



COMPENDIUM

October, 2012

CVC CIRCULARS & GUIDELINES

Compiled by :

VIGILANCE DEPARTMENT
EASTERN COALFIELDS LIMITED
SANCTORIA

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सत्यमेव जयते

केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023
Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi 110023

सं./No. 012/VGL/063 (pt. 3)

दिनांक / Dated 08.10.2012

MESSAGE

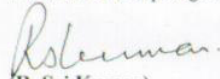
Vigilance Awareness Week 29th October to 3rd November, 2012

Central Vigilance Commission has been striving to promote transparency and integrity in various Central government offices and public sector organizations. Observance of Vigilance Awareness Week every year is an effective outreach measure for inclusive participation of citizen and stakeholders. The Commission expects all public officials to work with utmost sincerity and integrity. This demands consistency between core values of integrity and public actions. It also requires moral courage to act on these values even if doing so requires sacrifice. Public officials need to act without fear or favour.

The theme for this year's Vigilance Awareness Week is "Transparency in Public Procurement". Public procurement encompasses procurement of goods, works and services by all public organizations. Public Procurement is an activity vulnerable to corruption. While lack of transparency and violation of laid down procedures needs to be curbed, steps are also required to ensure fair competition and objectivity in selection assuring value for money. Therefore, the Commission's effort is to emphasize transparency, accountability and probity in public procurement.

The Commission expects that the public authorities will undertake a review of their public procurement policies/ methods and introduce systemic changes. The Commission emphasizes these authorities to act as enabler for leveraging of technology and make substantial measurable progress in this regard in the coming days.

Let us all take a pledge to unite in the fight against corruption.


(R. Sri Kumar)
Vigilance Commissioner


(J.M. Garg)
Vigilance Commissioner


(Pradeep Kumar)
Central Vigilance Commissioner



राकेश सिन्हा
Rakesh Sinha

अध्यक्ष-सह-प्रबन्ध-निदेशक
Chairman-cum-Managing Director



ईस्टर्न कोलफील्ड्स लिमिटेड
EASTERN COALFIELDS LIMITED

(कोल इंडिया लिमिटेड की एक सहयोगी संस्था)

(A Subsidiary of Coal India Limited)

सांकतोड़िया, पो० अ० : डिसरागढ़

SANCTORIA, P. O. DISHERGARH

जिला : बर्दमान (प. बं.) पिन-713333

Dist. Burdwan, West Bengal, PIN-713333

MESSAGE

It gives me great pleasure to learn that Vigilance Department, ECL is observing the Vigilance Awareness Week from 29th October, 2012 to 3rd November, 2012 in pursuance of instructions issued by the Central Vigilance Commission.

Vigilance signifies watchfulness in compliance of the approved systems, rules and regulations, etc. of the organization aimed at preventing irregularities and to avoid losses to the Organization. Observance of Vigilance Awareness Week contributes towards this objective in a very large measure.

I understand that the CVC has decided "Transparency in Public Procurement" as the theme for this year's Vigilance Awareness Week. And, the Vigilance Department's initiative to release a Compendium of CVC's circulars on this occasion is the most appropriate beginning in that direction.

I am also sure that the various programmes that would be carried out in ECL during the Vigilance Awareness Week, 2012, would educate the concerned stake holders and create an atmosphere where everyone would consider the interest of the organization, society and the nation first and foremost by bringing in transparency in every walk of life.

I wish a very successful celebration of the Week, and hope that the compendium would be of immense help to the officials in discharging their duties properly.

(Rakesh Sinha)

Chairman-cum-Managing Director, ECL



S. Chakravarty
Director (Technical) Operation

**EASTERN COALFIELDS LIMITED**

(A Subsidiary of Coal India Limited)
Sanctoria, P.O. Dishergarh
Dist. Burdwan, West Bengal, Pin - 713333
Phone : Office - 0341-2523592
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Message

I am happy to know that Vigilance Awareness Week is being observed from October 29 – November 3, 2012 on the theme 'Transparency in Public Procurement' and to commemorate the occasion, Vigilance Department, ECL is bringing out a compendium of CVC circulars.

The observance of Vigilance Awareness Week not only creates consciousness to check corruption but also reaffirms our pledge to fight corruption. Systemic improvements in procurement through transparency and fairness, simplification of process and weeding out of delay-inflicting procedures would bring about perceptible change in public perception on public procurement. I am sure that the compendium proposed to be brought out on this occasion shall be of immense help to its users.

S. Chakravarty
(Subrata Chakravarty)



अशोक कुमार सोनी
निदेशक (वित्त)
A. K. Soni
Director (Finance)



ईस्टर्न कोलफील्ड्स लिमिटेड
(कोल इण्डिया लिमिटेड का एक उद्योग)
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दूरभाष : (का:) - 0341-2523581
फैक्स : 0341-2523810
e-mail : ecldirector.f@gmail.com

Date : 15.10.12

MESSAGE

It is great pleasure to know that Vigilance Department, ECL is observing Vigilance Awareness Week from 29.10.2012 to 03.11.2012 and on this occasion it is also bringing out special issue on Compendium of CVC Circulars.

It is a great effort to compile all CVC Circulars in a booklet form which will provide guidelines in the book form to ECL officials to update themselves with latest CVC circulars and guidelines in day to day functioning.

I congratulate CVO and his team of Vigilance Department for their effort and wish Vigilance Awareness Week 2012, a grand success.

(A.K.Soni)



ईस्टर्न कोलफिल्ड्स लिमिटेड EASTERN COALFIELDS LIMITED

(कोल इंडिया लिमिटेड की एक सहायक कम्पनी)
(A SUBSIDIARY OF COAL INDIA LIMITED)

सांकतोड़िया, पत्र : डिसेरगढ़
SANCTORIA, P.O. - DISHERGARH
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टेलीफोन नं० / TELEPHONE No. : 0341-2520394
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फैक्स / FAX No. : 0341-2520394

दिनांक / DATE _____

विनय शंकर मिश्र, भा० व० से०

Binoy Shankar Mishra, IFS

मुख्य सतर्कता अधिकारी
Chief Vigilance Officer

Foreword

The objective of vigilance is concurrently coterminus with organizational objectives and Vigilance Department, ECL is accordingly committed to attainment of the objectives of the organization.

A majority of irregularities can be prevented from recurrence, if timely action is taken to educate people concerned about the existing provisions, laid down rules and guidelines. Many a times, people feign ignorance of the relevant rules and guidelines when an irregularity is detected. A better approach, therefore, is to educate various stakeholders about the rules and guidelines concerning them. In this direction, Vigilance Department, ECL has been regularly conducting training programmes on Vigilance Awareness.

There has been a persistent demand for publishing a compilation of CVC circulars and to fulfill this need, we are very happy to place this Compendium of CVC Circulars to you.

This publication is an endeavour on the part of ECL Vigilance Department to strengthening the stakeholders through outreach of essential knowledge. I do hope that the concerned officials would find the compendium handy in their decision-making. I invite your suggestions for making further improvement in the Compendium.

(Binoy Shankar Mishra)
Chief Vigilance Officer, ECL

Acts/Resolutions/Pact

Sl. No.	Subject	Office Order/ Circular No.	File ref. No.	Date of Issue	Page No.
1	GoI Resolution on Public Interest Disclosures & Protection of Informers (PIDPI) – Guidelines thereon	04/02/12	No.004/VGL/26/165134	13.02.2012	
2	GoI Resolution on Public Interest Disclosures & Protection of Informers (PIDPI) – Delay in submission of investigation report on PIDPI Complaints.	09/05/09	No.004/VGL/26	12.05.2009	
3	GoI Resolution on Public Interest Disclosures & Protection of Informers (PIDPI) – Guidelines thereon	04/02/09	No.004/VGL/26	27.02.2009	
4	Govt. of India Resolution on Public Interest Disclosures & Protection of Informer	33/5/2004	No.004/VGL/26	17.05.2004	
5.	Govt. of India Resolution on Public Interest Disclosures & Protection of Informer		DOPT Resolution No.371/12/2002 AVD-III	21.04.2004	
6	Amendment to CDA Rules of PSUs to enable imposition of penalty on Public Sector Employees after their retirement – reg.	44/12/07	No. 007/VGL/074	28.12.2007	
7	Constitution of the Advisory Board on Bank, Commercial and Financial Frauds – regarding.	21/06/07	No.006/MSC/038	25.06.2007	
8	Adoption of integrity Pact -Standard Operating Procedure- reg.	06/07/12	No. 011/VGL/053-181761	23.07.2012	

9	Adoption of Integrity Pact-Standard Operating Procedure (SOP) – reg.	31/08/10	No. 008/CRD/013	13.08.2010	
10	Integrity Pact – Selection and Recommendation of Independent External Monitors (IEMs)	17/04/2010	No. 009/VGL/016	19.04.2010	
11	Adoption of Integrity Pact-Periodical – reg.	22/8/09	No. 008/CRD/013	11.08.2009	
12	Adoption of Integrity Pact-Standard Operating Procedure- reg.	10/5/09	No. 008/CRD/013	18.05.2009	
13	Adoption of Integrity Pact in major Government procurement activities	24/8/08	No. 007/VGL/033	05.08.2008	
14	Adoption of Integrity Pact in major Government procurement activities-regarding	18/05/08	008/VGL/001	19.05.08	
15	Adoption of Integrity Pact in major Government Procurement Activities-regarding.	43/12/07	No.007/VGL/033	28.12.2007	
16	Adoption of Integrity Pact in major Government Procurement Activities-regarding.	41/12/07	No.007/VGL/033	04.12.2007	
17	Integrity Pact of ECL	--			
	Right to Information Act- Appointment of Appellate Authority-Regarding	49/8/05	NO.005/MSC/14	08.08.2005	
	Right to Information Act-Appointment of Central Public Information Officer -regarding.	50/8/05	NO.005/MSC/14	08.08.2005	
18	Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and Functions of the CVC - Clarification on para 32.3 of the Chapter	59/12/03	No.98/VGL/51	09.12.2003	

19	Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and Functions of the CVC-Amendment to Para 32.3 thereof.	--	No.98/VGL/51	21.06.2001	
20	Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and Functions of the CVC-Clarification of para 3.2 thereof.		No.98/VGL/51	11.08.1999	
21	Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and Functions of the CVC	--	No.3(v)/99/3	07.07.1999	
22	Vigilance Manual –Sixth Edition-2004 - Clarification regarding	72/12/05	No.003/VGL/28	28.11.2005	
23	Amendment of Para 11.4, Chapter X of Vigilance Manual Vol. I.	--	No.99/VGL/62	29.11.1999	

No.004/VGL/26/165134
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 13th February, 2012

Office Order No. 04/02/12

Subject:- GoI Resolution on Public Interest Disclosures & Protection of Informers (PIDPI) – Guidelines thereon.

The Government of India has authorized the Central Vigilance Commission (CVC) as the Designated Agency to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action under the Public Interest Disclosure & Protection of Informers (PIDPI) Resolution, 2004. Accordingly, Commission had also vide circular No.33/5/2004 dated 17/05/2004 issued guidelines and public notice on the procedure to be followed for filing whistle blower complaints under PIDPI Resolution for protecting identity of complainants/informers.

2. The Commission has noticed over the years that many complainants claiming to be 'Whistle Blowers' do not conform to the procedures prescribed by the Commission while filing the complaints to the Commission under PIDPI Resolution. The Commission would therefore emphasize the need for creating greater awareness among the public including employees of every Organization/Deptt. for lodging whistle blower complaints. The Commission would again suggest to all CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Local Authorities/Societies etc. to give wide publicity to PIDPI Resolution and the guidelines issued by the Commission through their website, especially intranet of the Organization. Internal Journals, publications and also organize seminars/sensitizations etc. to inculcate greater awareness so as to encourage the public especially insiders to come forward and lodge/report information of corrupt practices or misuse of office in the respective Organizations/Departments to the Central Vigilance Commission.

