hopeful that with the increased number of special CBI courts, the pendency of the trial cases will reduce and even the average time taken for the trials will also come down.

## II Prosecution against Central Government employees

6.6 The Commission reviews the progress of cases pending for sanction of prosecution with various organizations, under the PC Act, 1988. CBI reported that at the end of the year 2012, a total of 84 cases over three months were pending for grant of sanction for prosecution under PC Act, 1988. The numbers of cases pending with various organizations for granting sanction for prosecution over three months as on 31.12.2012 are given below in Table-15:-

**Table-15**

### **Number of cases pending for sanction for prosecution over three months as on 31.12.2012**

S. No.	Ministry	Number of cases
1	Ministry of Communication & IT (Deptt. of Telecom.)	2
2	Ministry of Agriculture	1
3	Ministry of Civil Aviation	1
4	Ministry of Coal & Mines	2
5	Ministry of Communication (Deptt. of Posts)	1
6	Ministry of Defence	2
7	Ministry of Finance (Deptt. of Financial Services)	14
8	Ministry of Finance (Custom and Central Excise)	4
9	Ministry of Finance (Income Tax)	5
10	Ministry of Health & Family Welfare	3
11	Ministry of Home Affairs	2
12	Ministry of Human Resources & Development	1
13	Ministry of Industry	1
14	Ministry of Information & Broadcasting	1
15	Ministry of Personnel Public Gr. & Pensions	10
16	Ministry of Petroleum & Natural Gas	1
17	Ministry of Railways	7

S. No.	Ministry	Number of cases
18	Ministry of Shipping	1
19	Ministry of Urban Development & Poverty Alleviation	3
20	Union Territories	3
21	Government of Andhra Pradesh	3
22	Government of Assam	2
23	Government of Delhi	1
24	Government of Jammu & Kashmir	1
25	Government of Jharkhand	2
26	Government of Maharastra	1
27	Government of Rajasthan	4
28	Government of Tamil Nadu	1
29	Government of Uttar Pradesh	9
	Total	<b>89*</b>

\*However, a total of only 84 PC Act cases are pending for prosecution sanction, as 5 cases are common to more than one Ministry / State, Government, etc.

- 6.7 For the purpose of ensuring decision on sanction for prosecution are expedited by the authorities concerned, the Commission has been making continuous efforts. However, it has been observed in some cases that there has been unwarranted and inordinate delay while deciding upon grant/denial of sanction for prosecution. The Commission hopes that with the DOPT's guidelines and the Commission's instructions issued from time to time for checking delay in grant of sanction for prosecution, such delays would be largely curtailed and decision on sanction for prosecution would be taken by the competent authorities within the stipulated time.
- 6.7.1 The Commission on its part also issued instructions during the year to all administrative authorities to expedite cases of sanction of prosecution and also followed up individual cases pertaining to the Central Government Departments and its organisations regularly during the year. The sustained efforts made by the Commission resulted in considerable reduction in the number of such pendency over the prescribed time limit for grant of sanction for prosecution.
- 6.7.2 Some of the reasons leading to difference of opinion between the CBI and the Administrative Authorities on matters of prosecution sanction requests are as under:-
- (i) Genuine disagreements,
  - (ii) Lack of appreciation of evidence/material available on record, and

(iii) Examining material on record on adequacy of evidence.

CVC is working out a frame work whereby such delays in prosecution sanction can be sorted out quickly by CVC/CBI/Investigation agency/disciplinary authority.

### III Tripartite meetings between CBI, Administrative authorities and the Commission

6.8 In order to deal with the cases of difference of opinion between CBI and Administrative authorities wherein the CBI had recommended prosecution under PC Act etc. and the administrative authority did not agree with the views of the CBI, the Commission in the year 2004, devised a mechanism of holding joint meeting. In such cases, the Commission would hold a joint meeting with representatives of CBI and the concerned departments/ organizations. The meeting would be attended by the CVO with a brief from the Disciplinary Authority or if he so wishes, by the Disciplinary Authority himself. A total of 29 such meetings were held in the year 2012 in the Commission. Out of these 29 cases, the Commission advised grant of sanction for prosecution in 17 cases and Regular Departmental Action in 7 cases. In 5 cases, the Commission did not advise prosecution.

### IV Review of pending cases against officers of CBI

6.9 The Commission regularly reviewed 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 31.12.2012, a total of 50 Departmental cases at various stages were pending against CBI personnel. Details are indicated in Table - 16:-

**Table - 16**

#### Departmental action against CBI personnel

Total pending	Less than 1 year	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	More than 4 years
50	8	9	15	4	14

(i)	Enquiry complete and pending with DoPT for final decision	:	17
(ii)	IO/PO yet to be appointed or decision on representation of CO	:	06
(iii)	Under Progress	:	22
(iv)	Kept suspended by DoPT	:	02
(v)	Pending with DoPT for issuing charge memo	:	--
(vi)	Stayed by CAT/Court	:	03

The Commission periodically monitors the progress made in the cases for speedy disposal.

## V Activities reported by the Central Bureau of Investigation

6.10 CBI sends monthly reports of its activities to the Commission on cases registered and their disposal. A gist of CBI activities during the year 2012 is given below:-

### (A) Registration of cases:

6.11 A total of 1048 cases were registered during 2012 as compared to 1003 Regular Cases/ Preliminary Enquiries registered by CBI in 2011. 52 of these cases were taken up on the requests of State Governments/Union Territories and 132 on the directions of the Constitutional Courts. 873 Regular cases and 175 Preliminary Enquiries were finalized during the year. At the end of the year, 861 cases/enquiries were pending investigation/enquiry. Further, out of 1048 cases, there were 873 Regular Cases (RCs) and 175 Preliminary Enquiries (PEs) as compared to 838 RCs and 154 PEs in the year 2011. In 2012, a total number of 213 cases were registered for demand of bribe by public servants for showing official favours and 67 cases were registered for possession of assets disproportionate to known sources of income.

### (B) Cases of trial and conviction:

6.12 During the year 2012, charge sheets were filed in 686 cases and judgments were received in 1188 court cases under trial, as compared to 895 cases in 2011. Out of these 1188 cases, 743 cases resulted in conviction, 345 in acquittal, 20 in discharge and 80 cases were disposed of for other reasons. The conviction rate was 67% which was same in the year 2011 also. At the end of the year 2012, there were as many as 9734 cases (Court Cases) pending in various Courts.

### (C) Investigation:

6.13 During 2012, investigation was finalized in 842 Regular Cases (RCs) and 177 Preliminary Enquiries (PEs). Out of the RCs, charge-sheets were filed in 686 cases in the competent courts. A total of 861 RCs/PEs were under investigation/enquiry at the end of the year as against 828 RCs/PEs under investigation/enquiry at the end of 2011. A total of 194 cases were pending for investigation for more than one year as on 31.12.2012. Table-17 & 18 provides details about the various activities of CBI during the year 2012:

**Table-17**

**Cases dealt with under P.C. Act during the year 2012**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Cases</b>
<b>1</b>	<b>Registration</b>	
	No. of Public Servants involved in these cases	1465
	No. of Gazetted Officers involved in these cases	581
<b>2</b>	<b>Disposal from investigation</b>	
	i) Departmental Action as well as Prosecution	220
	ii) Prosecution only	315
	iii) Departmental Action only	56
	iv) Such Action	9
	v) Closed	48
	vi) Otherwise disposed of	0
<b>3(a)</b>	<b>Disposal from Trial (CC wise)</b>	
	i) Conviction	535
	ii) Acquittal	267
	iii) Discharge	16
	iv) Otherwise disposed of	47
<b>3(b)</b>	<b>No. of Public Servants involved in cases disposed of from Trial (with break up: Acquittal/Conviction/Discharge/Otherwise disposed of)</b>	
	i) Conviction (No. of Persons)	163
	ii) Acquittal (No. of Persons)	116
	iii) Discharged (No. of Persons)	11
	iv) Otherwise disposed of (No. of Persons)	36
<b>4</b>	<b>Total No. of cases under investigation (as on 31.12.2012)</b>	<b>598</b>
	No. of pending trials (CC wise)	6923

**Table-18**

**Cases under PC Act pending Investigation and Trial with CBI**

**Part-A**

**PC Act cases (Under Investigation)**

<b>Length of pendency</b>	<b>Pending Investigation (As on 31.12.2012)</b>	<b>Pending Investigation (As on 31.12.2011)</b>
Less than and equal to one year	469	412
More than one year and up to 2 years	106	109
More than 2 years and upto 3 years	20	12
More than 3 years and upto 4 years	02	6
More than 4 years and upto 5 years	0	0
More than 5 years	1	4
<b>Total</b>	<b>662</b>	<b>543</b>

**Part-B**

**PC Act cases (Under Trial)**

<b>Length of pendency</b>	<b>As on 31.12.2012</b>	<b>As on 31.12.2011</b>
Less than equal to 5 years	3386	3512
More than 5 years and up-to-10 years	2094	2188
More than 10 years and up-to-20 years	1263	1292
More than 20 years	180	186
<b>Total</b>	<b>6923</b>	<b>7178</b>

## VI CBI Academy

6.14 The CBI Academy is located at Hapur Road, Ghaziabad, Uttar Pradesh, started functioning on January, 10<sup>th</sup> 1996. Over the years the Academy emerged as a major police training institution and made a mark at the national and international level. The vision of Academy is “Excellence in Training in the fields of Crime Investigation, Prosecution and Vigilance Functioning” and its mission is to train the human resources of CBI, state police and vigilance organisation to become professional, industrious, impartial, upright and dedicated to the service of the nation.

## VII Manpower

6.15 Shortage of manpower in a premier investigation agency of the country is a matter of concern, as it affects the functioning of the agency. These vacancies, especially in the cadres of Investigating Officers viz. DSPs and Inspectors seriously hamper the progress of investigation of cases by CBI, especially in view of the increased volume of cases of sensitive nature being entrusted to the CBI. Urgent steps would be needed to fill up these vacancies to enhance the efficiency of the investigating agency. During the year 2012, the vacancy position in CBI is given in Table-19 below:-

**Table - 19**

**Overall vacancy position in CBI as on 31.12.2012**

	Sanctioned strength	Actual Strength	Vacancy
Executive Officers	4500	3967	533
Law Officers	318	264	54
Technical Officers	160	109	51
Ministerial Level	1538	1370	168
Group 'D' Level	70	45	25
<b>Grand Total</b>	<b>6586</b>	<b>5755</b>	<b>831</b>

## VIII. Supreme Court judgment in CA No. 10660 of 2010 of Centre for PIL & others Vs. Union of India & others in 2G Spectrum case.

6.16 The Division Bench of Supreme Court in CA No.10660 of 2010 of Centre for PIL & others Vs Union of India & others on 02/02/2012 disposed of the prayer made by the appellants for appointment of a group of independent persons to assist the court in monitoring the investigation being carried out by Central Bureau of Investigation, Enforcement Directorate and Income Tax Department in the 2G Spectrum cases.

- 6.17 The Apex Court observed that “Although initially the CBI may not have taken up the matter relating to investigation of 2G case with requisite seriousness, after 16.02.2010 it has satisfactorily conducted the investigation. Therefore, there is no justification to appoint a group of persons to directly or indirectly scrutinise or supervise the further investigation being conducted by the CBI and other agencies. However, keeping in view the nature of the case and involvement of large number of influential persons, we feel that it will be appropriate to require the Central Vigilance Commissioner and the Senior Vigilance Commissioner appointed under Section 3(2) of the 2003 Act to render assistance to the Court in effectively monitoring the further investigation of the case. This course will be perfectly in tune with the mandate of Section 8(1) of the 2003 Act”.
- 6.18 While disposing of the appeal, the Hon’ble Court had directed the following:-
- (i) In future copies of the report(s) of the investigation conducted by the CBI and other agencies shall be made available to the Central Vigilance Commissioner in sealed envelopes.
  - (ii) Within next one week the Central Vigilance Commissioner and the Senior Vigilance Commissioner shall examine the report(s) and send their observations/suggestions to this Court in sealed envelopes which shall be considered along with the report(s) of the CBI and other investigating agencies.
- 6.19 In compliance of the said order of the Supreme Court and subsequent orders on the subject matter, Central Vigilance Commissioner and Vigilance Commissioner submitted observations on the progress reports submitted by the CBI and other investigation agencies in the 2G Spectrum scam case being monitored by the Hon’ble Supreme Court from time to time during the year.