Sd/-
(J Vinod Kumar)
Officer on Special Duty

To All CVOs of Ministries/Departments/Public Sector Undertakings/Public Sector Banks/Insurance Companies/Local Authorities/Societies.

004/VGL/26
Govt. of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 12th May, 2009

Circular No. 9/5/09

Subject : Govt. of India Resolution public Interest Disclosure and Protection of Informer(PIDPI). Delay in submission of investigation report on PIDPI complaints. Reg.

Please refer to the Commission's Office Order No. 3/5/04 dated 17.5.2004 prescribing the procedure to be followed by CVOs on complaints forwarded by the Commission under PIDPI Resolution, wherein, the Government of India authorized the Central Vigilance Commission (CVC) as the Designated Agency to receive written complaints for disclosure on any allegation on corruption of misuse of office and recommended appropriate action. Commission vide Office Order No. 4/2/09 dated 27.2.2009 had recently advised the Ministry/Departments/Organizations to submit their investigation reports on complaints forwarded by the Commission under PIDPI Resolution within a period of one month from the receipt of reference of the Commission.

2. Of late, the Commission has observed inordinate delays beyond the prescribed time limit in submission of investigation report by the CVOs of some organizations which is against the spirit of the PIDPI Resolution.

3. The Commission has, therefore, now decided that, henceforth in all cases of delays beyond the prescribed one month time limit the exact reasons for delay in investigation/submission of reports should be stated/explained specifically by the CVOs which reporting to the Commission on PIDPI references.

4. All CVOs may note the Commission's above directions for strict compliance.

(Shalini Darbari)
Director

To
All Chief Vigilance Officers

No.004/VGL/26
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 27th February, 2009

Office Order No.4/2/09

Subject:- Govt. of India Resolution on Public Interest Disclosures & Protection of informer.

Please refer to the Commission's Office Order NO.33/5/2004 dated 17.5.2004 wherein the Government of India authorized the Central Vigilance Commission (CVC) as the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action. CVOs of the Ministries/Depts./Orgns. were required to submit their investigation report on complaints forwarded by the Commission under the PIDPI Resolution within a period of two weeks.

2. The issue regarding submission of investigation reports on PIDPI complaints has been reconsidered in the Commission and taking in view the difficulties being faced by the CVOs in submission of reports, it has now been decided by the Commission to extend the time limit for submission of reports. Henceforth, CVOs would submit the reports within a period of one month from the receipt of reference of the Commission.

3. All CVOs should adhere to the Commission's above time limit for strict compliance.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

No.004/VGL/26
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 17th May, 2004

Office Order No. 33/5/2004

Subject:- Govt. of India Resolution on Public Interest Disclosures & Protection of Informer

The Government of India has authorised the Central Vigilance Commission (CVC) as the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action.

2. A copy of the Public Notice issued by the Central Vigilance Commission with respect to the above mentioned Resolution is enclosed. All CVOs are further required to take the following actions with respect to the complaints forwarded by the Commission under this Resolution:

- (i) All the relevant papers/documents with respect to the matter raised in the complaint should be obtained by the CVO and investigation into the complaint should be commenced immediately. The investigation report should be submitted to the Commission within two weeks.
- (ii) The CVO is to ensure that no punitive action is taken by any concerned Administrative authority against any person on perceived reasons/suspicion of being "whistle blower."
- (iii) Subsequent to the receipt of Commission's directions to undertake any disciplinary action based on such complaints, the CVO has to follow up and confirm compliance of further action by the DA and keep the Commission informed of delay, if any.
- (iv) Contents of this order may be brought to the notice of Secy./CEO/CMD.

All CVOs may note the above directions for compliance.

Sd/-
(Sujit Banerjee)
Secretary

All Chief Vigilance Officers

No.004/VGL/26
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 17th May, 2004

Office Order No. 33/5/2004
Subject:- Govt. of India Resolution on Public Interest Disclosures & Protection of
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- (iv) Contents of this order may be brought to the notice of Secy./CEO/CMD.

All CVOs may note the above directions for compliance.

Sd/-
(Sujit Banerjee)
Secretary

To
All Chief Vigilance Officers

Central Vigilance Commission

Press Release:

The Government of India has authorized the Central Vigilance Commission (CVC) as the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action.

2. The jurisdiction of the Commission in this regard would be restricted to any employee of the Central Government or of any corporation established by or under any Central Act, government companies, societies or local authorities owned or controlled by the Central Government. **Personnel employed by the State Governments and activities of the State Governments or its Corporations etc. will not come under the purview of the Commission.**

3. In this regard, the Commission, which will accept such complaints, has the responsibility of keeping the identity of the complainant secret. **Hence, it is informed to the general public that any complaint, which is to be made under this resolution should comply with the following aspects.**

- i) The complaint should be in a closed / secured envelope.
- ii) The envelope should be addressed to Secretary, Central Vigilance Commission and should be superscribed "Complaint under The Public Interest Disclosure". If the envelope is not superscribed and closed, it will not be possible for the Commission to protect the complainant under the above resolution and the complaint will be dealt with as per the normal complaint policy of the Commission. The complainant should give his/her name and address in the beginning or end of complaint or in an attached letter.
- iii) Commission will not entertain anonymous/pseudonymous complaints.
- iv) The text of the complaint should be carefully drafted so as not to give any details or clue as to his/her identity. However, the details of the complaint should be specific and verifiable.
- v) In order to protect identity of the person, the Commission will not issue any acknowledgement and the whistle-blowers are advised not to enter into any further correspondence with the Commission in their own interest. The Commission assures that, subject to the facts of the case being verifiable, it will take the necessary action, as provided under the Government of India Resolution mentioned above. If any further clarification is required, the Commission will get in touch with the complainant.

4. The Commission can also take action against complainants making motivated/vexatious complaints under this Resolution.

5. A copy of detailed notification is available on the web-site of the Commission <http://www.cvc.nic.in>.

Public Notices

GOI Resolution on Public Interest Disclosure and Protection of Informer

The Government of India has authorized the Central Vigilance Commission (CVC) as the 'Designated Agency' to receive written complaints for disclosure on any allegation of corruption or misuse of office and recommend appropriate action.

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5. A copy of detailed notification is available on the web-site of the Commission <http://www.cvc.nic.in>. **Issued in Public Interest by the Central Vigilance Commission, INA, Satarkta Bhawan, New Delhi.**

Sd/-
Secretary
Central Vigilance Commission

MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
(Department of Personnel and Training)

RESOLUTION

New Delhi, the 21st April, 2004.

No.371/12/2002-AVD-III – Whereas while hearing Writ Petition (C) No.539/2003 regarding the murder of Shri Satyendra Dubey “whistle blowers” arose.

And whereas the “The Public Interest Disclosure and Protection of Informers’ Bill, 2002, Drafted by the Law Commission is under examination.

Now, therefore, the Central Government hereby resolves as under :

1. The Central Vigilance Commission (CVC) is hereby authorized, as the Designated Agency, to receive written complaints or disclosure on any allegation of corruption or of mis-use of office by any employee of the Central Government or of any corporation established by or under any Central Act, Government companies, societies or local authorities owned or controlled by the Central Government. The disclosure or complaint shall contain as full particulars as possible and shall be accompanied by supporting documents or other material.
2. The designated agency may, if it deems fit call for further information or particulars from the persons making the disclosure. If the complaint is anonymous, the agency shall not take any action in the matter.
3. Notwithstanding any thing contained in the Official Secrets Act, 1923, any public servant other than those referred to clauses (a) to (d) of Article 33 of the constitution or any other person including any non-governmental organization, may make a written disclosure to the designated agency.
4. If the complaint is accompanied by particulars of the person making the complaint, the designated agency shall take the following steps :
 - i) The designated agency will ascertain from the complainant whether he was the person who made the complaint or not.
 - ii) The identity of the complainant will not be revealed unless the complainant himself has made the details of the complaint either public or disclosed his identity to any other office or authority.
 - iii) After the identity of the complainant, the designated agency shall make, in the first instance, discreet enquiries to ascertain if there is any basis of proceeding further with the complaint. For this purpose, the designated agency shall devise an appropriate machinery.
 - iv) Either as a result of the discreet inquiry, or on the basis of the complaint itself without any inquiry, if the designated agency is of the opinion that the matter requires to be investigated further, the designated agency shall officially seek comments/or explanation from the Head of the Department of the concerned organization or office. While doing so, the designated agency shall not disclose the identity of the informant and also shall request the concerned Head of the organization to keep the identity of the informant secret, if for any reason, the concerned Head comes to know the identity.

v) After obtaining the response of the concerned organisation, if the designated agency is of the opinion that the investigations reveal either mis-use of office or substantiate allegations of corruption, the designated agency shall recommend appropriate action to the concerned government Department or Organisation. These shall, inter alia, include following:

- a) Appropriate proceedings to be initiated against the concerned Government servant.
- b) Appropriate administrative steps for redressing the loss caused to the Government as a result of the corrupt act or mis-use of office, as the case may be.
- c) Recommend to the appropriate authority/agency initiation of criminal proceedings in suitable cases if warranted by the facts and circumstances of the cases.
- d) Recommend taking of corrective measures to prevent recurrence of such events in future.

5. For the purpose of making discreet inquiry or obtaining information from the concerned organization, the designated agency 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.

6. 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 designated agency seeking redress in the matter, who shall take such action, as deemed fit, the designated agency may give suitable directions to the concerned public servant or the public authority as the case may be.

7. Either on the application of the complainant, or on the basis of the information gathered, if the designated agency is of the opinion that either the complainant or the witnesses need protection, the designated agency shall issue appropriate directions to the concerned Government Authorities.

8. The machinery evolved herein shall be in addition to the existing mechanisms in place. However, secrecy of the identity shall be observed, only if the complaint is received under this machinery.

9. In case the designated agency finds the complaint to be motivated or vexatious, the designated agency shall be at liberty to take appropriate steps.

10. The designated agency shall not entertain or inquire into any disclosure :

- (a) in respect of which a formal and public inquiry has been ordered under the Public Servants Inquiries Act, 1850, or
- (b) in respect of a matter which has been referred for inquiry under the Commission of Inquiry Act, 1952.

11. In the event of the identity of the informant being disclosed in spite of the designated agency's direction to the contrary, the designated agency is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.

12. The machinery created herein shall operate till Parliament passes a law on the subject.

Sd/-
Smt. Manjulka Gauatam,
Addl. Secretary.

No. 011/VGL/053-181761
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA
New Delhi – 110023
Dated : 23th July, 2012

Circular No. 06/07/12

Sub : Adoption of integrity Pact-Standard Operating Procedure- reg.

In continuation of Commission's Circular No.10/5/09 dated 18.5.09 laying down "Standard Operating Procedure" for adoption of Integrity Pact in major Govt. Department/Organisations, the Commission has decided to lay down age criteria for appointment of IEMs. Commission has therefore, resolved that at the time of appointment as initial three years if age of 70 years has been crossed, further extension of two years will not be admissible.

2. Accordingly, a new sub-para i.e. 5.10 under Para 5 of the Commission's circular No. 10/5/09 dated 18.5.09 is added which may be read as under.

5.10 At the time of appointment as IEM the person should be less than 70 years of age. On completion of tenure of initial three years if age of 70 years has been crossed, further extension of two years will not be admissible.

On provision contained in Commission's circular No.10/5/09 dated 18.5.09 would remain unchanged.

Sd/-
(Madhu Sham)
Deputy Secretary

All Chief Vigilance Officers.

008/VGL/001
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block- A
GPO complex, INA,
New Delhi-110023
Dated, the 19th May, 2008

Circular No.18/05/08

Sub:- Adoption of Integrity Pact in major Government Procurement Activities- regarding.

The Commission vide its office order no. 41/12/07 dated 4/12/07 had circulated a letter no. 007/vgl/033 emphasizing the need to adopt Integrity Pact (IP) by government organizations in respect of their major procurement activities. The Commission had also directed that in order to ensure compliance with the obligations under the pact by the parties concerned, Independent External Monitors (IEMs) are to be appointed after obtaining approval of the Commission for the names to be included in the panel.

2. As the role of IEMs is very important in ensuring implementation of the IP, it is necessary that the persons recommended for appointment have adequate experience in the relevant fields and are of high integrity and reputation.

3. The Commission would, therefore, direct that the organizations, while forwarding the names of the persons for empanelment as IEMs should send a detailed bio-data in respect of each of the persons proposed. The bio-data should, among other things, include the postings during the last ten years before the superannuation of the persons proposed as IEMs, in case the names relate to persons having worked in the government sector. The bio-data should also include details regarding experience older than ten years before superannuation of the persons proposed as IEMs, if they have relevant domain experience in the activities of PSUs where they are considered as IEMs.

4. This may be noted for future compliance.

Sd/-
(Rajiv Verma)
Under Secretary

All Chief Vigilance Officers

No. 007/VGL/074
Government of India
Central Vigilance Commission

Satarkta Bhavan
Block A, GPO Complex
INA, New Delhi-110023
Dated the 28th Dec. 2007.

Circular No. 44/12/07

Subject : Amendment to CDA Rules of PSUs to enable imposition of penalty on Public Sector Employees after their retirement – reg.

The Commission has been seriously concerned that as Public Sector Undertakings (PSUs) are non- pensionable establishments, there is no possibility of imposing any penalty on such deviant employees after their retirement, who might have committed serious lapses which in service, just before their retirement. The gratuity amount also could not be withheld unless the person had been terminated consequent to disciplinary proceedings and the question of terminating an employee or imposing a penalty retrospectively, after retirement is not legally tenable. There was a situation that even disciplinary proceedings could not be continued against them beyond the retirement.

2. The Commission had earlier advised Public Sector Enterprises to make a provision in their CDA Rules to allow continuation of departmental proceedings after retirement of an employee. There is a need to incorporate a suitable provision to enable the imposition of penalty on delinquent employees on conclusion of such departmental proceedings continued beyond the date of their superannuation.

3. It is observed that the Public Sector Banks have incorporated a provision in their CDA Rules for deemed continuation of service for this purpose. The said provision reads as under :

“ The officer against whom disciplinary proceedings have been initiated will cease to be in service on the date of superannuation but the disciplinary proceedings will continue as if he was in service until the proceedings are concluded and final order is passed in respect thereof. The concerned officer will not receive any pay and/or allowance after the date of superannuation. He will also not be entitled for the payment of retirement benefits till the proceedings are completed and final order is passed thereon except his own contribution to CPF”.

4. The Hon’ble Supreme Court of India has recently upheld the punishment of dismissal on a retired Bank employee on conclusion of departmental proceedings after his retirement, on the basis of the above provision, thus validating its legality. In its judgement dated 18.5.07 in the case of Shri Ramesh Chandra Sharma Vs Punjab National Bank, it has further noted that –

“ it may true that the question of imposition of dismissal of the delinquent officer from service when he has already reached the age of superannuation would not ordinarily arise. However, as the consequences of such an order is provided for in the service rule, in our opinion, it would not be correct to contend that imposition of such a punishment would be wholly impermissible in law”.

5. The Supreme Court has further held that –

“ The said Regulation clearly envisages continuation of a disciplinary proceedings despite the officer ceasing to be in service on the date of superannuation. For the said purpose a legal fiction has been created providing that the delinquent officer would be deemed to be in service until the proceedings are concluded and final order is passed thereon. The said Regulation being statutory in nature should be given full effect.”

“ The effect of a legal fiction is well known. When a legal fiction is created under a statute, it must be given its full effect, as has been observed in East End Dwellings Co. Ltd. v. Finsbury Borough Council 1951 (2) All E.R. 587 as under....:

6. As the legality of the above provision has been upheld by the Supreme Court, all Public Sector Undertakings are advised to amend their CDA Rules in order to incorporate a similar provision. The receipt of this circular may be acknowledged and action taken to amend the CDA Rules along with a copy of the amended rules may be sent to the Commission by 20.01.2008.

Sd/-
(Vineet Mathur)
Deputy Secretary

To

1. The Secretary, Department of Personnel & Training
2. The Secretary, Department of Public Enterprises
3. The Secretary, Department of Administrative Reforms & Public Grievances
4. All Secretaries to the Ministries/Departments of the Government of India
5. The Chairman, SCOPE.
6. All Chief Executives of Public Sector Enterprises.
7. All CVOs of Ministers/Departments/PSEs.

No.006/MSC/038
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 25th June 2007

Office Order No. 21/06/07

Subject: Constitution of the Advisory Board on Bank, Commercial and Financial Frauds – regarding.

The Central Vigilance Commission had, after taking into account the complexities involved in decision making process in public sector banks, constituted a Central Advisory Board on Bank Frauds, on 26.2.99, which was later renamed as Advisory Board on Bank, Commercial and Financial Frauds, after its functional jurisdiction was enhanced to cover financial/commercial frauds in central public sector undertakings and financial institutions. The Board was constituted to primarily advise the CBI as to whether in a particular case, PE/RC should or should not be registered in respect of frauds in borrowal accounts, where there was a difference of opinion between the organisation concerned and the CBI.

2. On completion of the term of the existing Chairman on 30.6.2007, the Central Vigilance Commission appoints Justice B.P.Singh, as Chairman of Advisory Board on Bank, Commercial and Financial Frauds.

3. The tenure of the Chairman would be for a period of two years from 1.7.2007. The other terms and conditions of appointment would be as indicated in Annexure. (In case the Chairman designate is holding an office of profit/ a regular appointment carrying monthly emoluments with Govt. of India, Govt. of any of the States/Union Territories of India or any other company, society and local authority owned or controlled by Govt. of India/any of the States/Union Territories of India, as on 1.7.2007, his appointment as Chairman of the Board would be considered from the date succeeding the day on which he demits the office/post which he is holding, other than the Chairman of the Board).

4. The location of the Board would continue to be at Mumbai, but the Board may, at its convenience meet anywhere in India. As in the past, the Board would form part of the organizational infrastructure of the CBI with the RBI providing the required investigative and secretarial services, alongwith the necessary funds.

5. The Board's jurisdiction would be confined to those cases where, in disagreement or dispute with the Bank, PSU or financial institution, the CBI desires to register an RC/PE in respect of an allegation of a fraud:

- a) in a borrowal account in a public sector bank; or
- b) financial or commercial frauds in a financial institution or Public Sector Undertaking.

6. Apart from the above, the Board may also advise on any other technical matter referred to it by the CBI or CVC.

7. Considering the limited number of such disputes arising annually, the Commission does not, at the moment, find it appropriate to specify the levels above which the reference could be made to the Board. Thus, CBI may refer any case to the Board where it has a difference of opinion with the organisation concerned, along the lines indicated above, irrespective of the level of the officers/officials involved in the case. It is also clarified that the advice tendered by the Board would not be binding on the CBI.

8. The nomenclature, functions, tenure, facilities, infrastructure and mechanism for consultation and secretarial assistance will be the same as indicated in the Commission's O.M. No. 99/VGL/54 dated 8.8.2000.

Sd/-
(SUJIT BANERJEE)
SECRETARY

Encl: as above.

To

1. The Chairman of the Advisory Board on Bank, Commercial and Financial Frauds.
2. The Director, CBI.
3. The Governor/Dy. Governor, RBI.
4. The Secretary, Financial Services, Department of Economic Affairs, Govt. of India.
5. All Chief Executives/CVOs of Public Sector Banks/Public Sector Enterprises/Financial Institutions.
6. Chairman, SCOPE.

Annexure - I**Terms of appointment of Justice B.P.Singh, as Chairman of the Advisory Board on Bank, Commercial and Financial Frauds.****1. Period**

Term of appointment will be two years from 1st July, 2007. (In case the Chairman designate is holding an office of profit/ a regular appointment carrying monthly emoluments with Govt. of India, Govt. of any of the States/Union Territories of India or any other company, society and local authority owned or controlled by Govt. of India/any of the States/Union Territories of India, as on 1.7.2007, his appointment as Chairman of the Board would be considered from the date succeeding the day on which he demits the office/post which he is holding, other than the Chairman of the Board).

2. Honorarium

The Chairman will be entitled to an honorarium of Rs. 30,000/- (Rupees Thirty Thousand only) per month.

3. Local Transportation:-

a) For to and fro journeys between residence and the office of the Board and for other official purposes in Mumbai, Chairman choosing to avail of his own car would be paid conveyance allowance, maintenance and driver's salary as also reimbursement of the vehicle's insurance as detailed hereunder:-

- i) Conveyance allowance equivalent to 225 litres of petrol per month.
- ii) Annual comprehensive insurance as per actuals, subject to production of documentary evidence.
- iii) Expenses towards maintenance and repair charges @ Rs. 1500/- per month.
- iv) Personal driver's allowance @ 5000/- per month.

OR

b) For to and fro journeys between residence and the office of the Board and for other official purposes in Mumbai, Chairman choosing not to avail of his own car would be provided with a hired car subject to the overall expenditure limit of not more than Rs. 30,000/- per month.

4. Travelling and Halting allowances on Outstation Travel Business/Executive class air travel, local transport and hotel stay.

5. Residence Telephone Residential telephone facility will be available subject to a ceiling of 30,000 call per annum.

6. Sitting Fees

Rs. 1000/- (Rupees One Thousand) only for every meeting of the Advisory Board.

No. 008/CRD/013
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023.
Dated: 13/8/2010

Circular No. 31/08/10

Subject:- Adoption of Integrity Pact-Standard Operating Procedure (SOP) – reg.

The Commission vide its circular No. 10/5/09 dated 18.5.09 issued guidelines on “Standard Operating Procedure (SOP) for implementation of Integrity Pact in Ministries/Departments/Organisations. Section 6.02 of the SOP provides financial impact review through independent agency and physical review through an NGO.

2. The Commission has since reviewed the provisions contained in para 6.02 of the SOP and is of the view that it would be difficult to undertake a separate assessment on the impact of implementation of Integrity Pact in an organisation and has therefore decided to delete Section 6.02 (i) & 6.02 (ii) of the said circular. All organisations implementing IP would however, undertake a general review and assessment of implementation of IP and submit progress through CVO's monthly report to the Commission.

Sd/-
(Vineet Mathur)
Director

All Chief Vigilance Officers

No. 009/VGL/016
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi 110023
Dated – 19th April'2010

Circular No 17/04/2010

Subject: Integrity Pact – Selection and Recommendation of Independent External Monitors (IEMs)

The Commission receives a number of requests for implementation of Integrity Pact in Government of India organizations and Public Sector Undertakings. Organizations desirous of implementing Integrity Pact are required to forward at most three names of Independent External Monitors along with the proposal to the Commission for its approval.

The Commission would consider names for appointment of Independent External Monitors of only those officers of government of India departments or Public Sector Undertakings, who have retired from top management positions. The Commission would not consider the name of an officer / executive, who is either serving or who has retired from the same organization to be an IEM in that organization, although they may have served in the top management. Eminent persons, executives of private sector of considerable eminence could also be considered for functioning as Independent External Monitors and names recommended to the Commission for approval.

The appointment of Independent External Monitors would be for an initial period of three years and could be extended for another term of two years on a request received in the Commission from the organization appointing the Independent External Monitor. An Independent External Monitor can have a maximum tenure of 5 years in an organization with an initial of three years and another term of two years.

Organizations recommending the names of Independent External Monitors are to select and forward the names to the Commission after due diligence and scrutiny.

Sd/-
(Vineet Mathur)
Director

All Chief Vigilance Officers

No. 008/CRD/013
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023.
Dated: 11/8/09

Circular No. 22/08/09

Subject:- Adoption of Integrity Pact-Periodical regarding.

The Commission in its various circulars has emphasized the necessity to adopt Integrity Pact (IP) in Government organisations in their major procurement activities. The Commission had also directed that in order to oversee the compliance of obligations under the Pact, by the parties concerned, Independent External Monitors (IEMs) should be nominated with the approval of the Commission, out of a panel of names proposed by an Organisation.