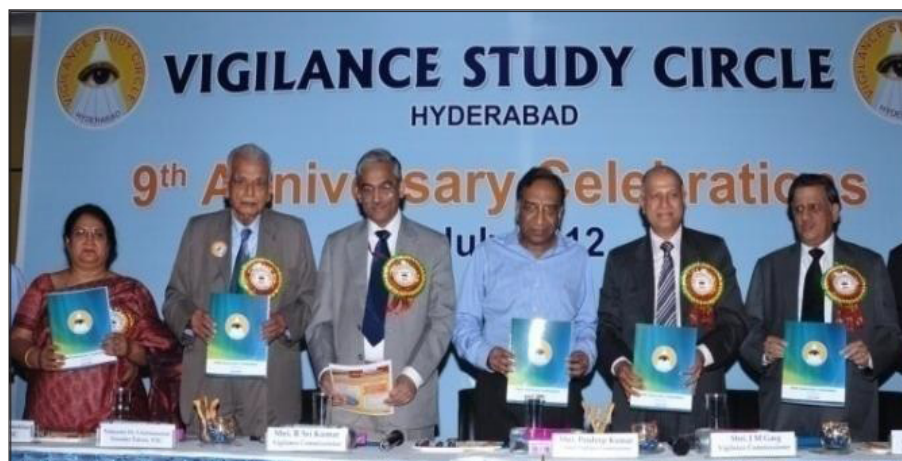
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*19th Conference of the Central Bureau of Investigation and State Anti-Corruption Bureaux at Vigyan Bhawan, New Delhi on 10 to 11 October, 2012*

### VIGILANCE STUDY CIRCLE

The mission of Vigilance Study Circle (VSC) is to spread vigilance awareness and develop the knowledge and skills of Vigilance Professionals. It provides a forum for Vigilance Executives for sharing their experiences and expertise, and the VSC hold meetings regularly once a month and discussions on professional matters. Eminent experts on vigilance are invited to address the members and lives cases are discussed. Over the years, the VSC has been performing a valuable role in spreading vigilance awareness and inculcating training to officers of the vigilance fraternity in the Central Government and its organizations. VSC has chapters located in Bengaluru, Kolkata, Chennai and Mumbai. The Commission on its part has been offering all assistance and necessary professional guidance to the VSC.



**9<sup>TH</sup> Anniversary Celebrations of Vigilance Study Circle held on 07.07.12 at Hyderabad**



**4<sup>th</sup> Anniversary Celebrations of Vigilance Study Circle, Bangalore on 06.02. 2012**



**2<sup>nd</sup> Anniversary Celebrations of Vigilance Study Circle, Mumbai on 28.08. 2012**

# APPENDIX

**Appendix-I**  
(Para 1.17)

**A. Group wise Staff Strength and related information, as on 31.12.2012 in CVC**

	Group 'A'	Group 'B'	Group 'C'	Group 'C' (Multi Tasking Staff)	Total
<b>Sanctioned Strength</b>	54	98	71	73	296
<b>Officials in position</b>	42	80	62	60	244

During the year 2012, one Additional Secretary, two Directors, one Assistant Technical Examiner, one Jr. Technical Examiner, one Assistant, seven LDCs and one MTS joined the Commission. A total of nine officers (two Additional Secretaries, two Directors, two Deputy Secretaries, one PPS and two Section Officers) retired on superannuation during the year. A total of seven officers (two Technical Examiner, one Assistant Technical Examiner and four Jr. Technical Examiners) had been relieved from the Commission.

**B. Representation of Scheduled Castes, Scheduled Tribes and OBCs**

As per the Government's policy and instructions, the Commission has been making every effort for implementing the same in respect of the posts under its administrative control. The percentage of Scheduled Castes / Scheduled Tribes and OBCs in the various groups of posts filled / held otherwise than by deputation as on 31.12.2012 is given below in percentage :-

	Group 'A'	Group 'B'	Group 'C'	Group 'C' ( Multi Tasking Staff )
<b>Scheduled Castes</b>	18.18%	16.09%	15.49%	38.50%
<b>Scheduled Tribes</b>	9.09%	3.44%	2.81%	5.47%
<b>OBC</b>	-	12.64%	10.00%	11%

## Appendix-II (Para 2.13)

**Organisation-wise details of prosecution sanctioned and penalties imposed during the year 2012 in respect of cases where Commission's advice was obtained.**

S. No.	Name of the Department/ Organisation	Prosecution	Major Penalty	Minor Penalty	Administrative Action
1	Air India	0	1	3	0
2	Airports Authority of India	0	4	13	3
3	All India Council for Technical Education	3	0	0	0
4	Allahabad Bank	0	24	36	0
5	Andhra Bank	0	15	5	0
6	Balmer Lawrie & Co. Ltd.	0	0	4	0
7	Bank of Baroda	3	9	1	0
8	Bank of India	0	7	1	0
9	Bank of Maharashtra	0	3	0	0
10	Bharat Bhari Udyog Nigam ltd.	0	0	0	1
11	Bharat Coking Coal Ltd.	0	9	3	1
12	Bharat Heavy Electricals Ltd.	0	5	4	16
13	Bharat Petroleum Corpn. Ltd.	0	0	0	4
14	Bharat Sanchar Nigam Ltd.	1	8	8	2
15	Bridge & Roof Co. (India) Ltd.	0	0	0	1
16	Bureau of Indian Standards	1	12	14	1
17	Canara Bank	7	18	30	0
18	Central Bank of India	1	22	2	0
19	Central Board of Direct Taxes	19	6	2	27
20	Central Board of Excise & Customs	47	136	54	16
21	Central Coalfields Ltd.	1	5	12	0
22	Central Public Works Department	2	3	2	2
23	Central Reserve Police Force	0	1	0	0
24	Central Warehousing Corporation	0	7	12	4
25	Chennai Port Trust	0	0	1	0
26	Coal India Ltd.	0	4	1	6
27	Coir Board	1	0	0	0
28	Container Corporation of India	0	0	2	1
29	Corporation Bank	2	12	9	4

S. No.	Name of the Department/ Organisation	Prosecution	Major Penalty	Minor Penalty	Administrative Action
30	CAPART	0	1	0	0
31	Council of Scientific & Industrial Research	0	1	2	0
32	Daman & Diu Admn.	0	0	2	0
33	Damodar Valley Corporation	0	0	3	1
34	Defence Accounts Department (CGDA)	0	1	1	0
35	Delhi Development Authority	0	35	14	2
36	Delhi Jal Board	0	1	2	0
37	Delhi Transport Corporation	0	0	0	1
38	Dena Bank	0	5	2	0
39	Department of Agriculture & Cooperation	0	5	3	0
40	Department of Animal Husbandry, Dairy & Fisheries	0	0	1	0
41	Department of Atomic Energy	0	0	4	0
42	Department of Coal	0	0	0	7
43	Department of Commerce (Supply Division)	0	0	0	3
44	Department of Company Affairs	1	0	0	0
45	Department of Defence Production and Supplies	2	6	1	5
46	Department of Economic Affairs	0	1	0	0
47	Department of Expenditure	2	0	0	0
48	Department of Fertilizers	0	0	0	1
49	Department of Financial Services	2	0	0	0
50	Department of Food & Public Distribution	0	1	0	0
51	Department of Health & Family Welfare	0	2	0	1
52	Department of Heavy Industry	0	0	0	2
53	Department of Industrial Policy and Promotion	0	0	0	1
54	Department of Posts	0	6	0	0
55	Department of Telecommunications Services	2	18	58	5
56	Department of Youth Affairs & Sports	0	1	0	0
57	DSIIDC	0	1	9	0
58	DTL/IPGCL	0	0	1	0
59	Eastern Coalfields Ltd.	0	3	0	1
60	Employees' Provident Fund Organisation	2	1	2	0
61	Gas Authority of India Ltd.	0	0	1	2
62	Geological Survey of India	0	0	0	1

S. No.	Name of the Department/ Organisation	Prosecution	Major Penalty	Minor Penalty	Administrative Action
63	Govt. of NCT of Delhi	0	2	1	0
64	Heavy Engineering Corporation Ltd.	0	0	0	3
65	Hindustan Cables Ltd.	0	1	0	0
66	Hindustan Copper Ltd.	0	0	1	1
67	Hindustan Machines Tools Ltd.	0	0	3	4
68	Hindustan Steel Works Construction Ltd.	0	0	0	4
69	Hotel Corporation of India	0	0	0	1
70	Housing & Urban Development Corporation	0	0	1	0
71	Indian Bank	0	2	15	0
72	Indian Council of Agricultural Research	0	4	4	0
73	Indian Oil Corporation Ltd.	1	7	17	10
74	Indian Overseas Bank	4	10	7	0
75	Indian Rare Earths Ltd.	0	0	6	0
76	Indira Gandhi National Open University	0	0	0	7
77	Industrial Development Bank of India	0	3	0	0
78	Ircon International Ltd.	0	0	1	0
79	Kandla Port Trust	0	1	0	0
80	Kendriya Vidyalaya Sangathan	1	16	4	1
81	Khadi & Village Industries Commission	0	7	4	0
82	Kolkata Port Trust	0	4	4	0
83	Lakshadweep Administration	0	1	0	0
84	Life Insurance Corporation of India	1	0	4	4
85	Madras Fertilizers Ltd.	0	0	1	0
86	Mahanagar Telephone Nigam Ltd.	0	1	3	6
87	Ministry of Culture	0	0	0	2
88	Ministry of Defence	3	4	1	1
89	Ministry of Environment & Forests	2	1	1	0
90	Ministry of External Affairs	4	0	1	1
91	Ministry of Home Affairs	6	8	5	1
92	Ministry of Human Resource & Development	1	0	2	2
93	Ministry of Information & Broadcasting	1	1	2	1
94	Ministry of Labour & Employment	0	3	0	0
95	Ministry of Mines	0	0	2	1

S. No.	Name of the Department/ Organisation	Prosecution	Major Penalty	Minor Penalty	Administrative Action
96	Ministry of Personnel, P.G. & Pensions	9	0	0	1
97	Ministry of Power	0	0	0	3
98	Ministry of Railways	15	142	285	110
99	Ministry of Road Transport & Highways	0	0	0	1
100	Ministry of Shipping	3	6	1	1
101	Ministry of Steel	0	0	0	1
102	Ministry of Tourism	0	1	0	0
103	Ministry of Urban Development	0	1	6	7
104	Ministry of Water Resources	0	1	0	0
105	MMTC Ltd.	0	5	0	0
106	Municipal Corporation of Delhi	1	14	10	2
107	National Buildings Construction Corpn. Ltd.	0	0	4	0
108	National Highways Authority of India	1	0	0	1
109	National Insurance Co. Ltd.	5	16	2	1
110	National Thermal Power Corpn. Ltd.	0	0	2	3
111	New India Assurance Co. Ltd.	0	3	3	1
112	Neyveli Lignite Corporation Ltd.	0	0	0	3
113	Northern Coalfields Ltd.	0	5	15	0
114	Oil & Natural Gas Corporation Ltd.	0	0	3	2
115	Oil India Ltd.	0	0	0	1
116	Ordnance Factory Board	0	0	0	1
117	Oriental Bank of Commerce	1	2	3	0
118	Oriental Insurance Co. Ltd.	0	3	2	0
119	Paradip Port Trust	0	0	0	1
120	PGIMER, Chandigarh	0	1	0	1
121	Power Grid Corporation of India Ltd.	0	0	0	3
122	Prasar Bharati	0	0	2	0
123	Punjab & Sind Bank	0	6	6	1
124	Punjab National Bank	7	59	43	0
125	RITES Ltd.	0	2	6	1
126	South Eastern Coalfields Ltd.	0	0	6	0
127	Sports Authority of India	0	3	0	0
128	State Bank of Bikaner & Jaipur	3	9	8	2