2. Further, the Commission vide its circular No. 10/5/09 dated 18.5.09 provided a review system for the CVOs wherein and internal assessment of the impact of Integrity Pact are to be carried out periodically and reported to the Commission. In this regard, it is clarified that such review should be on annual basis. The Organisation which has adopted Integrity Pact may report compliance of review system through monthly report.

3. This may be noted for future compliance.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

No. 008/CRD/013
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023.
Dated: 18/5/09

Circular No. 10/5/09

Subject:- Adoption of Integrity Pact-Standard Operating Procedure - reg.

The Commission has formulated "Standard Operating Procedure" for adoption of Integrity Pact in major Govt. Department/organisations. A copy of the same is enclosed for information and necessary action.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

NOTE: SECTION 6.02 (i) & 6.02 (ii) OF THE SOP ON INTEGRITY PACT HAS BEEN DELETED WITH CIRCULAR No. 31/08/10 DATED 13.8.10.

Subject:- Adoption of Integrity Pact -Standard Operating Procedure-reg.**1.0 Background**

1.01 The Central Vigilance Commission has been promoting Integrity, transparency, equity and competitiveness in Government/PSU transactions and as a part of vigilance administration and superintendence. Public procurement is a major area of concern for the Central Vigilance Commission and various steps have been taken to put proper systems in place. Leveraging technology, especially wider use of the web sites for disseminating information on tenders, clearly defining the pre qualification criteria and other terms and conditions of the tender are some of the steps recently taken at the instance of the Commission. In this context, Integrity Pact (IP), a vigilance tool conceptualized and promoted by the Transparency International, has been found to be useful. The Commission has, through its Office Orders No. 41/12/07 dated 04.12.07 and 43/12/07 dated 28.12.07 and Circulars No. 18/05/08 dated 19.05.08 and 24.08.08 dated 05.08.2008 (copies appended), recommended adoption of Integrity Pact and provided basic guidelines for its implementation in respect of major procurements in the Government Organizations.

2.0 Integrity Pact

2.01 The pact essentially envisages an agreement between the prospective vendors/bidders and the buyer, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the buyer, would be considered competent to participate in the bidding process. In other words, entering into this Pact would be a preliminary qualification. The essential ingredients of the Pact include:

- ? Promise on the part of the principal not to seek or accept any benefit, which is not legally available;
- ? Principal to treat all bidders with equity and reason;
- ? Promise on the part of bidders not to offer any benefit to the employees of the Principal not available legally;
- ? Bidders not to enter into any undisclosed agreement or understanding with other bidders with respect to prices, specifications, certifications, subsidiary contracts, etc.
- ? Bidders not to pass any information provided by Principal as part of business relationship to others and not to commit any offence under PC/ IPC Act;
- ? Foreign bidders to disclose the name and address of agents and representatives in India and Indian Bidders to disclose their foreign principals or associates;
- ? Bidders to disclose the payments to be made by them to agents / brokers or any other intermediary.
- ? Bidders to disclose any transgressions with any other company that may impinge on the anti corruption principle.

2.02 Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

3.0 Implementation procedure:

3.01 Adoption of IP is voluntary for any organization, but once adopted, it should cover all tenders /procurements above a specified threshold value.

3.02 The threshold value for the contracts to be covered through IP should be decided after conducting proper ABC analysis and should be fixed so as to

cover 90-95% of the total procurements of the organization in monetary terms.

3.03 Apart from all high value contracts, any contract involving complicated or serious issues could be brought within the ambit of IP, after a considered decision of the management

3.04 The Purchase / procurement wing of the organization would be the focal point for the implementation of IP.

3.05 The Vigilance Department would be responsible for review, enforcement, and reporting on all related vigilance issues.

3.06 It has to be ensured, through an appropriate provision in the contract, that IP is deemed as part of the contract so that the parties concerned are bound by its provisions.

3.07 IP should cover all phases of the contract, i.e. from the stage of Notice Inviting Tender (NIT)/pre-bid stage till the conclusion of the contract, i.e. the final payment or the duration of warranty/guarantee.

3.08 IP would be implemented through a panel of Independent External Monitors (IEMs), appointed by the organization. The IEM would review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact.

3.09 Periodical Vendors' meets, as a familiarization and confidence building measure, would be desirable for a wider and realistic compliance of the principles of IP.

3.10 Information relating to tenders in progress and under finalization would need to be shared with the IEMs on monthly basis.

4.0 Role /Functions of IEMs :

4.01 IEM would have access to all Contract documents, whenever required. Ideally, all IEMs of an organization should meet in two months to take stock of the ongoing tendering processes.

4.02. It would be desirable to have structured meeting of the IEMs with the Chief Executive of the organization on a monthly basis to discuss/review the information on tenders awarded in the previous month.

4.03 The IEMs would examine all complaints received by them and give their recommendations/views to the Chief Executive of the organization, at the earliest. They may also send their report directly to the CVO and the Commission, in case of suspicion of serious irregularities requiring legal/administrative action.

4.04 At least one IEM should be invariably cited in the NIT. However, for ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter should be examined by the full panel of IEMs, who would look into the records, conduct an investigation, and submit their joint recommendations to the Management

4.05 The recommendations of IEMs would be in the nature of advice and would not be legally binding. At the same time, it must be understood that IEMs are not consultants to the Management. Their role is independent in nature and the advice once tendered would not be subject to review at the request of the organization.

4.06 The role of the CVO of the organization shall remain unaffected by the presence of IEMs. A matter being examined by the IEMs can be separately investigated by the CVO in terms of the provisions of the CVC Act or Vigilance Manual, if a complaint is received by him or directed to him by the Commission.

5.0 Appointment of IEMs

5.01 The IEMs appointed should be eminent personalities of high integrity and reputation. The Commission would approve the names of IEMs out of the panel of names, initiated by the organization concerned, in association/consultation with the CVO.

5.02 While forwarding the panel, the organization would enclose detailed bio-data in respect of all names proposed. The details would include postings before superannuation, special achievements, experience, etc., in Government sector. It is desirable that the persons proposed possess domain experience of the PSU activities or the relevant field with which they may be required to deal.

5.03 A maximum of three IEMs would be appointed for Navratna PSUs and up to two IEMs for others.

5.04 Organizations could propose a panel of more than three names for the consideration of the Commission.

5.05 Persons appointed as IEMs in two organizations would not be considered for a third organization.

5.06 For PSUs having a large territorial spread or those having several subsidiaries, there could be more IEMs, but not more than two IEMs would be assigned to one subsidiary.

5.07 Remuneration payable to the IEMs would be equivalent to that admissible to an Independent Director in the organization. This remuneration would be paid by the organization concerned.

5.08 The terms and conditions of appointment, including the remuneration payable to the IEMs, should not be included in the Integrity Pact or the NIT. They could be communicated individually to the IEMs concerned.

5.09 The normal term of appointment for an IEM would be 3 years, and it would be subject to renewal by the Commission thereafter.

6.0 Review System :

6.01 An internal assessment of the impact of IP shall be carried out periodically by the CVOs of the organizations and reported to the Commission.

6.02 Two additional reviews are envisaged for each organization in due course.

(i) Financial impact review, which could be conducted through an independent agency like auditors, and

(ii) Physical review, which could be done through an NGO of tested credibility in the particular field.

6.03 It is proposed to include the progress in the implementation of IP in the Annual Report of the Commission. CVOs of all organizations would keep the Commission posted with the implementation status through their monthly reports or special reports, wherever necessary.

7.0 All organizations are called upon to make sincere and sustained efforts to imbibe the spirit and principles of the Integrity Pact and carry it to its effective implementation.

Enclosures: All earlier guidelines, issued by the Central Vigilance Commission, on the subject.

No. 007/VGL/033
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023.
Dated, the 5th August 2008

Circular No.24/8/08

Sub:- Adoption of Integrity Pact in major Government procurement activities.

The Commission, vide its Circulars No. 41/12/07, dated 4.12.07 and 18/5/08 dated 19.5.08, has emphasized the necessity to adopt Integrity Pact (IP) in Government organizations in their major procurement activities. The Commission had also directed that in order to oversee the compliance of obligations under the Pact, by the parties concerned, Independent External Monitors (IEMs) should be nominated with the approval of the Commission, out of a panel of names proposed by an Organization.

2. As more and more organizations begin to adopt the Integrity Pact, several queries and operational issues have been raised. The Commission has examined these issues and suggested the following guidelines:

- i) Adoption of Integrity Pact in an organization is voluntary, but once adopted, it should cover all tenders/procurements above a specified threshold value, which should be set by the organization itself.
- ii) IP should cover all phases of the contract i.e., from the stage of Notice Inviting Tender(NIT)/pre-bid stage to the stage of last payment or a still later stage, covered through warranty, guarantee etc.
- iii) IEMs are vital to the implementation of IP and at least one IEM should be invariably cited in the NIT. However, for ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter should be referred to the full panel of IEMs, who would examine the records, conduct the investigation and submit a report to the management, giving joint findings.
- iv) A maximum of three IEMs would be appointed in Navratna PSUs and upto two IEMs in other Public Sector Undertakings. The organizations may, however, forward a panel of more than three names for the Commission's approval. For the PSUs having a large territorial spread or those having several subsidiaries, the Commission may consider approving a large number of IEMs, but not more than two IEMs would be assigned to any one subsidiary.
- v) Remuneration payable to the IEMs may be similar to the Independent Directors in the organization.
- vi) In view of limited procurement activities in the Public Sector Banks, Insurance Companies and Financial Institution, they are exempted from adopting IP.

3. It needs no reiteration that all organizations must make sustained efforts to realize the spirit and objective of the Integrity Pact. For further clarifications on its implementation or the role of IEMs, all concerned are advised to approach the Commission.

Sd/-
(Rajiv Verma)
Under Secretary

All Chief Vigilance Officers

No.007/VGL/033
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, INA,
New Delhi-110 023
Dated the 28th December 2007.

Office Order No.43/12/07

Subject : Adoption of Integrity Pact in major Government Procurement Activities-regarding.

Reference is invited to Commission's Office Order No.41/12/2007 circulated vide letter of even no.dated 4/12/2007 on the aforementioned subject.

2. The Commission vide para 4 of the aforementioned office order had directed that the organizations were required to forward a panel of names of the eminent persons of high integrity through their administrative ministries for consideration and approval by the Commission as IEMs.
3. The matter has been reconsidered by the Commission and in order to simplify the procedure and avoid delay, it has been decided that the organizations may forward the panel of names of eminent persons for appointment and consideration as IEMs directly to the Commission for approval.
4. Para 4 of the Commission's circular cited above stands amended to this extent.

Sd/-
(Vineet Mathur)
Deputy Secretary.

All Chief Vigilance Officers.

No.007/VGL/033
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO complex, INA,
New Delhi-110023
Dated the 4th December 2007

Office Order No.41/12/07

Subject: Adoption of Integrity Pact in major Government Procurement Activities- regarding.

Ensuring transparency, equity and competitiveness in public procurement has been a major concern of the Central Vigilance Commission and various steps have been taken by it to bring this about. Leveraging technology specially wider use of the web-sites for disseminating information on tenders, tightly defining the pre-qualification criteria and other terms and conditions of the tender are some of the steps recently taken at the instance of the Commission in order to bring about greater transparency and competition in the procurement/award of tender.

2. In this context, Integrity Pact, a vigilance tool first promoted by the Transparency International, has been found to be useful. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer 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. The Integrity Pact envisages a panel of Independent External Monitors (IEMs) approved for the organization. The IEM is to review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. He has right of access to all project documentation. The Monitor may examine any complaint received by him and submit a report to the Chief Executive of the organization, at the earliest. He may also submit a report directly to the CVO and the Commission, in case of suspicion of serious irregularities attracting the provisions of the PC Act. However, even though a contract may be covered by an Integrity Pact, the Central Vigilance Commission may, at its discretion, have any complaint received by it relating to such a contract, investigated.