S. No.	Name of the Department/ Organisation	Prosecution	Major Penalty	Minor Penalty	Administrative Action
129	State Bank of Hyderabad	0	17	0	0
130	State Bank of India	10	66	73	4
131	State Bank of Mysore	7	0	0	0
132	State Bank of Patiala	1	2	0	1
133	Steel Authority of India Ltd.	0	6	20	1
134	Syndicate Bank	2	83	146	0
135	UCO Bank	0	26	8	0
136	Union Bank of India	9	35	46	2
137	United Bank of India	2	1	0	0
138	United India Insurance Co. Ltd.	0	17	0	0
139	Vijaya Bank	0	43	10	1
140	Western Coalfields Ltd.	0	0	0	2
	<b>Total</b>	<b>199</b>	<b>1051</b>	<b>1125</b>	<b>331</b>

## Appendix III-A(i)

(Para 3.5)

### Work done by CVOs in 2012 Details of Complaints sent by CVC including Whistle Blower

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than six months
1	Agriculture	74	17	57	32
2	Atomic Energy	24	14	10	5
3	Banks	649	551	98	7
4	Civil Aviation	16	10	6	3
5	Coal	48	40	8	3
6	Commerce	79	18	61	29
7	Customs & Excise	82	10	72	21
8	Defence	174	103	71	63
9	Fertilizers	20	16	4	3
10	Finance	33	31	2	1
11	Food & Consumer Affairs	63	45	18	3
12	Govt. of NCT of Delhi	360	119	241	169
13	Health & Family Welfare	14	8	6	1
14	Heavy Industry	195	153	42	3
15	Home Affairs	11	7	4	1
16	Human Resource Development	9	3	6	2
17	Income Tax	154	33	121	82
18	Information & Broadcasting	70	37	33	20
19	Insurance	179	135	44	30
20	Labour	185	156	29	16
21	Mines	19	9	10	6
22	New and Renewable Energy	3	3	0	0
23	Petroleum	113	79	34	18
24	Power	60	19	41	27
25	Railways	136	90	46	19
26	Rural Development	23	1	22	11
27	Science & Technology	154	82	72	46
28	Social Justice & Empowerment	8	2	6	0
29	Steel	74	61	13	2
30	Surface Transport	111	62	49	30
31	Telecommunication	134	70	64	30
32	Textiles	144	80	64	43
33	Tourism	12	10	2	0
34	Urban Affairs	84	15	69	13
35	Water Resources	3	2	1	0
36	Miscellaneous	63	32	31	22
	<b>Total</b>	<b>3580</b>	<b>2123</b>	<b>1457</b>	<b>761</b>

Note : The data is based on the Annual reports submitted by the CVOs.

## Appendix III-A(ii)

(Para 3.5)

### Work done by CVOs in 2012 Details of Complaints regarding other employees

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than six months
1	Agriculture	122	54	68	49
2	Atomic Energy	81	44	37	18
3	Banks	6687	6245	442	35
4	Civil Aviation	63	42	21	5
5	Coal	1281	1012	269	84
6	Commerce	133	52	81	51
7	Customs & Excise	1409	697	712	407
8	Defence	356	224	132	85
9	Fertilizers	120	62	58	38
10	Finance	94	82	12	4
11	Food & Consumer Affairs	1609	530	1079	696
12	Govt. of NCT of Delhi	3868	3474	394	103
13	Health & Family Welfare	548	384	164	92
14	Heavy Industry	377	305	72	31
15	Home Affairs	369	226	143	33
16	Human Resource Development	166	98	68	42
17	Income Tax	3603	2386	1217	887
18	Information & Broadcasting	450	293	157	77
19	Insurance	610	352	258	172
20	Labour	686	245	441	297
21	Mines	281	153	128	85
22	New and Renewable Energy	8	8	0	0
23	Petroleum	2423	2059	364	169
24	Power	315	212	103	52
25	Railways	10201	8195	2006	664
26	Rural Development	55	9	46	31
27	Science & Technology	109	38	71	44
28	Steel	1141	972	169	51
29	Surface Transport	720	392	328	172
30	Telecommunication	2515	1114	1401	419
31	Textiles	698	603	95	62
32	Tourism	14	10	4	0
33	Urban Affairs	3403	977	2426	311
34	Water Resources	12	4	8	2
35	Miscellaneous	446	245	201	116
	<b>Total</b>	<b>44973</b>	<b>31798</b>	<b>13175</b>	<b>5384</b>

Note: The data is based on the Annual reports submitted by the CVOs.

## Appendix III-A(iii)

(Para 3.5)

### Work done by CVOs in 2012 Details of Complaints regarding all category of employees

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than six months
1	Agriculture	196	71	125	81
2	Atomic Energy	105	58	47	23
3	Banks	7336	6796	540	42
4	Civil Aviation	79	52	27	8
5	Coal	1329	1052	277	87
6	Commerce	212	70	142	80
7	Customs & Excise	1491	707	784	428
8	Defence	530	327	203	148
9	Fertilizers	140	78	62	41
10	Finance	127	113	14	5
11	Food & Consumer Affairs	1672	575	1097	699
12	Govt. of NCT of Delhi	4228	3593	635	272
13	Health & Family Welfare	562	392	170	93
14	Heavy Industry	572	458	114	34
15	Home Affairs	380	233	147	34
16	Human Resource Development	175	101	74	44
17	Income Tax	3757	2419	1338	969
18	Information & Broadcasting	520	330	190	97
19	Insurance	789	487	302	202
20	Labour	871	401	470	313
21	Mines	300	162	138	91
22	New and Renewable Energy	11	11	0	0
23	Petroleum	2536	2138	398	187
24	Power	375	231	144	79
25	Railways	10337	8285	2052	683
26	Rural Development	78	10	68	42
27	Science & Technology	263	120	143	90
28	Social Justice & Empowerment	8	2	6	0
29	Steel	1215	1033	182	53
30	Surface Transport	831	454	377	202
31	Telecommunication	2649	1184	1465	449
32	Textiles	842	683	159	105
33	Tourism	26	20	6	0
34	Urban Affairs	3487	992	2495	324
35	Water Resources	15	6	9	2
36	Miscellaneous	509	277	232	138
	<b>Total</b>	<b>48553</b>	<b>33921</b>	<b>14632</b>	<b>6145</b>

Note : The data is based on the Annual reports submitted by the CVOs.

## Appendix III-B (Para 3.5)

### Work done by CVOs in 2012 Details of Departmental Inquires against officers (UNDER THE CVC JURISDICTION)

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than six months
1	Agriculture	23	7	16	8
2	Atomic Energy	8	3	5	6
3	Banks	615	333	282	117
4	Civil Aviation	40	20	20	2
5	Coal	32	17	15	9
6	Commerce	54	1	53	24
7	Customs & Excise	488	118	370	326
8	Defence	26	6	20	13
9	Fertilizers	2	1	1	1
10	Finance	2	0	2	2
11	Food & Consumer Affairs	35	5	30	29
12	Govt. of NCT of Delhi	11	5	6	4
13	Health & Family Welfare	9	0	9	9
14	Heavy Industry	16	2	14	5
15	Home Affairs	32	11	21	16
16	Human Resource Development	10	0	10	9
17	Income Tax	30	0	30	30
18	Information & Broadcasting	43	7	36	36
19	Insurance	28	15	13	12
20	Labour	113	13	100	35
21	Mines	16	1	15	11
22	Petroleum	72	48	24	14
23	Power	10	2	8	9
24	Railways	430	129	301	208
25	Science & Technology	79	2	77	75
26	Steel	16	10	6	4
27	Surface Transport	75	20	55	38
28	Telecommunication	155	28	127	111
29	Textiles	8	5	3	0
30	Tourism	46	4	42	26
31	Urban Affairs	94	43	51	14
32	Water Resources	0	0	0	2
33	Miscellaneous	70	20	50	47
	<b>Total</b>	<b>2688</b>	<b>876</b>	<b>1812</b>	<b>1252</b>

Note : The data is based on the Annual reports submitted by the CVOs.

## Appendix III-C (Para 3.5)

### Work done by CVOs in 2012 Details of Departmental Inquires against other employees

S. No.	Department/Sector	Total Received	Disposal	Pending	Pending for more than six months
1	Atomic Energy	108	63	45	27
2	Banks	4553	3223	1330	407
3	Civil Aviation	32	20	12	7
4	Coal	254	109	145	41
5	Commerce	26	5	21	2
6	Culture	1	0	1	1
7	Customs & Excise	1010	335	675	567
8	Defence	146	58	88	42
9	Fertilizers	36	11	25	21
10	Finance	48	20	28	17
11	Food & Consumer Affairs	284	181	103	41
12	Govt. of NCT of Delhi	107	18	89	72
13	Health & Family Welfare	100	31	69	58
14	Heavy Industry	99	45	54	27
15	Home Affairs	520	289	231	101
16	Human Resource Development	5	2	3	3
17	Income Tax	332	37	295	240
18	Information & Broadcasting	22	6	16	16
19	Insurance	233	103	130	76
20	Labour	520	151	369	271
21	Mines	29	8	21	13
22	New and Renewable Energy	1	1	0	0
23	Petroleum	66	20	46	31
24	Power	70	32	38	20
25	Railways	1778	865	913	476
26	Science & Technology	78	37	41	31
27	Social Justice & Empowerment	1	1	0	0
28	Steel	83	49	34	27
29	Surface Transport	356	136	220	180
30	Telecommunication	1547	709	838	570
31	Textiles	51	19	32	10
32	Tourism	46	24	22	20
33	Urban Affairs	62	34	28	14
34	Water Resources	2	0	2	2
35	Miscellaneous	128	43	85	66
	<b>Total</b>	<b>12734</b>	<b>6685</b>	<b>6049</b>	<b>3497</b>

Note : The data is based on the Annual reports submitted by the CVOs.

## Appendix III-D

(Para 3.5)

### Work done by CVOs in 2012 Details of Prosecution Sanctions for all categories

S. No.	Department/Sector	Total cases for sanction	Disposal		Pending	Pending for more than six months
			Sanctioned	Refused		
1	Agriculture	2	2	0	0	0
2	Atomic Energy	1	0	0	1	0
3	Banks	132	87	16	29	0
4	Civil Aviation	2	1	0	1	0
5	Coal	29	29	0	0	0
6	Commerce	5	5	0	0	0
7	Customs & Excise	17	12	2	3	2
8	Defence	10	6	2	2	0
9	Finance	8	1	3	4	0
10	Food & Consumer Affairs	6	6	0	0	0
11	Govt. of NCT of Delhi	41	19	1	21	0
12	Heavy Industry	2	2	0	0	0
13	Home Affairs	8	7	1	0	0
14	Human Resource Development	1	1	0	0	0
15	Income Tax	24	23	0	1	0
16	Information & Broadcasting	3	1	0	2	2
17	Insurance	21	19	2	0	0
18	Labour	18	16	2	0	0
19	Petroleum	5	5	0	0	0
20	Power	1	1	0	0	0
21	Railways	46	41	3	2	0
22	Steel	1	1	0	0	0
23	Surface Transport	10	3	0	7	0
24	Telecommunication	15	14	0	1	1
25	Textiles	3	3	0	0	0
26	Urban Affairs	9	8	0	1	1
27	Water Resources	1	1	0	0	0
28	Miscellaneous	4	2	0	2	0
	<b>Total</b>	<b>425</b>	<b>316</b>	<b>32</b>	<b>77</b>	<b>6</b>

Note : The data is based on the Annual reports submitted by the CVOs.