4. The Commission would recommend the Integrity Pact concept and encourage its adoption and implementation in respect of all major procurements of the Govt. organizations. As it is necessary that the Monitors appointed should be of high integrity and reputation, it has been decided that the Commission would approve the names of the persons to be included in the panel. The Government Organizations are, therefore, required to submit a panel of names of eminent persons of high integrity and repute and experience in the relevant field, through their administrative Ministry, for consideration and approval by the Commission as Independent External Monitors. The terms and conditions including the remuneration payable to the Monitors need not be a part of the Integrity Pact and the same could be separately communicated. It has also to be ensured by an appropriate provision in the contract, that the Integrity Pact is deemed as part of the contract in order to ensure that the parties are bound by the recommendation of the IEMs, in case any complaint relating to the contract, is found substantiated.

5. A copy of the Integrity Pact, which the SAIL got vetted by the Addl. Solicitor General is available on the Commission's web-site i.e www.cvc.nic.in as an attachment to this Office Order in downloadable form, which may be used in original or may be suitably modified in order to meet the individual organization's requirements.

Sd/-
(Vineet Mathur)
Deputy Secretary

All Secretaries to the Govt. of India
All CMDs of PSUs All CMDs of PSBs /All CVOs.

MODIFIED INTEGRITY PACT**INTEGRITY PACT****Between****Steel Authority of India Limited (SAIL) hereinafter referred to as "The Principal".****And****_____ hereinafter referred to as "The Bidder/Contractor"****Preamble**

The Principal intends to award, under laid down organizational procedures, contract/s for _____. The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/transparency in its relations with its Bidder(s) and/or Contractor(s).

In order to achieve these goals, the Principal will appoint an Independent External Monitor (IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1- Commitments of the Principal.

1. The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

a. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.

b. The Principal will during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the process or the contract execution.

c. The Principal will exclude from the process all known prejudiced persons.

2. If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

Section 2- Commitments of the Bidder(s)/ Contractor(s)

1. The Bidder(s)/Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

a. The Bidder(s) / contractor(s) will not, directly or through any other persons or firm, offer promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage or during the execution of the contract.

b. The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.

c. The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s) /Contractors will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

d. The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the bidder(s)/contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" as annexed and marked as Annexure.

e. The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

2. The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3: Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the "Guidelines on Banning of business dealings". Copy of the "Guidelines on Banning of business dealings" is annexed and marked as Annex- "B".

Section 4: Compensation for Damages

1. If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security.

2. If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminated the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Gurantee.

Section 5: Previous Transgression

1. The Bidder declares that no previous transgressions occurred in the last three years with any other company in any country conforming to the anti corruption approach or with any other public sector enterprise in India that could justify his exclusion from the tender process.

2. If the bidder makes incorrect statement on this subject, he can be disqualified from the tender process for action can be taken as per the procedure mentioned in "Guidelines on Banning of business dealings".

Section 6: Equal treatment of all Bidders/Contractors/Subcontractors.

1. The Bidder(s)/Contractor(s) undertake(s) to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
2. The Principal will enter into agreements with identical conditions as this one with all bidders, contractors and subcontractors.
3. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7: Criminal charges against violation Bidder(s)/ Contractor(s)/Sub contractor(s).

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

Section 8: Independent External Monitor/Monitors

- (1) The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairman, SAIL.
- (3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality.
- (4) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project, provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (5) As soon as the monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (6) The Monitor will submit a written report the Chairman, SAIL within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.

- (7) If the Monitor has reported to the Chairman SAIL, a substantiated suspicion of an offence under relevant IPC/PC Act, and the Chairman SAIL has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
- (8) The word 'Monitor' would include both singular and plural.

Section 9 - Pact Duration

This pact begins when both parties have legally signed it. It expires for the Contractor 10 months after the last payment under the contract, and for all other Bidders & months ---- the contract has been awarded.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Chairman of SAIL.

Section 10 - Other provisions

(1) This agreement is subject to Indian Law, Place of performance and jurisdiction is the Registered Office of the Principal, i.e. New Delhi.

(2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

(3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.

(4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

(5) In the event of any contradiction between the Integrity Pact and its Annexure, the Clause in the Integrity Pact will prevail.”

(For & on behalf of the Principal)
(Office Seal)

(For & On behalf of Bidder/ Contractor)
(Office Seal)

Place -----

Date -----

Witness 1 :
(Name & Address)

Witness 2 :
(Name & Address)

Integrity Pact

Between

Eastern Coalfields Limited (ECL) hereinafter referred to as “ The Principal”

And

.....hereinafter referred to as “ The Bidder/Contractor”

Preamble

The Principal intends to award , under laid down organizational procedures, Contractors for The Principal Values Full Compliance With All Relevant Laws and Regulations and the Principles of economic use of resources and of fairness and Transparency in its Relations with its Bidder/s and Contractor/s.

In order to achieve these goals , the principal cooperates with the” international non –governmental organization” “Transparency International”(TI). following TI’s national and international experience, the principal will appoint an external independent monitor who will monitor the tender process and the execution of the contract for compliance with the principles mentioned.

Section 1 - Commitments Of The Principal

- (1) The principal commits itself to take all measures necessary to prevent corruption and to observe the following principles :-
 - (i) No employee of the principal , personally or through family members, will in connection with the tender for or the execution of a contract demand take a promise for or accept for him/herself or third person any material or immaterial benefit which he/she is not legally entitled to.
 - (ii) The principal will , during the tender process treat all bidders with equity and reason. the principal will be particular, before and during the tender process, provide to all bidders the same information and will not provide to any bidder, confidential/additional information through which the bidder could obtain an advantage in relation to the tender process or the contract execution.
 - (iii) The principal will exclude from the process all known prejudiced persons.
- (2) If the principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant anti-corruption laws of india or if there be a substantive suspicion in this regard, the principal will inform its vigilance office and in addition can initiate disciplinary actions.

Section 2 – Commitments Of The Bidder/Contractor :

- (1) The bidder /contractor commits itself to take all measures necessary to prevent corruption. he commits himself to observe the following principles during his participation in the tender process and during the contract execution.
 - (i) The bidder/contractor will not directly or through any other person or firm offer promise or give to any of the principal's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 - (ii) The bidder/contractor will not enter with other bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non submission of bids or nay other actions to restrict competitiveness or to introduce cartelization in the bidding process.
 - (iii) The bidder/ contractor will not commit any offence under the relevant Anti-Corruption Laws of India, further the bidder/contractor will not use improperly for purposes of completion or personal gain, or pass on the others, any information or document provided by the principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 - (iv) The bidder/contractor will , when presenting his bid, disclose any and all payment he has made is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract
- (2) The bidder/contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 –Disqualification From Tender Process And Exclusion From Future Contracts.

If the bidder ,before contract award has committed a transgression through a violation of section 2 or in any other form such as to put his reliability or credibility as bidder into question, the principal is entitled to disqualify the bidder from the tender process or to terminate the contract, if already signed for such reason.

- (1) If the bidder/contractor has committed a transgression through a violation of section 2 such as to put his reliability or credibility into question, the principal is entitled also to exclude the bidder/contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. the severity will be determined by the circumstances of the case, in particular the number or transgressions, the position of the transgressors within the company hierarchy of the bidder and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.

- (2) The bidder accepts and undertakes to respect and uphold the principal's absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.
- (3) If the bidder/contractor can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, the principal may revoke the exclusion prematurely.
- (4) A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

Section 4 - Compensation For Damages :

- (1) If the principal has disqualified the bidder from the tender process prior to the award according to section 3, the principal is entitled to demand and recover from the bidder liquidated damages equivalent to 3% of the value of the offer or the amount equivalent to earnest money deposit/bid security, whichever is higher.
- (2) If the principal has terminated the contract according to section 3 or if the principal is entitled to terminate the contract according to section 3, the principal shall be entitled to demand and recover from the contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to security deposit/performance Bank Guarantee whichever is higher.
- (3) The bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the bidder/contractor can prove and establish that the exclusion of the bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of the liquidated damages, the bidder/contractor shall compensate the principal only to the extent of the damage in the amount proved.

Section 5 - Previous Transgression

- (1) The bidder declares that no previous transgressions occurred in the last 3 years with any other company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- (2) If the bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded can be terminated for such reason.

Section 6 – Equal Treatment Of All Bidders/Contractors/Subcontractors .

- (1) The bidder/contractor undertakes to demand from all subcontractors a commitment in conformity with this integrity pact and to submit it to the principal before contract signing.
- (2) The principal will enter into agreements with identical condition as this one with all bidders, contractors and subcontractors.
- (3) The principal will disqualify from the tender process all bidders who do not sign this pact or violate its provisions.

Section 7 - Criminal charges against violating Bidders/Contractors/Subcontractors

If the principal obtains knowledge of conduct of a bidder, contractor or subcontractor or of an employee or a representative or an associate of a bidder, contractor or subcontractor which constitutes corruption or if the Principal has substantive suspicion in this regard the Principal will inform the same to the Vigilance Office.

Section 8 – External Independent Monitor/Monitors (three in number depending on the size of the contract)(to be decided by the Chairperson of the Principal).

- 1) The principal appoints competent and credible external independent Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- 2) The Monitor is not subject to instructions by the representative of the parties and performs his function neutrally and independently. He reports to the Chairperson of the Board of the principal.
- 3) The contractors accepts that the Monitor has the right to access without restriction all project documentation of the Principal including that provided by the Contractor. The contractor will also grant the monitor upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to subcontractors. The monitor is under contractual obligation to treat the information and documents of the bidder/contractor/subcontractor with confidentiality.
- 4) The principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- 5) As soon as the monitor notices or believes to notice, a violation of this agreement, he will so inform the management of the principal and request the management to discontinue or heal the violation or to take other relevant action. The Monitor can in this regard submit non-binding recommendations. Beyond this, the monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- 6) The monitor will submit a written report to the Chairperson of the Board of the principal within 8 to 10 weeks from the date of reference or intimation to him by the Principal and should the occasion arise submit proposals for correcting problematic situations.
- 7) Monitor shall be entitled to compensation on the same terms as being extended to /provided to outside Expert Committee Members /Chairman as prevailing with Principal
- 8) If the Monitor has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairperson has not within the reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office the monitor may also transmit this information directly to the Central Vigilance Commissioner , Govt. of India.
- 9) The word 'Monitor' would include both singular and plural.

Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by Chairperson of the Principal.

Section 10 – Other Provisions

- 1) This agreement is subject to Indian Law, place of performance and jurisdiction is the Registered office of the Principal i.e. Sanctoria.
- 2) Changes and supplements as well as termination notice need to be made in writing . Side agreements have not been made.
- 3) If the Contractor is a partnership or a consortium , this agreement must be signed by all partners or consortium members.
- 4) Should one or several provisions of this agreement turn out to be invalid , the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intention.

For the Principal

For the Bidder/ Contractor

Place _____

Witness -1 _____

Date _____

Witness-2 _____

IMMEDIATE

**NO.005/MS/14
Government of India
Central Vigilance Commission

Satarkata Bhawan, 'A' Block,
GPO Complex, I.N.A.
New Delhi-1100 23.
Dated the 8th August,2005

OFFICE ORDER No.49/8/05

Subject:- Right to Information Act- Appointment of Appellate Authority- Regarding.

In terms of Section 19(I) of the Right to Information Act-2005, the Central Vigilance Commissioner appoints Shri S.Gopal, Additional Secretary in the Commission as the Appellate Authority of the Central Vigilance Commission.

**Sd/-
(Anjana Dube)
Deputy Secretary**

IMMEDIATE

NO.005/MSC/14
Government of India
Central Vigilance Commission

Satarkata Bhawan, 'A' Block,
GPO Complex, I.N.A.
New Delhi-1100 23.
Dated the 8th August, 2005

OFFICE ORDER No.50/8/05

Subject: Right to Information Act- Appointment of Central Public Information Officer - regarding.

In terms of Section 5(I) of the Right to Information Act-2005, the Central Vigilance Commissioner appoints Shri K.L.Ahuja, Director in the Commission as the Central Public Information Officer of the Central Vigilance Commission.