## Appendix III-E (Para 3.5)

### Work done by CVOs in 2012 Details of punishments awarded (all categories) in cases of Minor penalty proceedings

S. No.	Department/Sector	Reduction to lower stage	Postponement/withholding of increment	Recovery from pay	Withholding of promotion	Censure/warning	No action	Total
1	Atomic Energy	0	1	0	0	7	0	8
2	Banks	773	40	372	4	952	222	2363
3	Civil Aviation	0	8	0	0	7	1	16
4	Coal	3	6	3	0	47	8	67
5	Commerce	2	0	0	0	1	20	23
6	Customs & Excise	5	7	0	0	29	12	53
7	Defence	0	8	0	0	28	1	37
8	Finance	5	8	2	0	5	0	20
9	Food & Consumer Affairs	151	72	2613	3	747	137	3723
10	Govt. of NCT of Delhi	6	1	0	0	39	15	61
11	Heavy Industry	29	5	3	0	50	0	87
12	Home Affairs	2	68	4	59	96	31	260
13	Human Resource Development	0	1	0	0	0	0	1
14	Income Tax	0	0	0	1	3	5	9
15	Information & Broadcasting	2	0	0	3	2	8	15
16	Insurance	37	17	2	41	288	51	436
17	Labour	4	21	1	0	42	9	77
18	Mines	0	0	1	0	1	0	2
19	New and Renewable Energy	1	0	0	0	0	0	1
20	Petroleum	1	5	1	10	53	20	90
21	Power	1	7	4	4	15	6	37
22	Railways	261	3080	11	339	2542	303	6536
23	Science & Technology	3	3	7	0	5	4	22
24	Steel	0	8	0	0	31	1	40
25	Surface Transport	1	5	0	0	21	7	34
26	Telecommunication	13	39	7	1	64	16	140
27	Textiles	0	1	0	41	217	50	309
28	Tourism	0	2	0	2	8	0	12
29	Urban Affairs	4	13	3	0	23	13	56
30	Miscellaneous	3	2	0	0	7	3	15
	<b>Total</b>	<b>1307</b>	<b>3428</b>	<b>3034</b>	<b>508</b>	<b>5330</b>	<b>943</b>	<b>14550</b>

Note : The data is based on the Annual reports submitted by the CVOs.

## Appendix III-F

(Para 3.5)

### Work done by CVOs in 2012

#### Details on punishments awarded (all categories) in cases of Major penalty proceedings

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	2	0	0	0	1	0	4	7
2	Atomic Energy	2	11	8	4	18	18	6	67
3	Banks	27	727	1163	1163	304	283	155	3822
4	Civil Aviation	3	0	11	0	3	5	4	26
5	Coal	1	8	29	13	9	31	27	118
6	Commerce	1	2	1	0	4	1	1	10
7	Customs & Excise	12	12	50	33	9	29	72	217
8	Defence	3	4	2	20	1	3	7	40
9	Fertilizers	0	1	3	1	0	1	0	6
10	Finance	1	10	11	0	0	0	3	25
11	Food & Consumer Affairs	0	53	66	11	157	20	31	338
12	Govt. of NCT of Delhi	6	49	19	19	2	3	14	112
13	Health & Family Welfare	0	14	0	1	2	4	8	29
14	Heavy Industry	0	8	27	12	2	8	3	60
15	Human Resource Development	0	0	0	1	1	0	0	2
16	Home Affairs	3	42	19	6	5	9	18	102
17	Income Tax	3	5	0	0	0	3	23	34
18	Information & Broadcasting	1	5	0	0	1	0	0	7
19	Insurance	6	64	157	54	7	36	16	340
20	Labour	28	12	2	36	20	36	25	159
21	Mines	0	4	0	1	1	2	6	14
22	Petroleum	0	6	14	0	11	24	8	63
23	Power	0	1	3	0	3	6	0	13
24	Railways	8	136	586	407	120	25	80	1362
25	Science & Technology	1	0	3	2	6	4	1	17
26	Steel	0	6	21	5	4	9	10	55
27	Surface Transport	4	11	24	23	7	22	24	115
28	Telecommunication	94	54	33	29	12	15	40	277
29	Textiles	1	44	100	28	0	27	13	213
30	Tourism	0	0	12	0	0	14	0	26
31	Urban Affairs	15	10	37	7	7	8	9	93
32	Miscellaneous	2	11	11	3	7	7	8	49
	<b>Total</b>	<b>224</b>	<b>1310</b>	<b>2412</b>	<b>1879</b>	<b>724</b>	<b>653</b>	<b>616</b>	<b>7818</b>

Note : The data is based on the Annual reports submitted by the CVOs.

## Appendix III-G

(Para 3.5)

### Organizations from whom Annual Report for the year 2012 received

S. No.	Name of the Organizations
1	All India Institute of Medical Sciences
2	Air India Charters
3	Airports Authority of India
4	Allahabad Bank
5	Andhra Bank
6	Andrew Yule & Company Ltd.
7	Assam Rifles
8	Artificial Limbs Manufacturing Corporation Of India.
9	Balmer Lawrie & Co. Ltd.
10	Bank of Baroda
11	Bank of India
12	Bank of Maharashtra
13	BEML
14	Bharat Dynamics Ltd.
15	Bharat Electronics Ltd.
16	Bharat Heavy Electricals Ltd.
17	Bharat Petroleum Corporation Ltd.
18	Bharatiya Nabhikiya Vidyut Nigam Ltd.
19	Bharatiya Reserves Bank Note Mudran (P) Ltd.
20	Bharat Pumps & Compressors Ltd.
21	Bird Group of Companies
22	Board of Apprenticeship Training, Western Region
23	Board of Practical Training(Eastern Region)
24	Border Roads Development Board
25	Border Security Force
26	Brahmaputra Valley Fertilizer Corp. Ltd.
27	Bridge and Roof Co. Ltd.
28	Bharat Sanchar Nigam Limited
29	Bureau of Indian Standards
30	Canara Bank
31	Cement Corporation of India Ltd.
32	Central Bank of India
33	Central Board of Direct Taxes

S. No.	Name of the Organizations
34	Central Board of Excise and Customs
35	Central Board for Workers Education
36	Central Bureau of Investigation
37	Central Coalfields Ltd.
38	Central Cottage Industries Corporation of India Ltd.
39	Central Council for Research in Homoeopathy
40	Central Council for Research in Ayurvedic Sciences
41	Central Electricity Authority
42	Central Warehousing Corporation Ltd.
43	Chennai Petroleum Corporation Ltd.
44	Chennai Port Trust
45	CMPDIL
46	Coal India Ltd.
47	Coal Mines Provident Fund Organisation
48	Cochin Port Trust
49	Cochin Shipyard Ltd.
50	Coffee Board
51	Container Corp. of India Ltd.
52	Controller General of Accounts
53	Controller General of Defence Accounts
54	Corporation Bank
55	Council of Scientific and Industrial Research
56	Central Reserve Police Force
57	Damodar Valley Corporation
58	Dedicated Freight Corridor Corp. of India Ltd.
59	Delhi Development Authority
60	Delhi Jal Board
61	Delhi Metro Rail Corp. Ltd.
62	Delhi Transco Ltd.
63	Delhi Urban Art Commission
64	Dena Bank
65	Department of Administrative Reforms & PG
66	Department of Agriculture and Cooperation

S. No.	Name of the Organizations
67	Department of Animal Husbandry, Dairying & Fisheries
68	Department of Atomic Energy
69	Department of Commerce (Supply Division)
70	Department of Electronics & Information Tech.
71	Department of Fertilizers
72	Department of Heavy Industries
73	Department of Higher Education
74	Department of Rural Department
75	Department of Science & Technology
76	Department of Scientific & Industrial Research
77	Department of Space
78	Department of Telecommunication
79	Dredging Corp. of India Ltd.
80	Delhi Transport Corporation
81	Eastern Coalfields Ltd.
82	EdCIL(India) Ltd.
83	Electronics Corp. of India Ltd.
84	Employees' Provident Fund Organisation
85	Employees' State Insurance Corporation
86	Engineering Projects (India) Ltd.
87	Engineers India Ltd.
88	Ennore Port Ltd.
89	Export Import Bank of India (EXIM BANK)
90	Export Credit Guarantee Corp. of India Ltd.
91	Export Inspection Council
92	FCI (Aravali Gypsum and Minerals India Ltd
93	Ferro Scrap Nigam Ltd.
94	Film And T.V Institute of India
95	Food Corporation of India
96	Gas Authority of India Ltd.
97	Gandhi Smriti & Darshan Samiti
98	Garden Reach Shipbuilders & Engineers ltd.
99	General Insurance Corporation of India
100	Geological Survey of India
101	Goa Shipyard Ltd.
102	Govt. of National Capital Territory of Delhi.
103	Handicrafts & Handlooms Exports Corporation

S. No.	Name of the Organizations
104	Harish Chandra Research Institute
105	Heavy Engineering Corp. Ltd.
106	Hindustan Paper Corporation Ltd.
107	Hindustan Aeronautics Ltd.
108	Hindustan Cables Ltd.
109	Hindustan Copper Ltd.
110	Hindustan Insecticides Ltd.
111	Hindustan Organic Chemicals Ltd.
112	Hindustan Petroleum Corp. Ltd.
113	Hindustan Prefab Ltd.
114	Hindustan Shipyard Ltd.
115	Hindustan Steel Works Construction Ltd.
116	HMT Ltd.
117	Hooghly Dock & Port Engineers Ltd.
118	Hotel Corporation of India Ltd.
119	Housing & Urban Development Corp. Ltd.
120	HSCC Ltd.
121	IDBI Bank
122	Income Tax Department
123	India Infrastructure Finance Company Ltd.
124	India Tourism Development Corp. Ltd.
125	India Trade Promotion of Organisation
126	Indian Bank
127	Indian Bureau of Mines
128	Indian Institute of Information Tech. Design & Manufacturing Jabalpur
129	Indian Institute of Management, Ahmadabad
130	Indian Maritime University
131	Indian Oil Corporation Ltd.
132	Indian Overseas Bank
133	Indian Plywood Industries Research & Training Institute
134	Indian Railway Catering & Tourism Corp. Ltd.
135	Indian Rare Earths Ltd.
136	Indian School of Mines (Dhanbad)
137	Indo Danish Tool Room
138	Indraprasth Power Generation Co. Ltd.
139	Institute of Mathematical Sciences

S. No.	Name of the Organizations
140	Institute of Pesticide Formulation Tech.
141	Institute of Physics
142	Instrumentation Limited
143	Intelligence Bureau
144	International Institute for population Science
145	Inter-state council secretariat
146	IRCON Ltd.
147	IREDA Ltd.
148	ITI Ltd.
149	Jawaharlal Nehru Port Trust
150	Jawaharlal Nehru University
151	Jute Corporation of India Ltd.
152	Kandla Port Trust
153	Karnataka Antibiotics Ltd.
154	Kendriya Bhandar
155	Khadi & Village Industries Commission (KVIC)
156	KIOCL
157	Kolkata Port Trust
158	Konkan Railway Corporation Ltd
159	Life Insurance Co. Ltd.
160	Madras Fertilizers Ltd.
161	Mahanagar Telephone Ltd.
162	Mahanadi Coalfields Ltd.
163	Mangalore Refinery & Petrochemicals Ltd.
164	Mazagon Dock Ltd.
165	MECON LTD.
166	Medical Council of India
167	Metal Scrap & Trade Corporation Ltd.
168	Ministry of Commerce & Industry
169	Ministry of Corporate Affairs
170	Ministry of Defence
171	Ministry of External Affairs
172	Ministry of Food Processing Industries
173	Ministry of Housing & Urban Poverty Alleviation
174	Ministry of Labour & Employment
175	Ministry of Minority Affairs
176	Ministry of Personnel, Public Grievances & Pensions
177	Ministry of Petroleum & Natural Gas