Sd/-
(Anjana Dube)
Deputy Secretary

No.98/VGL/51
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block 'A',
G.P.O. Complex, I.N.A.,
New Delhi- 110 023
Dated the 9th December, 2003

Office Order No.59/12/03

To

- (i) The Secretary, Department of Personnel & Training
- (ii) The Secretary, Department of Public Enterprises
- (iii) The Secretary, Department of Administrative Reforms & Public Grievances
- (iv) All Secretaries to the Ministries/Departments of the Govt. of India
- (v) The Director, CBI
- (vi) The Chairman, SCOPE
- (vii) All Chief Executives of Public Sector Enterprises
- (viii) All CVOs of Ministries/Departments/PSEs

Subject: Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and Functions of the CVC-Amendment to Para 32.3 thereof.

Sir/Madam,

Special Chapter on Vigilance Management in Public Sector Enterprises, notified by the Commission vide No. 3(v)/99/3 dated 7.7.1999 provide for review of vigilance matters in PSEs by Board of Directors. The provision for review of progress of vigilance work by the Board of Directors of PSEs was withdrawn by the Commission vide circular letter No. 98/VGL/51 dated the 28th March, 2002 because too many reviews were felt uncalled for.

2. The matter has been once again reviewed and the Commission has decided that the Board of Directors should review the vigilance work once in six months and CVO will send a copy of the review done by the Board to the Commission. Necessary provision of Special Chapter on Vigilance Management in PSEs relating to review of vigilance matters stands amended to that extent.

3. The report sent by the Chief Vigilance Officer to the Commission would be in the following format. A copy of the Memorandum put up to the Board reviewing vigilance cases should also be endorsed to the report of the CVO. Name of the PSU Period of Review No. of cases reviewed Specific remarks, if any.

Yours faithfully,
Sd/-
(Anjana Dube)
Deputy Secretary

No.98/VGL/51
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 21st June 2001

To

- (1) The Secretary, Department of Personnel & Training
- (2) The Secretary, Department of Public Enterprises
- (3) The Secretary, Department of Administrative Reforms & PG
- (4) The Secretaries of the Ministries/Departments of Government of India
- (5) The Director, CBI
- (6) The Chairman, SCOPE
- (7) All Chief Executives of Public Sector Enterprises
- (8) All CVOs of Ministries/Departments/PSEs

Subject: Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and Functions of the CVC - Clarification on para 32.3 of the Chapter.

Sir/Madam,

The undersigned has been directed to refer to the Commission's letter No.3(v)/99/3 dated 07.07.1999, notifying the Special Chapter on Vigilance Management in public sector enterprises, and to say that a clarification has been sought from the Commission as to whether, in terms of para 32.3 of the Special Chapter, the vigilance work/disciplinary cases involving Board level appointees of the PSEs, should be reviewed in the vigilance review to be undertaken by the Board of Directors of the concerned PSE. In this regard, kind attention is invited to para 15 of the Special Chapter, which stipulates that the complaints involving Board-level appointees of the PSEs are to be handled by the CVOs of the concerned administrative Ministries/Departments. Moreover, it would be quite embarrassing for the Directors to find one or more of themselves being discussed in a meeting in which they are participating. It is thus clarified that the Board of Directors level vigilance review, envisaged in para 32.3 of the Special Chapter, would relate to the complaints/cases involving the employees who are below the Board level. So far as complaints/cases involving Board level appointees are concerned, it would be for the administrative Ministry to do such reviews periodically.

Yours faithfully,
Sd/-
(K.L. Ahuja)
Officer on Special Duty

MOST IMMEDIATE

**No.98/VGL/51
Government of India
Central Vigilance Commission**

Satarkta Bhawan, Block "A"
GPO Complex, I.N.A.,
New Delhi- 110 023
Dated the 11th August 1999

To

1. The Secretary, Department of Personnel & Training
2. The Secretary, Department of Public Enterprises
3. The Secretary, Department of Administrative Reforms & Public Grievances
4. All Secretaries to the Ministries/Departments of the Government of India
5. The Director, CBI
6. The Chairman, SCOPE
7. All Chief Executives of Public Sector Enterprises
8. All CVOs of Ministries/Departments/PSEs

Subject:- Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and Functions of the CVC- Clarification of para 3.2 thereof.

The Commission has notified the Special Chapter on Vigilance Management in Public Sector Enterprises vide letter No.3(v)/99/3 dated 7/7/99. In Para 3.2 of the Chapter, the jurisdiction of the Commission over the officers of PSEs has been mentioned.

2. It is clarified that the existing jurisdiction of the Commission over the Board level appointees of PSEs has been extended to two levels below the Board level as per Para 3.2 of the Chapter. Therefore, from the date the Special Chapter has come into force i.e. 15/7/99, all cases involving vigilance angle in respect of all officials of Board level as well as two levels below the Board level will have to be referred to the Commission for its advice.

3. A doubt has arisen with regard to the last sentence of Para 3.2 of the Chapter which prescribes that "cases involving vigilance angle in respect of all employees two levels below the Board level may not ordinarily be referred to the Commission". It is clarified that cases involving vigilance angle in respect of all employees other than three categories namely, Board level, First and second levels below the Board level, may not ordinarily be referred to the Commission unless due to special reasons the Commission has called for a report or in cases where the PSE may like to seek the advice of the Commission.

4. This issues with the approval of Central Vigilance Commissioner.

**Sd/-
(P.S. Fatellullah)
Director**

No.3(v)/99/3
Central Vigilance Commission

Satarkata Bhawan, Block 'A'
G.P.O. Complex, INA,
New Delhi - 110023.
Dated the 7th July, 1999

Subject:- Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and Functions of the CVC.

Current wisdom emphasises the importance of Public Sector Enterprises (PSEs) functioning as self-reliant and profitable units, building themselves around their competitive strengths so as to meet challenges from the private sector. In the achievement of this objective, however, there has to be greater transparency and accountability within the functioning of these enterprises.

2. In the changed and liberalised scenario, vigilance functions have to be organised along proactive, rather than negative lines: their performance should not detract from, impair or inhibit commercial decision making. On the contrary, it must assist the management in the achievement of its organisational goals and objectives.

3. The present Special Chapter on Vigilance Management in PSEs has been prepared, keeping these objectives in view. It takes into account the special micro-level needs of managers in PSEs and addresses the complex problems faced by them in their day-to-day functioning. Since the rules governing vigilance have now been made transparent, managers need only to shed their inhibitions and contribute their best to the organizations they work for.

4. The Special Chapter has been prepared in consultation with the CBI, DPE and CMDs and CVOs of PSEs. Special care has been taken to ensure that the provisions of this Chapter are in conformity with the other Chapters of the Vigilance Manual. However, if there is any inconsistency between the provisions of this Chapter and the provisions of the extant Vigilance Manual, the matter should be referred to the CVC for decision.

5. In terms of the powers conferred under para 3(v) of the Government's Resolution dated 4.4.1999 and the Order of the Supreme Court dated 18.12.1997 in the case of Vineet Narain and others v. Union of India (Criminal Writ Petition Nos. 340-343 of 1993) the Commission is pleased to notify the enclosed Special Chapter on Vigilance Management in Public Sector Enterprises. The provisions of this Chapter will come into force w.e.f. 15.7.99 and will be deemed to form an integral part of the Vigilance Manual, Volume-I.

6. This order as well as the enclosed Special Chapter is available on web site of the CVC at <http://cvc.nic.in>

7. Hindi version will follow.

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

- (i) The Secretary, Department of Personnel & Training
- (ii) The Secretary, Department of Public Enterprises.
- (iii) The Secretary, Department of Administrative Reforms & Public Grievances
- (iv) All Secretaries to the Ministries/Departments of the Government of India.
- (v) The Director, CBI,
- (vi) The Chairman, SCOPE
- (vii) All Chief Executives of Public Sector Enterprises
- (viii) All CVOs of Ministries/Departments/PSEs

No.003/VGL/28
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated the 28.11.2005

Office Order No. 72/12/05

Sub: Vigilance Manual –Sixth Edition-2004 - Clarification regarding.

The Vigilance Manuals issued by the Commission are ready reference books for use by all officers involved in vigilance administration. It is not a substitute for reference to the concerned rules and orders issued by the Commission/Government.

The Vigilance Manual comprises of three volumes as under:-

(i) Vigilance Manual Volume–I: It is a subject-wise write up on all matters pertaining to the Commission's role and functions including role and functions of the CVOs' handling and investigation of complaints; penalties under the CDA Rules and the procedure for its imposition; the provisions for appeal, revision and review; consultation with UPSC etc. It also contains writes-up on general issues like assistance to the CBI, suspension of public servants and payment of subsistence allowance etc; important penal provisions under the PC Act; and the Constitutional provisions relating to disciplinary matters against the civil servants.

(ii) (a) Vigilance Manual Volume II (Part-I): It contains verbatim reproduction of conduct, discipline and appeal rules pertaining to various categories of Government servants, like CCS(CCA) Rules, CCS(Conduct) Rules, AIS(D&A) Rules, Railway Servants (D&A) Rules, etc. It also contains extract from various Acts and Rules, and standard forms. (Last updated in 20.9.1981).

(b) Vigilance Manual Volume II (Part II): This volume is divided into three parts and contains verbatim reproduction of instructions issued by the Ministry of Home Affairs/DOPT, the Central Vigilance Commission and the Ministry of Finance respectively, arranged in order of dates of issue of the circulars. (Last update 31.12.1982. A supplement by DOPT on 29.7.1987).

(iii) Vigilance Manual Volume III (Digest of Case Laws): This contained summary of case laws having bearing on disciplinary proceedings. It was brought out on 11.2.1970 as a consequence of a suggestion made at the meeting of Chief Vigilance Officers held in 1966. This volume was not updated thereafter. However, in eighties and early nineties, the Commission had been bringing out quarterly bulletins in which summaries of important case laws were being included.

2. The latest update of Vigilance Manual Volume–I dated 2004 covers only the following chapters:

Chapter-I Organisaition.

Chapter-II CVO-Appointment, Role and Functions.

Chapter-III Complaints.

Chapter-IV Preliminary Inquiry/Investigation.

Chapter-V Facilities and Co-operation to be extended by Administrative Authority to the CBI during Investigation of cases.

Chapter-VI Suspension.

3. The other chapters of earlier edition i.e. Vigilance Manual Vol.I, 1991 viz Chapter-VI Penal provisions pertaining to bribery and corruption among public servants.

Chapter-VII Prosecution.

Chapter-VIII Action against temporary Government servant by the appointing authority.

Chapter-IX Constitutional provisions.

Chapter-X Disciplinary Proceedings I (Initial Action).

Chapter-XI Disciplinary Proceedings II (Oral Inquiry)

Chapter-XII (Disciplinary Proceedings III (Action on the report of the inquiring Authority).

Chapter-XIII Disciplinary Proceedings IV (Miscellaneous)

Chapter-XIV Action after reinstatement.

Chapter-XV Action against pensioners.

Chapter-XVI Consultation with Union Public Service Commission in disciplinary matters.

Chapter-XVII Appeals, Revision, Review, petitions and Memorials are yet to be updated and hence Vol.I edited in 1991 may be referred with respect to these chapters alongwith circulars issued by DOPT/CVC from time to time. These will be updated in due course and released as Vigilance Manual Volume I (Part-II). The Vigilance Manual Volume I edition 2004, referred in para 2 above, will hence be referred as Vigilance Manual Volume I (Part-I) edition 2004.

4. It is also brought to the notice that till the finalisation of CVC Regulations all the procedures for references to CVC are as per the circulars printed in Vigilance Manual Volume –II, Part –II (third edition), supplement to Volume–II, Part-II and circulars issued by DOPT, CVC from time to time. Special attention is drawn to letter No.9/1/64- DP dated 13th April, 1964 and subsequent amendments/clarifications of CVC/DOPT in these matters.

Sd/-
(Anjana Dube)
Deputy Secretary

Copy to:-All Chief Vigilance Officers

No.99/VGL/62
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.
New Delhi-110023
Dated the 29th November 99

To
All Chief Vigilance Officers.

Subject:- Amendment of Para 11.4, Chapter X of Vigilance Manual Vol. I.

Sir,

Para 11.4, Chapter X of the Vigilance Manual Volume I refers to the illustrative types of vigilance cases in which it might be desirable to initiate proceedings for imposing a major penalty. Sub-para (iii) thereof refers to the "Gross irregularity or negligence in the discharge of official duties with a dishonest motive". It has been observed that some of the disciplinary authorities did not initiate departmental proceedings for imposition of a major penalty in the cases involving gross negligence/flagrant violation of systems and procedures on the consideration that there was no material to prove the element of "dishonest motive". The cases involving gross negligence/flagrant violation of systems and procedures do involve a vigilance angle and the involvement of "malafides" are to be inferred or presumed from the actions of the concerned employee depending upon the facts and circumstances of the case. However, with a view to remove the ambiguity, the Commission has decided to amend para 11.4 (iii) **ibid** as under:-

"The case involving any of the lapses such as gross or wilful negligence, recklessness, exercise of discretion without or in excess of powers/jurisdiction, causing undue loss to the organisation or a concomitant gain to an individual, and flagrant violation of systems and procedures".

2. This is brought to the notice of all concerned for appropriate action.

Yours faithfully,
(K.L.Ahuja)
Officer on Special Duty

Copy forwarded for information and necessary action to:-

1. The Department of Personnel & Training (Shri I.S.Chaturvedi, Deputy Secretary (Vig.), North Block, New Delhi.
2. The Central Bureau of Investigation (Shri N.K.Balachandran, JD (Policy), CGO Complex, New Delhi.

Dealing with Complaints/Complaints Policy

Sl. No.	Subject	Office Order/ Circular No.	File ref. No.	Date of Issue	Page No.
1	Complaint against Secretaries to the Government of India and Chief Executives of the Public Sector Enterprises and CMDs of the Public Sector Banks and Financial Institutions.	06/03/11	No.010/VGL/008	14.03.2011	
2	Recent GoI circular setting up Committees to handle complaints against Secretaries etc. – CVC's Clarification.	29/07/10	No. 010/VGL/008	27.07.2010	
3	Adherence to time limits for investigation of complaints – reg.	20/05/10	No.002/VGL/61	19.05.2010	
4	Access of complaints to the CVOs – Instructions regarding.	15/07/09	No.009/VGL/035	01.07.2009	
5	Investigation of complaints by the CVOs - seizure of records reg.	03.02.07	No.007/VGL/013	23.02.2007	
6	Complaints forwarded by the Administrative Ministries/Departments.	25/04/05	No.004/VGL/20	29.04.2005	
7	Action taken on Advices tendered/Complaints referred by the Commission.	12/3/05	No.002/VGL/61	16.03.2005	
8	Time Limit for investigation of complaints--Reg.	57/8/04	No.004/VGL/62	31.08.2004	
9	Disposal of Complaints	16/03/04	No.002/VGL/61	01.04.2004	
10	Disposal of Complaints-regarding	53/9/03	No.002/VGL/61	23.09.2003	
11	Clarifications on Commission's Directions.	36/07/03	No.98/DSP/9	13.08.2003	
12	Improving Vigilance Administration - Action on Anonymous/Pseudonymous Complaints	-----	No.98/DSP/9	11.10.2002	

13	Improving Vigilance Administration- no action to be taken on anonymous/pseudonymous petitions/complaints	-----	98/DSP/9	31.01.2002	
14	Schedule of time limits in conducting investigations and departmental inquiries.		No.000/VGL/18	23.05.2000	
15	Improving Vigilance Administration-No action to be taken on anonymous/pseudonymous petitions/complaints	-----	No.3(v)/99/2	29.06.1999	
16	Improving Vigilance Administration-Bringing in accountability	-----	No.3(v)/99/1	21.06.1999	
17	Vigilance angle – definition of (partial modification regarding).	74/12/05	No. 004/VGL/18	21.12.2005	
18	Vigilance angle – definition of.	23/04/04 r/w 74/12/05	No. 004/VGL/18	13.04.2004	
19	Vigilance angle – definition of.	23/04/04	No. 004/VGL/18	13.04.2004	

No.010/VGL/008
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 14th March, 2011

Circular No.06/03/11

Sub : Complaint against Secretaries to the Government of India and Chief Executives of the Public Sector Enterprises and CMDs of the Public Sector Banks and Financial Institutions.

Attention is invited to DoPT OM No.104/100/2009-AVD.I dated 14.01.2010/08.03.2010 and DPE OM No. 15 (I)/2010-DPE (GM) dated 11.03.2010 / 12.04.2010, constituting Groups under the Chairmanship of Cabinet Secretary and secretary (Coordination) in the Cabinet Secretariat respectively for handling complaints received against Secretaries to the Government of India and Chief Executives of the Public Sector Enterprises and CMDs of the Public Sector Banks and Financial Institutions. In this connection, the Central Vigilance Commission (CVC) vide circular No.29/07/10 dated 27.07.2010 had issued a clarification regarding handling complaints in respect of the above mentioned categories of officers received by the CVC and referred to the concerned administrative authorities by CVC.

2. Cabinet Secretariat has brought to the notice of the CVC that in spite of above clarifications issued by CVC, some Ministries/Departments which receive complaints from CVC for taking appropriate action, instead of taking further necessary action at their level continue to forward the same to the Group of Secretaries or Group of Officers for consideration. Cabinet Secretariat has therefore, desired that instructions be issued by CVC to all the Ministries/Departments in this regard.

3. In the light of the above, Commission would like to impress upon all Ministries/Departments of the Government of India that the Central Vigilance Commission has been assigned powers under Section 8 (i) of the CVC Act, 2003 (45 of 2003) to inquire or cause an inquiry or investigation to be made into any complaint alleging commission of offences under Prevention of Corruption Act, 1988 against any official belonging to such categories of officials specified in sub-section (2) of ibid section. The categories of officials prescribed are the members of All India Services serving in connection with the affairs of the Union and Group 'A' Officers of the Central Government which would include the Secretaries to the Government of India. Further, the notifications issued by the DoPT under clause (b) of sub-section (2) of Section (8) of the CVC Act, 2003 dated 18.03.2004 and 12.09.2007 prescribing categories/levels of officers in PSUs / Banks etc. includes the Chief Executives and Functional Directors of the Public Sector Enterprises and CMDs and Functional Directors of the Public Sector Banks and Financial Institutions.

4. The Commission would, therefore, make it clear that all complaints referred by the Commission to the Ministries/Departments against the above categories of officials are to be dealt / inquired into and reports submitted to the Commission by the respective authorities to whom the complaints are sent by the Commission and such complaints should not be forwarded or referred to the Group of Secretaries or Group of Officers for consideration. All Ministries/Departments of the Government of India may ensure compliance in this regard.

Sd/-
(J.Vinod Kumar)
Officer on Special Duty.

To
Secretary to the Government of India,
All Ministries/Departments.

Copy to :

- (i) Additional Secretary (S&V), DoPT
- (ii) Joint Secretary (V), DoPT
- (iii) Cabinet Secretariat (Shri K.V.S. Rao, Director)
- (iv) Department of Financial Services.
- (v) Department of Public Enterprises.
- (vi) Chief Vigilance Officers of all Ministries/Departments.

No. 010/VGL/008
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
2nd Floor, GPO Complex
INA, New Delhi – 110023
Dated : 27th July, 2010

Circular No. 29/07/10

Sub : Recent GoI circular setting up Committees to handle complaints against Secretaries etc. – CVC's Clarification.

- Department of Personnel and Training has issued Circular No. 104/100/2009-ADV.1 dated 14.1.2010 forming a Committee to deal with complaint against Secretaries to Government of India.
- The Department of Public Enterprise has issued similar circular vide Office Memorandum No. 15(1)/2010-DPE(GM) dated 11th March 2010 forming a Committee to deal with the complaints against CMDs, Functional Directors of PSUs and Banks.
- An issue has been raised recently in the Press saying that these circulars :
 - a) dilute the powers of the CVC
 - b) seek to offer a measure of protection to certain class of officers in Government, PSUs and Public Sector Banks.
- It is clarified that
 - a) In so far as the complaints received by CVC, the Committee so set up can enquire into complaints referred to the Cabinet Secretary by the CVC.
 - b) It is not incumbent on the part of the CVC to send all complaints against the Officers so classified to the said Committee.
 - c) It has not been the practice even before the setting up of the Committee for the Commission to send complaints against the Secretaries to Government of India to the Cabinet Secretary. Similarly, complaints against CMDs and the Functional Directors of PSUs Banks were sent to the Administrative Ministries concerned.
 - d) The complaints so received from the Commission are to be enquired by the authorities to whom sent and report submitted and advice sought from the Commission.

Sd/-
(Vineet Mathur)
Director

No.002/VGL/61
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA
New Delhi- 110 023
Dated the 19.05.2010

Office Order No.20/05/10

Subject : Adherence to time limits for investigation of complaints – reg.

Reference: (i) **Commission's Office Order No.16/03/04 dated 01.04.2004**
 (ii) **Commission's Office Order No.4/2/09 dated 27.02.2009**
 (iii) **Commission's circular No.9/5/09 dated 12.5.2009**

As per provisions contained in Para 4.13.1 of Chapter IV of the Vigilance Manual Volume-I (Sixth Edition – 2004), the Chief Vigilance Officers of Organisations / Departments are required to furnish investigation reports on complaints referred by the Commission for investigation and report within three months of the date of receipt of such references. In so far as PIDPI complaints, the Commission has prescribed a period of one month for submission of investigation reports.

2. The Commission observes that Organisations/Departments do not adhere to the time limits prescribed and there is undue delay in submission of investigation reports. While emphasizing the need for strict adherence to the prescribed time limits for furnishing reports, in case, if it is not possible for completing investigations within the specified periods, the Chief Vigilance Officer of the Organisations/Departments concerned should personally look into the matter and send an interim reply/report to the Commission seeking extension of time limit, indicating the progress of investigation and reasons for delay without fail in each complaint case.

3. All CVOs should ensure strict compliance to the above guidelines.

Sd/-
(Vineet Mathur)
Director.

To
All Chief Vigilance Officers.

No.009/VGL/035
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA
New Delhi- 110 023
Dated the 1st July, 2009

Circular No.15/07/09

Sub : Access of complaints to the CVOs – Instructions regarding.

Complaints containing information about corruption, malpractice or misconduct by public servants are received in a decentralized manner. CVOs receive complaints, also from many a decentralized location. According to the prevailing practice what is sent to the CVO from different decentralized locations entirely depends on the appreciation of 'vigilance angle' or otherwise by the officers controlling these decentralized locations. In such a system there is every chance that a complaint with a vigilance overtone may not be forwarded to the CVO, due to a lack of appreciation or for other bonafide reasons. This has also been revealed through the vigilance audit by the Commission in some organizations.

2. In order to have uniform practices and procedures in the handling and processing of complaints in an organization/department, it is imperative that a 'Complaint Handling Policy' is laid down in all organisations/departments for receipt, handling and processing of all types of complaints/grievances from the public, contractors, vendors, suppliers etc. The policy should make it clear that any complaint/grievance is received in the organization/department by any functionary containing any element of alleged corruption, malpractices or misconduct etc., should necessarily be sent to the CVO of the organization for scrutiny and action. All Departments/Organisations are, therefore, directed to put in place necessary policy and systems in this regard.

3. Para 3.2.2 of Chapter III of Vigilance Manual Volume-I (6th edition) prescribes that the CVO concerned may also devise and adopt such methods, as considered appropriate and fruitful in the context of nature of work handled in the organization, for collecting intelligence about any malpractice and misconduct among the employees.