S. No.	Name of the Organizations
178	Ministry of Railways
179	Ministry of Shipping
180	Ministry of Steel
181	Ministry of Textiles
182	Ministry of Urban Development
183	Mishra Dhatu Nigam Ltd.
184	MMTC Ltd.
185	MOIL Ltd.
186	Mormugao Port Trust
187	Mumbai Port Trust
188	NALCO Ltd.
189	National Bank for Agriculture & Rural Development
190	National Book Trust India
191	National Cooperative Consumers' Federation
192	National Cooperative Development Corporation.
193	National Fertilizers Limited.
194	National Highways Authority of India
195	National Housing Bank
196	National Hydro- Electric Power Corporation Ltd.
197	National Institute of Technical Teachers' Training & Research
198	National Insurance Company Ltd.
199	National Jute Manufactures Corporation Ltd.
200	National Power Training Institute
201	National Projects Construction Corporation
202	National Research Development Corporation
203	National Safai Karamcharis Finance & Development Corporation
204	National Scheduled Castes Finance Corporation Ltd.
205	National Sugar Institute, Kanpur
206	National Textile Corp. Ltd.
207	NBCC Ltd.
208	NCR Planning Board
209	New Delhi Municipal Council
210	New India Assurance Company Ltd.
211	New Mangalore Port Trust
212	Neyveli Lignite Corporation Ltd.
213	North Eastern Development Finance Corporation

S. No.	Name of the Organizations
214	North Eastern Electric Power Corporation
215	North Eastern Handicrafts & Handlooms Develop. Corporation
216	Northern Coalfields Ltd.
217	National Thermal Power Corporation
218	Nuclear Power Corporation of India Ltd.
219	Numaligarh Refinery Ltd.
220	Office of Director General of Civil Aviation
221	Office of Seamen's Provident Fund Commissioner
222	Oil and Natural Gas Corporation Ltd.
223	Oil India Ltd.
224	Ordnance Factory Board
225	Oriental Bank Of Commerce
226	Oriental Insurance Company Ltd
227	Paradeep Port Trust
228	Pawan Hans Helicopters Ltd.
229	Pondicherry University
230	Power Finance Corporation Ltd.
231	Power Grid Corporation of India Ltd.
232	Prasar Bharti
233	Press Council of India
234	Projects & Development India Ltd.
235	Projects & Equipments Corpn.
236	Punjab & Sind Bank
237	Punjab National Bank
238	RailTel Corporation of India Ltd.
239	Rashtriya Chemicals & Fertilizers Ltd.
240	Rashtriya Ispat Nigam Ltd.
241	Rehabilitation Council of India
242	REPCO Bank
243	Reserve Bank of India
244	Richardson & Cruddas
245	RITES LTD.
246	Rubber Board
247	Rural Electrification Corporation Ltd.
248	Salar Jung Museum
249	Sashastra Seema Bal (SSB)
250	Satyajit Ray Film & Television Institute

S. No.	Name of the Organizations
251	Scooters India Ltd.
252	Small Industries Development Bank of India
253	Security Printing & Minting Corporation of India Ltd.
254	Shipping Corporation of India Ltd.
255	SJVN Ltd.
256	South Eastern Coalfields Ltd
257	Sports Authority of India
258	State Bank of Bikaner & Jaipur
259	State Bank of Hyderabad
260	State Bank of India
261	State Bank of Mysore
262	State Bank of Patiala
263	State Bank of Travancore
264	State Trading Corporation of India Ltd.
265	Steel Authority of India Ltd.
266	Software Technology Park of India (STPI)
267	Syndicate Bank
268	Tata Memorial Hospital
269	Tehri Hydro Development Corporation
270	Telecommunications Consultants India Limited
271	Tobacco Board
272	Tyre Corporation of India Ltd.
273	UCO Bank
274	Union Bank
275	United Bank of India
276	United India Insurance Co. Ltd.
277	V.O Chidambaranar Port Trust
278	Victoria Memorial Hall
279	Vijaya Bank
280	Visakhapatnam Port Trust
281	Western Coalfields Ltd.

**Appendix-IV**  
(Para 4.7)

**List of organisations yet to submit investigation report on complaints  
forwarded by the Commission as on 31.12.2012**

S. No.	Name of the Department/ Organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one- three years	More than three years
1	Air India	2	3	0
2	Airports Authority of India	3	1	1
3	Aligarh Muslim University	0	2	1
4	All India Council for Technical Education	0	2	4
5	All India Institute of Medical Sciences	0	2	1
6	Allahabad Bank	1	0	0
7	Andaman & Nicobar Administration	1	1	2
8	Andhra Bank	1	0	3
9	Bank of Baroda	2	0	2
10	Bank of India	3	1	0
11	Bank of Maharashtra	1	0	0
12	Bharat Coking Coal Ltd.	1	0	0
13	Bharat Electronics Ltd.	0	1	0
14	Bharat Heavy Electricals Ltd.	1	0	1
15	Bharat Petroleum Corporation Ltd.	4	0	0
16	Bharat Sanchar Nigam Ltd.	5	0	7
17	Brahmaputra Board	0	1	0
18	Bureau of Indian Standards	0	1	0
19	Central Bank of India	0	2	6
20	Central Board of Direct Taxes	27	14	32
21	Central Board of Excise & Customs	29	7	2
22	Central Board of Secondary Education	0	0	1
23	Central Bureau of Investigation	0	4	0
24	Central Public Works Department	13	10	0
25	Chandigarh Administration	0	3	1
26	Comptroller & Auditor General of India	0	0	1
27	Corporation Bank	3	0	1
28	Council for Advancement of Peoples Action and Rural Technology (CAPART)	1	0	0
29	Council of Scientific & Industrial Research	3	0	0
30	Dadra & Nagar Haveli Admn.	0	3	0

S. No.	Name of the Department/ Organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one- three years	More than three years
31	Daman & Diu Admn.	0	2	1
32	Damodar Valley Corporation	3	0	0
33	Delhi Development Authority	30	24	7
34	Delhi Jal Board	7	8	3
35	Delhi Metro Rail Corporation	1	1	0
36	Delhi Police	4	11	7
37	Delhi Transport Corporation	3	4	2
38	Delhi Urban Shelter Improvement Board	2	0	0
39	Dena Bank	3	0	0
40	Department of Corporate Affairs	0	1	0
41	Department of Animal Husbandry and Dairying	0	1	1
42	Department of Atomic Energy	1	0	0
43	Department of Ayush and Homeopathy	1	4	0
44	Department of Bio-Technology	0	2	0
45	Department of Chemicals & Petrochemicals	3	2	0
46	Department of Coal	3	6	0
47	Department of Commerce (Supply Division)	0	1	0
48	Department of Consumer Affairs	0	1	0
49	Department of Defence Production and Supplies	2	5	2
50	Department of Economic Affairs	1	0	0
51	Department of Expenditure	1	0	0
52	Department of Fertilizers	0	1	0
53	Department of Financial Services	10	4	6
54	Department of Food and Public Distribution	1	1	1
55	Department of Health	9	6	4
56	Department of Heavy Industry	0	2	0
57	Department of Ocean Development	0	0	3
58	Department of Posts	6	4	26
59	Department of Science & Technology	2	0	0
60	Department of Scientific & Industrial Research	0	2	0
61	Department of Secondary and Higher Education & D/o Elementary Education And Literacy	17	13	17
62	Department of Space	1	0	0
63	Department of Telecom	4	3	1
64	Department of Women and Child Development	0	1	3
65	Department of Youth Affairs & Sports	0	1	0

S. No.	Name of the Department/ Organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one-three years	More than three years
66	Directorate General of Civil Aviation	2	1	0
67	DSIIDC Ltd.	2	4	6
68	DTL / IPGCL	2	3	0
69	Educational Consultants India Ltd.	2	0	1
70	Election Commission of India	0	1	0
71	Employees' Provident Fund Organisation	2	5	0
72	Employees' State Insurance Corporation	0	1	0
73	Food Corporation of India	1	0	1
74	Govt. of NCT of Delhi	35	80	66
75	Govt. of Puducherry	0	3	0
76	Hindustan Copper Ltd.	0	1	0
77	Hindustan Organic Chemicals Ltd.	1	0	0
78	Hindustan Paper Corporation Ltd.	1	0	0
79	Hindustan Vegetable Oils Corporation Ltd.	0	0	1
80	Housing & Urban Development Corporation	1	1	0
81	IIT, Delhi	0	0	2
82	IIT, Roorkee	0	0	1
83	India Tourism Development Corporation	0	0	1
84	India Trade Promotion Organisation	1	0	0
85	Indian Bank	1	0	0
86	Indian Bureau of Mines	2	0	0
87	Indian Council of Agricultural Research	9	7	3
88	Indian Council of Medical research	0	0	2
89	Indian Oil Corpn Ltd.	2	0	0
90	Indira Gandhi National Open University	0	1	1
91	Intelligence Bureau (IB)	0	0	1
92	Jamia Milia Islamia	0	0	1
93	Jawaharlal Nehru University	0	0	1
94	Kandla Port Trust	0	1	0
95	Kendriya Vidyalaya Sangathan	1	0	0
96	Life Insurance Corporation of India	10	7	0
97	M/o Statistics and Programme Implementation	1	0	1
98	Mahanagar Telephone Nigam Ltd.	1	0	1
99	Mazagon Dock Ltd.	1	0	0
100	Medical Council of India	1	0	0
101	Ministry of Civil Aviation	4	2	0

S. No.	Name of the Department/ Organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one-three years	More than three years
102	Ministry of Commerce	2	2	0
103	Ministry of Culture	0	3	4
104	Ministry of Development of North Eastern Region	0	0	1
105	Ministry of Defence	5	12	2
106	Ministry of Environment and Forests	0	3	5
107	Ministry of External Affairs	0	1	0
108	Ministry of Home Affairs	0	2	2
109	Ministry of Information & Broadcasting	0	9	1
110	Ministry of Information & Technology	5	0	1
111	Ministry of Mines	1	2	0
112	Ministry of Minority Affairs	0	1	0
113	Ministry of New and Renewable Energy	1	0	0
114	Ministry of Parliamentary Affairs	0	0	1
115	Ministry of Personnel, P.G. & Pensions	0	3	0
116	Ministry of Petroleum & Natural Gas	2	1	0
117	Ministry of Power	4	1	0
118	Ministry of Railways	30	6	3
119	Ministry of Road Transport & Highways	1	6	1
120	Ministry of Rural Development	1	1	1
121	Ministry of Shipping	3	1	0
122	Ministry of Social Justice & Empowerment	1	2	5
123	Ministry of Textiles	4	3	0
124	Ministry of Tourism	0	0	2
125	Ministry of Tribal Affairs	0	0	1
126	Ministry of Urban Development	18	15	31
127	Ministry of Water Resources	3	4	0
128	Municipal Corporation of Delhi	59	117	25
129	National Agricultural Coop. Marketing Federation of India Ltd. (NAFED)	0	0	1
130	National Bank for Agriculture and Rural Development (NABARD)	0	2	1
131	National Board of Examinations	0	1	0
132	National Buildings Construction Corporation Ltd.	4	1	1
133	National Cooperative Consumers Federation	0	1	0
134	National Highways Authority of India	7	1	0
135	National Institute of Educational Planning & Administration (NIEPA)	0	0	1

S. No.	Name of the Department/ Organisation	Complaints pending with CVOs for investigation		
		Upto one year	Between one-three years	More than three years
136	National Institute of Technology, Jamshedpur	0	0	1
137	National Insurance Company Ltd.	1	0	0
138	National Productivity Council	0	1	0
139	National Textile Corporation Ltd.	1	0	0
140	National Thermal Power Corporation Ltd.	1	0	0
141	Navodaya Vidyalaya Samiti	0	1	3
142	New Delhi Municipal Council	5	2	0
143	New Mangalore Port Trust	0	0	1
144	Northern Coalfields Ltd.	0	1	0
145	O/o the Dev. Commissioner (SSI)	1	0	0
146	Oil & Natural Gas Corporation Ltd.	3	0	0
147	Oil India Ltd.	1	0	0
148	Ordnance Factory Board	0	4	0
149	Oriental Bank of Commerce	1	0	1
150	Oriental Insurance Co. Ltd.	5	2	0
151	P.G. Institute of Medical Education & Research	1	1	0
152	Pawan Hans Helicopters Ltd.	0	0	1
153	PM's Office	0	1	0
154	Power Grid Corpn. of India Ltd.	1	0	0
155	Prasar Bharati	0	1	0
156	Punjab & Sind Bank	2	1	1
157	Punjab National Bank	4	0	0
158	Rail-Tel Corporation of India Ltd.	1	0	0
159	Reserve Bank of India	2	2	0
160	Shipping Corporation of India Ltd.	1	0	0
161	South Eastern Coalfields Ltd.	1	0	0
162	State Bank of India	8	1	1
163	State Bank of Mysore	0	0	1
164	State Bank of Patiala	1	0	0
165	State Bank of Travancore	3	0	0
166	State Trading Corporation of India	1	1	0
167	Syndicate Bank	1	0	0
168	UCO Bank	1	0	0
169	Union Bank of India	5	0	0
170	United Bank of India	1	0	1
171	United India Insurance Co. Ltd.	3	1	0
172	University Grants Commission	0	1	0
173	Vijaya Bank	1	0	2
	<b>Total</b>	<b>507</b>	<b>509</b>	<b>343</b>

## Appendix-V

(Para 4.8)

### Organisation-wise list of cases in which Commission has not received information about implementation of its advice

S. No.	Name of the Department/ Organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage Advice
1	Air India	9	0
2	Airport Authority of India	3	0
3	All India Institute of Medical Sciences	6	0
4	Allahabad Bank	11	0
5	Andaman & Nicobar Administration	11	6
6	Archaeological Survey of India	1	0
7	Artificial Limbs Mfg. Cor. Ltd.	1	0
8	Balmer Lawrie & Co. Ltd.	8	6
9	Bank of India	14	9
10	Betwa River Board	1	1
11	Bharat Coking Coal Ltd.	2	1
12	Bharat Heavy Electricals Ltd.	4	0
13	Bharat Immunologicals and Biologicals Corporation Ltd.	0	3
14	Bharat Petroleum Corporation Ltd.	4	0
15	Bharat Sanchar Nigam Ltd.	13	28
16	Bharat Wagons & Engineering Co. Ltd.	1	0
17	Border Road Development Board	11	4
18	Brahmaputra Board	2	0
19	Bureau of Indian Standards	3	3
20	Cabinet Secretariat	1	1
21	Canara Bank	2	0
22	Central Bank of India	1	0
23	Central Board of Direct Taxes	15	9
24	Central Board of Excise & Customs	122	106
25	Central Board of Secondary Education	2	0
26	Central Bureau of Investigation	4	2
27	Central Council for Research in Ayurvedic Sciences	1	2
28	Central Industrial Security Force	1	0
29	CMPDIL	1	1
30	Central Public Works Department	13	4

S. No.	Name of the Department/ Organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage Advice
31	Central Reserve Police Force	7	7
32	Chandigarh Administration	2	1
33	Comptroller & Auditor General of India	10	2
34	Container Corporation of India	3	0
35	Controller General of Accounts	7	0
36	Corporation Bank	3	0
37	Council of Scientific & Industrial Research	4	2
38	Daman & Diu and Dadra & Nagar Haveli Admn.	25	9
39	Defence Accounts Department (CGDA)	10	4
40	Delhi Development Authority	11	10
41	Delhi Jal Board	2	3
42	Delhi Transport Corporation	12	6
43	Delhi Urban Shelter Improvement Board	3	0
44	Dena Bank	1	1
45	Department of Agriculture & Cooperation	2	5
46	Department of Animal Husbandry & Dairying	1	1
47	Department of Atomic Energy	2	0
48	Department of Ayush	0	4
49	Department of Chemicals & Petrochemicals	1	4
50	Department of Coal	4	1
51	Department of Commerce (Supply Division)	3	1
52	Department of Consumer Affairs	1	0
53	Department of Corporate Affairs	5	1
54	Department of Defence Production	15	11
55	Department of Economic Affairs	5	1
56	Department of Education	12	3
57	Department of Expenditure	1	0
58	Department of Fertilizers	3	0
59	Department of Food & Public Distribution	2	0
60	Department of Heavy Industry	3	2
61	Department of Industrial Policy	5	2
62	Department of Pharmaceuticals	1	0
63	Department of Posts	7	4
64	Department of Public Distribution	2	0
65	Department of Revenue	12	3
66	Department of Science & Technology	2	1

S. No.	Name of the Department/ Organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage Advice
67	Department of Space	1	1
68	Department of Sugar & Edible Oils	1	0
69	Department of Telecommunications	29	19
70	Department of Women & Child Development	1	0
71	DSIIDC Ltd.	8	0
72	DTL/IPGCL	2	2
73	Eastern Coalfields Ltd.	1	6
74	Employees' Provident Fund Organisation	25	7
75	Employees' State Insurance Corporation	3	1
76	Food Corporation of India	1	0
77	Govt. of NCT of Delhi	17	13
78	Govt. of Puducherry	14	1
79	Handicraft and Handloom Export Corporation	1	0
80	Hindustan Aeronautics Ltd.	2	2
81	Hindustan Antibiotics Ltd.	1	0
82	Hindustan Copper Ltd.	3	0
83	Hindustan Fertilizers Corpn. Ltd.	0	4
84	Hindustan Latex Ltd.	1	0
85	Hindustan Organic Chemicals Ltd.	0	2
86	Hindustan Vegetable Oils Corpn. Ltd.	1	0
87	HMT Ltd.	2	1
88	Hotel Corp. of India Ltd.	2	0
89	Housing & Urban Development Corp.	5	0
90	HSCC Ltd.	1	0
91	Indira Gandhi Rashtriya Manav Sangrahalaya	1	0
92	IIT, New Delhi	1	0
93	IIT, Kanpur	1	0
94	India Trade Promotion Organisation	9	8
95	Indian Bank	3	0
96	Indian Council of Agricultural Research	3	1
97	Indian Council of Medical Research	1	0
98	Indian Oil Corporation Ltd.	6	10
99	Indian Overseas Bank	6	0
100	Indian Rare Earths Ltd.	0	3
101	Indian Telephone Industries Ltd.	3	0
102	Indian Trade Promotion Organisation	3	5

S. No.	Name of the Department/ Organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage Advice
103	Indira Gandhi National Open University	1	0
104	Industrial Development Bank of India	2	0
105	Inland Waterways Authority of India	1	0
106	Intelligence Bureau (IB)	0	1
107	IRCTC Ltd.	1	0
108	Kandla Port Trust	5	0
109	Kendriya Vidyalaya Sangathan	27	6
110	Khadi & Village Industries Commission	16	12
111	Kolkata Port Trust	0	1
112	Konkan Railways Corporation Ltd.	2	0
113	Krishak Bharti Cooperative Ltd.	2	0
114	Lakshadweep Administration	8	0
115	Life Insurance Corporation of India	1	0
116	Madras Fertilizers Ltd.	0	1
117	Mahanadi Coal Fields Ltd.	3	0
118	Mazagon Dock Ltd.	0	4
119	Medical Council of India	1	0
120	Metal Scrap Trade Corporation	1	0
121	Metallurgical Engg. Consultants India	4	0
122	Ministry of Civil Aviation	5	0
123	Ministry of Commerce	3	5
124	Ministry of Culture	3	0
125	Ministry of Defence	17	7
126	Ministry of Development of NER	2	4
127	Ministry of Environment & Forests	10	3
128	Ministry of External Affairs	8	1
129	Ministry of Food Processing Industries	1	0
130	Ministry of Health & Family Welfare	9	6
131	Ministry of Home Affairs	26	7
132	Ministry of Information & Broadcasting	15	7
133	Ministry of Information & Technology	3	3
134	Ministry of Mines	3	4
135	Ministry of Minority Affairs	1	0
136	Ministry of MSME	2	0
137	Ministry of Overseas Indian Affairs	2	0
138	Ministry of Personnel, P.G. & Pensions	36	13

S. No.	Name of the Department/ Organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage Advice
139	Ministry of Petroleum & Natural Gas	1	3
140	Ministry of Power	5	1
141	Ministry of Railways	231	63
142	Ministry of Rural Development	0	1
143	Ministry of Shipping	7	2
144	Ministry of Small Scale Industries	5	0
145	Ministry of Social Justice & Empowerment	6	1
146	Ministry of Statistics & Planning Implementation	2	0
147	Ministry of Steel	1	2
148	Ministry of Surface Transport	1	0
149	Ministry of Textiles	7	14
150	Ministry of Tourism	3	0
151	Ministry of Tribal Affairs	1	0
152	Ministry of Urban Development	30	15
153	Ministry of Water Resources	3	0
154	Ministry of Youth Affairs & Sports	4	0
155	MMTC Ltd.	2	1
156	MOIL	0	3
157	Mumbai Port Trust	3	1
158	Municipal Corporation of Delhi	30	44
159	National Agricultural Coop. Marketing Federation (NAFED)	2	0
160	National Aluminium Company Ltd.	2	2
161	National Buildings Construction Corporation Ltd.	2	4
162	National Cooperative Consumers Federation of India	3	4
163	National Cooperative Development Corporation	1	0
164	National Highways Authority of India	16	0
165	NHPC Ltd.	4	1
166	National Institute of Electronics and Information Technology (erstwhile DOEACC Society)	2	0
167	National Insurance Co. Ltd.	1	0
168	National Open School of Learning	2	0
169	NPCC Ltd.	3	0
170	National Remote Sensing Agency	0	2
171	National SC & ST Finance & Development Corporation	1	0

S. No.	Name of the Department/ Organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage Advice
172	National Small Scale Industries Corporation Ltd.	0	2
173	Navodaya Vidyalaya Samiti	3	1
174	NEPA Ltd.	1	0
175	New Delhi Municipal Council	4	0
176	New India Assurance Company Ltd.	1	0
177	New Mangalore Port Trust	3	1
178	Northern Coalfields Ltd.	2	4
179	Oil & Natural Gas Corporation Ltd.	1	0
180	Ordnance Factory Board	2	0
181	Oriental Bank of Commerce	20	4
182	P.G Institute of Medical Education & Research	2	0
183	Power Grid Corporation of India Ltd.	1	6
184	Prasar Bharti	1	0
185	Projects & Equipments Corporation of India Ltd.	1	0
186	Punjab National Bank	3	0
187	Registrar General Of India	1	3
188	RITES Ltd.	1	0
189	Sasstra Seema Bal	4	1
190	Satluj Jal Vidyut Nigam Ltd.	1	0
191	Scooters India Ltd.	1	0
192	Security Printing & Minting Corpn. of India Ltd.	1	0
193	Software Technology Parks of India	4	0
194	South Eastern Coalfields Ltd.	2	12
195	Sports Authority of India	4	2
196	Staff Selection Commission	1	0
197	State Bank of Bikaner & Jaipur	3	0
198	State Bank of Hyderabad	0	1
199	State Bank of India	35	3
200	State Bank of Mysore	2	0
201	State Bank of Patiala	8	2
202	State Bank of Travancore	9	7
203	State Trading Corporation of India	2	2
204	Steel Authority of India Ltd.	4	0
205	Syndicate Bank	28	0
206	Tata Memorial Centre	0	1
207	Tea Trading Corporation of India Ltd.	0	1

S. No.	Name of the Department/ Organisation	No. of cases pending implementation of CVC's advice for more than six months	
		First Stage Advice	Second Stage Advice
208	Tribal Coop. Mktg. Development Federation (TRIFED)	0	1
209	Triveni Structural Ltd.	1	0
210	UCO Bank	8	1
211	Union Bank of India	1	0
212	United Bank of India	7	0
213	United India Insurance Company Ltd.	0	2
214	University of Delhi	1	3
215	Vijaya Bank	9	0
216	Visakhapatnam Port Trust	12	6
217	Western Coalfields Ltd.	11	7
	<b>Total</b>	<b>1424</b>	<b>683</b>

## Appendix-VI (Para 5.11)

### Some important prima facie irregularities observed during intensive examinations of various organisations.

- 1 In a tender awarded by a PSU Sector Bank for supply, installation and commissioning of 1000 ATMs including site preparation valuing about ₹60 crores, it was observed that the cost estimate was prepared on higher side and without any justification on record. The cost estimate was not prepared diligently as became evident from the offered rates of the bidders in the tender. The bids received were far lower than the estimated cost by a margin of 22% to 30%.

It was also observed that during first call of tenders, one of the eligibility conditions was that the bidder should have past experience of 1000 ATM installations in the stipulated period. On the grounds of promoting more competition, this condition was relaxed to 500 ATMs. However, a new condition requiring bidders to secure above a cut-off score of 75% as per a newly developed matrix was incorporated in the second call of tenders. This was not on justified reasons. It was seen that as per the new condition, the bidders with even past experience of 1000 ATM installations could not have scored more than cut-off 75% score even if they scored 100% against all other parameters. Thus, during 2<sup>nd</sup> call of the tender a more restrictive criterion was brought in the tender through a different evaluation methodology defeating the stated purpose of promoting competition.

- 2 In a tender awarded by a PSU bank valuing about ₹16.75 crores pertaining to procurement and installation of ATMs, the scope of work involved supply of 250 ATMs, including maintenance and site preparation work for about 125 locations. As per the tender conditions, the cost of site preparatory work was not to be considered for comparison of the bid prices even though there was a condition that overall L-1 bidder will have to match the L-1 price of civil work from any of the bidders. Such a clause practically eliminated any incentive for the bidders to quote competitive civil work prices. Further, cost towards AMC was to be considered for bid price comparison even though such cost was not included in the cost estimate. Despite the tender condition requiring successful bidder to match L-1 civil work rates from any of the bidder, higher rates for civil work were accepted by the Bank resulting in a loss of about ₹1.7 crores. Further, as per tender conditions quoted price was inclusive of all taxes except Octroi and local taxes but the Bank was paying service tax also extra to the contractor for AMC and civil work charges which was beyond the terms of the contract.
- 3 In an aviation sector PSU, it was decided to procure new Enterprise Resource Planning (ERP) software. Earlier the Organisation was using particular ERP software. Even without any effort

or deliberations on the possibility of upgrading the same, a new ERP package along with its implementation, at a total cost of about ₹225 crore was procured on nomination basis. Out of this cost, a cost of about ₹155 crores, pertained to customization and support. There appeared no satisfactory explanation of awarding the contract on nomination basis especially the implementation part. The cost was justified on the ground that the bidder has confirmed the cost to be at par with DGS&D rates. The DGS&D rates were on man month basis and the bidder had calculated the cost based on 3060 man months. Whether indicated time, man-months were justified or not was not deliberated. The cost breakup in the contract was also not matching with this contention of the bidder and prima facie the cost paid was exorbitant. The payment in the contract was also not linked to putting in the indicated number of man months by the contractor.

- 4 In the tender award process for a work pertaining to expansion of a steel plant at a cost of about ₹192 crores by a PSU, it was observed that the tender conditions provided for techno-commercial discussions before opening of their price bids. Consequent to agreed changes during such discussions, bidders were to submit 'Incremental/Decremental Price' with respect to original bid price with price breakup/justification for variation in bid price due to changes resulting from techno-commercial discussions/clarifications. However, it was observed that instead of adjustment price bid, the revised price bids were called from the technically qualified bidders. Seeking totally revised price bids was not only in contravention to the tender conditions but also provided opportunity to the bidders for cartelization. All the price bids were considerably high compared to the estimated cost. Even with the worked out justified price, the lowest price was higher by 13%. Further deduction of 1% of bill amount towards Construction Workers' Welfare Cess was not done on an unjustified plea of its non-applicability as per Factory Workers' Act. On being pointed out, the organization agreed for recovery from contractor.
- 5 In a contract valuing about ₹63 crores awarded by a central PSU for construction of the hospital building, it was observed that the surcharge and educational cess on income tax were not deducted from the contractor's running bills. ESI contribution was also not deducted in some bills. Further, it was also observed that as per the Contract, the contractor was allowed advance to the extent of 75% towards the value of material to be adjusted against the payment for the work item within three months. It was noted that substantial payment were made for steel items and this amount was not adjusted during the payment for the work item involving use of these steel items. Thus, the contractor got full payment for the item work besides retaining the advance amount for the steel items, and double financial benefit got extended to the contractor.

- 6 In a work awarded by a Central Corporation to a State PSU pertaining to construction of a 500 bedded hospital costing about ₹139 crores, it was observed that work was awarded to the State PSU on nomination basis without any justifiable reason. This was in violation of the Commission's guidelines regarding competitive award of tender. The State PSU in turn awarded the work to a private contractor. During this tender process the successful bidder was considered qualified based on past performance of having completed a work costing about ₹118 crores. However, factually the work was partially completed to the extent of ₹10 crores, only and with this progress this bidder did not qualify based on the tender qualification criteria of having completed one work of at least 80% of the estimated cost. The average annual financial turnover during the stipulated period was accepted as ₹68 crores, whereas from the documents it was evident that average annual turnover during this period was around ₹1 crore only. Further, in the tender process only 2 contractors had participated and thus, it appeared that the work was awarded to an ineligible agency and that too without adequate competition. It was observed that the contract provided for escalation in rates with base date at par with base date of Delhi Schedule of Rates (DSR) – 2007. For non DSR items, base date for escalation was 28 days before the receipt of tender. It was found that while making payment escalation based on prevailing cost index as on last date of receipt of tender working out to 12% was added to the quoted bid price for the purpose of payment in addition to escalation clause in the contract. Further, extra items were added during the contract execution for which 36% cost escalation was agreed. The wrong methodology of calculation of cost escalation passed on undue benefit to the extent of about ₹14 crores.
- 7 In a contract valuing about ₹13 crores, pertaining to construction of shore protection work for prevention of Tsunami related effect along sea coast awarded by a Government Organization, it was observed that the contract provided payment of advance money on mobilization of boulders. The advance so extended to the contractor was to be adjusted against final payment when made for work item using boulders. During site verification, in the ground balance i.e. the quantity of boulders paid less boulders finally put to work, a shortage of about 9,400 cum of stone boulders was noticed valuing about ₹3.4 crores out of total book balance of 12,000 cum. The department could not produce transportation records of the boulders stated to be brought through ship from the main land, at a distance of more than 500 Km. In another work similar discrepancy of 12,400 cum was noticed valuing about ₹4.5 crores. Thus, it was obvious that the payments were made before they were due and also the government finances were exposed to risk without any collateral from the contractor. It was also observed that for construction of concrete wall, design mix concrete of grade M30 was being used with cement content of 490 Kg/cum As per the contract, cement was to be supplied by the organisation to the contractor free of cost. As per stipulations in IS code, maximum cement content is 450 Kg/cum for M30 grade cement concrete. It was therefore evident that excess quantity of cement was being issued free of cost by the department which was not only a wasteful

expenditure, but also opened up possibility of cement pilferage by the contractor.

- 8 In a consultancy contract valuing about ₹13 crores pertaining to third party supervision of the work of construction of a power plant it was observed that the contract was awarded to a private consultant on nomination basis. The selection of a consultant on nomination basis for a substantial value was not justified and also not in line with the CVC guidelines. Serious supervision failure on the part of the consultant was noticed as even the visible steel reinforcement in the lifts of the cooling tower was not meeting the specifications. Apart from this no provisions for professional liability was kept in the consultancy contract. In the process of award of work, costing about ₹4,300 crores, it was observed that the qualification criteria prescribed in the tender was ambiguous as no time limit was indicated during which past experience would be considered. The CVC guidelines provided a general yardstick of 7 years which was not incorporated in the tender documents. This ambiguity facilitated a bidder to get qualified based on 17 year old experience of a company which was taken over by this bidder. Further, only one bid was received against the call of tenders which was accepted. It was evident that the bidder was qualified based on ambiguous qualification criteria and without adequate competition. During the contract execution it was observed that the contractor failed miserably to meet the contracted specifications and major quality deficiencies were observed. Further, it was observed that as per the contract conditions, change in rate of tax was to client account. The service tax which was prevailing at 12.36% at the time of award of contract got reduced to 10.3%. But no cost adjustment on this account were made on the contract value of more than ₹800 crores, where this variation was applicable.
- 9 In a case of award of tender pertaining to selection of an architectural consultant for design of institution building of a central educational institution it was observed that selection was undertaken on the basis of scores obtained by the competing consultants on certain parameters and marking scheme, which was not disclosed in the Request for Proposal (RFP). The consultancy work was awarded to the highest scoring consultant without a competitive bidding at a negotiated fee of 2.75% of the cost of work. This was found to be in violation of CVC guidelines, which stipulates that the consultant should be appointed through a competitive bidding process and in a transparent manner.
- 10 In a comprehensive work pertaining to construction of a mess-cum-hostel building comprising of both electrical and civil works costing around ₹3 crores, it was observed that work was taken up without administrative approval and expenditure sanction of the Competent Authority. Further, work was taken up without technical sanction to the detailed estimate. The detailed estimate appeared to have been prepared at inflated cost. During the tendering process part of the work pertaining to electrical items was taken out from

the scope of the composite tender after receipt of bids. This not only changed the *inter-se* position of the bidders but also excluded some essential electrical works from the scope. The tender process was non-transparent and excluded some essential items from the scope of work.

- 11 In a work of construction of prison complex by a Central Government Department costing around ₹148 crores, the justified rate which forms the basis for award of work was inflated by adopting non-standard coefficients of analysis of rates in spite of availability of standard analysis of rates. Further, in the cost estimate, cost pertaining to ready mix concrete was taken whereas as per contract, lesser costing site prepared design mix concrete was allowed. This resulted in award of work at higher rate.
- 12 During a surprise inspection of a coal washery receiving coal for washing from a Coal sector PSU, it was observed that the quality parameters of the washed coal were inferior even to the coal being supplied for washing. The objective of coal washing was to improve the Gross Calorific Value (GCV) and to bring down the ash content. During the sample testing, it was found that the quality of washed coal was inferior to the coal being supplied for washing. While GCV and ash content of the coal being supplied to washery was found to be ranging between 4500 – 4600 K.Cal./kg (GCV) and 30-32% ash content, these parameters were found inferior in the washed coal at GCV ranging from 2,900 – 3,300 K. Cal./kg and ash content ranging from 47 – 51%. Thus, it appeared that in the process of washing, some inferior quality coal was being mixed in the coal washery, a private sector entity. The end user of washed coal was a State government electricity board who allowed the coal washing company to retain coal rejects in lieu of a rebate of ₹25/- per MT in washing charges. It was worked out that this arrangement amounted to undue benefit of more than ₹400/- per MT to the coal washing company. This was also in contravention to the agreement between the Coal PSU and the State Electricity Board.
- 13 In a case of civil works pertaining to construction of a power plant of a Central PSU costing about ₹92 crores, it was observed that the contract provided a mix of fly ash and cement, in concrete. The cement was to be supplied free of cost by the organisation. On the plea of non availability of fly ash in the required fineness, the use of fly ash was dispensed with. It was however observed that a substantial quantity of fly ash was being generated in the organisation's own plant at the same location and fly ash produced was being used by the adjoining cement industry. Thus, if cement plants could use fly ash in their production, the same could have also been used by the contractor also. The decision to dispense with the use of fly ash was therefore, unjustified and resulted in avoidable expenditure. It was also observed that in items of steel fabrication, the contract provided for cleaning of surface through shot

blasting (tiny steel balls) method. During the inspection it was found that no proper record was maintained to establish that the cleaning of steel fabrications was actually done through shot blasting or through a cheaper process i.e. sand blasting. The cost difference between shot blasting and sand blasting was of the order of ₹1,100/- per MT. Thus, proper procedures were not in place to safeguard against the possibility of contractor using cheaper process. Some of the correspondence available on record pointed to a possibility of usage of sand blasting instead of shot blasting.

- 14 In a road work contract awarded by a Central PSU, it was observed that there was an item of kerb of concrete. Below the kerb, a base concrete of M-10 grade is required to be laid. As per the contract the item price of kerb included the price of base concrete and no separate payment for base concrete was admissible. It was found that in contravention to the contract conditions; cost of M-10 base concrete was paid separately and undue benefit of ₹1.6 crores got passed on to the contractor.

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**Appendix-VII**  
(Para 5.12)

**System improvements initiated by various organizations during 2012 on the advice of the Commission/CTEO.**

- 1 In one of the Central PSUs, the contract provided for deployment of adequate technical staff on the project by the contractor. However no specific provision indicating minimum number of technical staff along with work experience was incorporated in contract. Besides, there was no provision for recovery in the contract for non deployment of technical staff. When pointed out, the organization issued a circular for incorporating suitable clause in the tender/contract, indicating minimum number and experience of technical staff to be deployed on project, besides clause for recovery in case of non deployment of such staff.
- 2 In one of the Central PSUs, milestone clause was not being incorporated in contracts awarded to private agencies on the plea that such clause was not appearing in the contract placed on them by the client department. It was suggested that in order to have an effective control over contract execution by a private agency, it was necessary to incorporate milestone clause even in those contracts where such provisions may not exist in the contract placed on them by their client.
- 3 In one of the Railway PSUs, hindrances on administrative account were being recorded on account of heavy rains even in those contracts, where completion time included rainy season. In such cases, the contractor would have already factored in such aspects before accepting the completion time. When pointed out, the PSU issued a circular prohibiting forbidding considering such hindrances on administrative grounds at the time of extension of time to the contractors.
- 4 In a contract placed by one of the Railway PSUs, it was observed that cuttings, corrections, over-writings and insertions were certified only on those pages of bids where these appeared. It was advised that in order to avoid tampering of bid at later stage, corrections, cuttings, over writings and insertions should be certified on all pages of bids and in case there is no correction/cutting/over writing/insertion at any page, 'NIL' should be recorded. The PSU agreed and issued appropriate system improvement circular.
- 5 In a work being executed by a Central PSU, it was observed that no upper ceiling on the fee payable to the Architect Consultant was fixed in the contract. Thus the consultant was having an option of increasing the cost of work in order to claim more fees as the fee was chargeable as a fixed percentage of the project cost. On being pointed out, the PSU issued a circular for capping the consultant fee on the basis of the least of (a) Sanctioned estimate cost, (b) Accepted tender cost and (c) Actual completion cost.

- 6 In a Government authority, it was observed that the contract was being wrongly interpreted and payments towards supply of material was being made at the escalated rates by taking into account the escalation up to the time when the material was put to final use. However, there was clause in the contract allowing 75% secured advance on receipt of the material at site. It was pointed out to the organization that the escalation towards cost of supply of material is to be calculated up to the date of supply for the material. The department issued an appropriate circular incorporating this clarification for on-going and future contracts.
- 7 The issue of non stipulation of residual bid capacity assessment in the pre-qualification criteria was taken up with the Central PSU. In absence of such a criteria, the contractors tend to take works much beyond their capacity, with the result that works get delayed. The suggestion was accepted and an appropriate circular was issued indicating the methodology for assessment of the residual capacity in the tender documents.
- 8 The practice followed in a Corporation allowing only departmentally registered contractors to participate in the works tenders was taken up. The department was providing access password to registered contractors only. This was against the basic concept of web publishing as other intending contractors could not participate in the tender process. The Department agreed with the suggestion to allow outside agencies also for participation in e-tendering.

### **Systems improvements for Railway Passengers**

9. The Commission while reviewing vigilance matters with the Railway Board has been advocating for enhancing transparency in all areas of activities especially passenger amenities. Reservation of tickets under 'Tatkal' scheme has been a major cause of concern, as a number of complaints were received alleging irregularities in this area. Some of the improvements undertaken by Railways in 'Tatkal' booking scheme are:
  - (i) Reduction in advance reservation period from two to one day.
  - (ii) Refunds not to be granted immediately on cancellation of confirmed tickets except in cases of special circumstances like trains running late/cancellation of trains etc.
  - (iii) Non-issue of duplicate 'Tatkal' tickets under normal circumstances.
  - (iv) Tickets to be issued on production of self-attested photocopy of one of the prescribed proofs of identity.
  - (v) Authorised Agents denied access to 'Tatkal' booking (both through internet and PRS counters) between 1000 hrs to 1200 hrs.
  - (vi) Reservation restricted to maximum of 4 passengers per PNR.

- (vii) Web service agents permitted to book only one 'Tatkal' ticket per train per day on inter-net after 1200 hrs.
- (viii) Timing of opening of booking under 'Tatkal' scheme staggered to 1000 hrs as against 0800 hrs for general tickets.

Railways have also deployed CCTV Cameras at passenger reservation systems (PRS). This has facilitated a continuous vigil on the activities of touts and other suspicious characters. The Commission has also suggested that the names of the TTEs should be displayed both inside and outside the coach.

### **Systemic Improvements in Banks/Insurance Companies**

#### **10. Misuse of authority by CMD/ED of Public Sector Banks.**

On examining a report from Department of Financial Services (DFS), relating to allegations of misuse of delegated authority in credit matters by Executive Director (ED) of a public sector bank, it was found that vesting of financial powers in one hand at the top management level is detrimental to the interest of the bank. Based on the Commission's observations, notification dated 05.12.2011 was issued by DFS to all Public Sector Banks (PSBs) for delegation of financial powers to Credit Approval Committee of the Board. However, the increase in power given to the Credit Approval Committee and the quorum needs a relook and DFS is looking into efficacy of the new system including exercise of powers of CMD to modify operational issues post Management Committee of Board or Credit Authorization Committee approval.

#### **11. Unethical practice adopted by a borrower company to raise loans from various PSBs.**

While examining a report received from Department of Financial Services, in a complaint alleging raising of substantial loans from various banks unscrupulously, it was observed that the said borrowing company has availed substantial loans from various banks under multiple banking arrangements. Commission advised DFS on 08.11.2012 to take a considered view on advising the financing banks to consider the formation of Consortium to have better control and monitoring of the loan availed by the company and other group accounts. DFS is yet to inform the action taken.

#### **12. Irregularities in appointment of Shareholder Directors in Public Sector Banks.**

The Commission sought comments of DFS on a complaint alleging malpractices being adopted in the election of Shareholder Directors in Public Sector Banks. As systemic deficiencies were observed in the process of appointment of Shareholder Directors, the Commission has referred the matter on 09.11.2012 to Reserve Bank of India (RBI) for examination including the tenure of such Directors on Boards of various banks.

13. Irregularities committed by Advocates/CAs/Valuers/Surveyors on the panel of Public Sector Banks/Insurance Companies.

While analyzing cases involving Public Sector Banks/Insurance Companies, it has been observed that professionals empanelled by Banks/ Insurance Companies viz Advocates, Engineers/Valuers, Chartered Accountants, Surveyors etc are sometimes involved in unfair practices including false/distorted reports which ultimately lead to fraudulent availment of loans in the Bank or large amount of claim settled in Insurance Companies. As per prevailing practice the maximum penal action bank's take is to de-panel such professionals for future assignments. Since, decision taken based on such reports result in huge loss to the organization, mere de-panelment does not serve as a deterrence to such unscrupulous professionals. The Commission therefore advised DFS to issue general guidelines to all Public Sector Banks/ Insurance Companies so that they can approach their professional bodies viz. Bar Council of India, ICA/ICWAI for acts of professional misconduct of such persons. Instructions have been issued to all commercial banks and that further banks would also report such instances to Indian Banks Association (IBA) for preparing a caution list of such third parties, including professionals involved in frauds, for circulation amongst banks. Department of Financial Services has issued a circular on 30.07.2012 to CEOs of all public sector banks.

14. Irregularities in sale of Insurance & Mutual Fund products by various banks.

From various complaints received in the Commission, it was observed that some banks have adopted malpractices, mainly the new generation private sector banks to mis-sell third party products such as Insurance and Mutual Fund products to their customers, without consent of customers or without explaining properly about the product to the prospective customers. To curb such activity, the Commission advised RBI to take suitable steps to eliminate customer dissatisfaction in the matter. RBI had taken up the matter with Insurance Regulatory Authority of India (IRDA) and SEBI. IRDA has confirmed issuing the necessary guidelines in this regard. SEBI is yet to inform the action taken.

15. Irregularities in takeover of advance accounts among Public Sector Banks.

While examining vigilance cases in the Commission, it was observed that many takeover loans by Banks from other Banks are becoming non-performing asset (NPA) within a short span (quick mortality cases) and lot of lapses are observed on the part of the Bank staff resulting in huge loss to the Banks. While it is the Banks who have to value credit risk while sanctioning such loans at various levels, it is found out during examination of most of the cases that certain modus operandi are employed by some bank officials and rogue borrowers. On this issue, Commission has advised DFS to have a relook into the format of credit opinion and to take it up with PSBs to take suitable precaution in their respective Banks while sanctioning credit facilities in case of takeover of loans from other Banks and also to create more awareness at the field level about such type of loans and the risks involved. DFS has issued a communication to all CEOs of public sector banks on 06.07.2012.

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## Vigilance Awareness Week 2012 Activities in CVC



## INTRODUCTION OF VALUES AND HONESTY IN SCHOOLS

Commission had suggested introduction of moral curriculum and values of honesty and integrity in the schools. Central Board of Secondary Education (CBSE) has introduced “The Values Education Kit” in the presence of Shri M.M. Pallam Raju, Minister of Human Resource Development at a function held on 1.11.2012 during the Vigilance Awareness Week, 2012. The Kit consists of a Values Education Handbook for teachers and a CD with songs. The kit also has activity cards for students from nursery to standard XII. CBSE has made the process more inclusive by making value education an essential part of curricular and co-curricular activities. In these efforts, the CBSE has decided to follow an inter disciplinary approach in value education where values are intermingled with the content of all major subjects in class IX to XII and students would be assessed for 5% weighting in each subjects through questions which will be integrated with the content of the subject and analysed on the basis of the values it reflects.

On this occasion, addressing the participants, Central Vigilance Commissioner lauded the initiative of launching the Values Education Kit. Speaking about the ill-effects of corruption, he said that corruption was a hurdle in our development efforts, distorted our priorities, undermined the Rule of law and encouraged underhand activities. Government funds and benefits do not reach the intended beneficiaries, with the poor being the worst sufferers. When funds meant for building schools or buying books were siphoned off, education was, in fact, being stolen from our children. CVC emphasized that value education at the school level was very important for promoting ethical values in the society.



CBSE 'Values Education Kit' was launched by Union Minister of Human Resource Development, Dr. M.M. Pallam Raju in New Delhi. The dignitaries in the picture are (L to R) - Secretary, Higher Education, MHRD, Shri Ashok Thakur, Central Vigilance Commissioner, Shri Pradeep Kumar, Union Minister of HRD, Dr. M. M. Pallam Raju, Minister of State, MHRD, Dr. Shashi Tharoor, Secretary, School Education and Literacy, MHRD, Shri R. Bhattacharya and Joint Secretary, MHRD, Shri Amit Khare.



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