4. The Commission is of the view that all CVOs should, on a continued basis, scrutinize the complaints, grievances etc., received by other divisions/units of the department/organization concerned and ensure that issues/allegations involving vigilance angle if any, in such complaints are duly forwarded to them to be duly attended to by the Vigilance Department.

Sd/-
(Shalini Darbari)
Director.

To
All Chief Vigilance Officers.

No.007/VGL/013
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 23rd February 2007

Circular No.3/2/07

Subject: Investigation of complaints by the CVOs - seizure of records reg.

It has come to the Commission's notice that when a complaint is received by the CVO either from the Commission or from other sources, the time taken by the department for investigating the complaint is unduly long and beyond the time-limit of three months stipulated by the Commission vide its circular No.000/VGL/18 dated 23.5.2000. The main reason cited by the CVOs for the delay is non-availability of records/documents pertaining to that particular complaint/allegation. The Commission vide Para 4.4 (a) of Vigilance Manual, 6th Edition has already issued guidelines stating that "if the allegations contain information which can be verified from any document or file or any other departmental records, the investigating / vigilance officer should, without loss of time, secure such records, etc., for personal inspection. If any of the papers examined is found to contain evidence supporting the allegations, such papers should be taken over by him for retention in his personal custody to guard against the possibility of available evidence being tampered with".

2. The Commission observes that these guidelines are not being adhered to and would therefore reiterate its aforementioned guidelines and direct the CVOs to ensure that all relevant records/documents/files etc. are taken into personal custody by the investigating officer immediately on receipt of the reference/complaint for processing the allegations, and finalizing the investigation within the stipulated three months' time-limit prescribed by the Commission.

3. The Commission, exercising its authority as contained in para 8(1)(c&d) and para 11 of CVC Act, 2003, also conducts direct inquiry into complaints through Direct Inquiry Officers as nominated by the Commission. It is directed that as soon as a direct inquiry is ordered by the Commission, the CVOs should immediately seize the relevant records pertaining to the case and produce them before the Direct Inquiry Officers (DIOs) without any delay.

4. The above instructions may be noted for strict compliance.

Sd/-
(Vineet Mathur)
Deputy Secretary

All Chief Vigilance Officers

No.004/VGL/20
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA
New Delhi- 110 023
Dated the 29th April, 2005

OFFICE ORDER NO.25/4/05

Subject: Complaints forwarded by the Administrative Ministries/Departments.

The CVOs of the Public Sector Corporations and subordinate organizations of the Central Govt. undertake investigations of the complaints having vigilance angles concerning their organizations. These complaints also include complaints forwarded by the administrative Ministries/Departments.

2. It has been observed that quite often in such cases, CVOs furnish a report to the administrative Ministry/Department and the complaint is closed as per the decision of the administrative Ministry/Department. It is clarified that the complaints against officials who are within the purview of the Commission, can be closed only with the approval of the Commission. Accordingly in all such cases, CVOs would endorse a copy of the report being sent to the Ministry, to the Commission also and such complaints will be closed only with the approval of the Commission.

The above instructions may please be noted for strict compliance.

Sd/-
(Mitter Sain)
Deputy Secretary

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/
Autonomous organizations/Societies
Copy for information to:- 1. All Branch Officers/ Section Officers
2. Sr.PPS to CVC, PPS to VC(J)/VC(D)
3. PS to Secretary/AS(B)/AS(G)

No.002/VGL/61
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated the 16th March 2005

Office Order No.12/3/05

Subject: Action taken on Advices tendered/Complaints referred by the Commission.

The Commission has observed that some of the Govt. Departments were not following the prescribed guidelines as regards action taken on Commission's Ist/Ind stage advices. **It is also seen that some of the departments are closing the complaints on their own which were forwarded by the Commission for investigation and report.**

2. Para 22 of Chapter X of Vigilance Manual provides that all cases pertaining to Gazetted Officers (may be read as Group A Officers after passing of CVC Act-2003), in respect of whom the Central Vigilance Commission is required to be consulted, will be referred to the Commission for advice (first/second stage advice). The major penalty cases pertaining to such officers envisage consultation with the Commission at two stages. The first stage of consultation arises while initiating disciplinary proceedings, while second stage consultation is required before a final decision is taken at the conclusion of the proceedings. It follows that the **CVC should also be consulted** in cases where the disciplinary authority have initiated action for major/minor penalty proceedings and **propose to close the case** on receipt of Statement of defence.

3. As regards the complaints, para 4.1 of Chapter II of CVC Manual envisages that the complaints forwarded for inquiry to the administrative Ministries/ Departments, the CVO concerned will make an inquiry or have an inquiry made into the complaints to verify the allegations and will submit his report together with the relevant records to the Central Vigilance commission. **The reports of investigation should normally be sent to the Commission within three months from the date of receipt of the reference from the Commission. In cases where the CVO need more time, an interim reply should be sent to the Commission. It is reiterated that no complaint is to be closed by the department on its own without consulting the Commission, in case the same has been forwarded by the Commission for a report.**

The above may be noted for strict compliance by the Ministries/ Departments.

Sd/-
(Anjana Dube)
Deputy Secretary

To
All CVOs of Ministries/Departments

No.004/VGL/62
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, I.N.A.,
New Delhi – 110023
Dated, the 31st August 2004

Office Order No. 57/8/04

To
All the CVOs of:
(i) Public Sector Undertakings
(ii) Public Sector Banks

Sub: Time limit for investigation for complaints- regarding.

Sir/Madam,

The DOPT in their OM No. 27(12)(EO)/94/ACC dated 30.7.99 regarding guidelines for processing cases of Board level appointments in PSEs have taken cognizance of the fact that there are sometimes spate of complaints against individuals whose names are being considered/finalized by the PESB. It has also come to the notice of the Commission that sometimes when an official is due for promotion, some old complaints are taken cognizance of and investigations started against the official. This matter was also discussed in the meetings to review the performance of the CVOs wherein suggestions for modification in the time period were made.

2. The matter has been considered by the Commission and to avoid unnecessary harassment to the officials, against whom frivolous complaints are received at the time of their promotion/selection the Commission has decided that:

(a) as a rule, complaints/cases which are more than 5 years old and no action has been taken till then, should not be investigated. However, the limit of 5 years will not apply to cases of fraud and other criminal offences; and

(b) no cognizance should be taken of any complaint which is received 6 months prior to the initiation of selection process for senior posts.

Yours Faithfully,
Sd/-
(Mange Lal)
Deputy Secretary
Telefax 24651010

No.002/VGL/61
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 1st April 2004

Office Order No.16/03/04

To
All Chief Vigilance Officers
The Deputy Secretary (AVD.III), DOPT

Subject: Disposal of complaints.

Reference is invited to the Commission's Office Order No. 53/9/03 dated 23.9.2003 and para 4.2, Chapter 2 of Vigilance Manual Vol.I on the above subject.

2. In case the complaint does not attract vigilance angle, or the issue is of petty nature which could be settled at the level of the department/organisation, the Commission forwards such a complaint to the organisation for **necessary action** at their end, to redress the grievances of the complainant. The action on these complaints is **not required to** be sent to the Commission for further advice until and unless something more serious is brought out during the investigation. The departments/organisations may themselves dispose of and close these complaints after necessary action. The concurrence of Commission for closure of such complaints is not required. The CVOs may close the complaints at their level. However if the complaint is sent for **action and report**, the organisations should submit an investigation report within 3 months of receipt of complaint for obtaining necessary advice of the Commission. It has been observed that there is a long delay in matter of investigation of complaints, the organisations are advised to strictly adhere to the time-schedule in this regard.

Sd/-
(Anjana Dube)
Deputy Secretary

No.002/VGL/61
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block 'A',
GPO Complex, I.N.A.,
New Delhi- 110 023
Dated the 23rd September 2003

Office Order No. 53/09/03

To
All Chief Vigilance Officers.

Subject:- Disposal of complaints- regarding.

Sir/Madam,

The Commission has received a number of references from the various departments/organisations seeking clarifications whether a complaint forwarded by the Commission for report may be first got confirmed from the complainant before taking up for investigations.

2. The Commission has examined the issue and decided that once it calls for a report on a complaint, the departments/organisations, should treat it as a signed complaint though on the face of it the complaint may be anonymous/ pseudonymous. Clarifications, if required, could be obtained from the complainant(s), as part of the enquiry into the matter.

3. CVOs may bring it to the notice of the concerned officials.

Sd/-
(Mange Lal)
Deputy Secretary
Telefax- 24651010

No.98/DSP/9
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.
New Delhi-110023
Dated the 13th August, 2003

OFFICE ORDER NO. 36/7/03 dated 9.7.2003
Subject:- Clarifications on Commission's Directions.

During the meeting of the Central Vigilance Commission with CMDs of Public Sector Banks at IBA, Mumbai on 25.02.2003, a number of issues were raised. The Commission clarified these issues as follows:

(i) **Commission's directive dated 11.10.2002 on dealing with anonymous/pseudonymous complaints.**

It was requested to reconsider the Commission's directive on dealing with anonymous/pseudonymous complaints modifying the earlier advice of not to take cognizance of such complaints. The Commission is of the view that such a verification cannot be done in a routine manner and in case any department/organization wanted to verify the facts, then a reference to the Commission is necessary. There is, therefore, no change in the Commission's earlier ruling on action on anonymous/pseudonymous complaints.

(ii) **Commission's clarification dated 10.02.2003 on non-acceptance of the Commission's advice in the matter of appeals.**

It was requested to reconsider the Commission's clarification dated 10.02.2003 on non-acceptance of the Commission's advice in the matter of appeals. It was clarified that the DA could differ with the Commission's 2nd stage advice for valid reasons and this applied to the Appellate Authority also. The right to the Appellate Authority to differ with the Commission, therefore, not interfered with. The Appellate Authority should satisfy himself that the DA has applied his mind and then take his own independent decision. The Commission, however, would take a view as to whether the 'deviation' in such cases is serious enough to warrant inclusion in its Annual Report.

(iii) **Reference of cases to CBI**

It was clarified that the institution, at the initial stage itself, depending on the facts of the case, should decide whether the case is to be entrusted to the local police or CBI.

(iv) **Posting of officer in 'agreed list'**

It was clarified that drawing up and revising the agreed list with the assistance of CVO is left to the CEOs and if it is desired that a person in the agreed list is to be posted in a particular position, the institution may take the decision for specific reasons.

Sd/-
(Anjana Dube)
Deputy Secretary

No.98/DSP/9
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 11th October 2002

To
All Chief Vigilance Officers

Subject:- Improving vigilance administration - Action on anonymous/ pseudonymous complaints.

Sir/Madam,

The undersigned has been directed to refer to the Commission's communication No. 3(v)/99/2 dated 29.06.1999 and the letter of even number dated 31.01.2002, on the above subject, and to say that the Commission has reviewed the instructions contained in the aforesaid communications and reiterates that no action is to be taken by the departments/organisations, as a general rule, on anonymous/pseudonymous complaints received by them. However, if any department/organisation proposes to look into any verifiable facts alleged in such complaints, it may refer the matter to the Commission seeking its concurrence through the CVO or the head of the organisation, irrespective of the level of employees involved therein.

Yours faithfully,
Sd/-
(K.L. Ahuja)
Officer on Special Duty

98/DSP/9
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 31st January 2002

To
All Chief Vigilance Officers

Subject: Improving vigilance administration – no action to be taken on anonymous/pseudonymous petitions/complaints.

The Commission had reviewed the instructions regarding action to be taken on anonymous/pseudonymous complaints and observed that the enabling provision in the DOPT's orders No.321/4/91-AVD.III dated 29.09.1992 had become a convenient loophole for blackmailing and detrimentally affecting the career of public servants whose promotions/career benefits were denied owing to consequent investigation. Considering all aspects, the Commission by virtue of powers invested under para 3(v) of the Ministry of Personnel, Public Grievances & Pensions, Department of Personnel & Training Resolution No.371/20/99-AVD.III dated 4th April 1999, had instructed all Govt. Deptts./Orgns., PSEs and Banks not to take action on anonymous/pseudonymous complaints. All such complaints are to be filed vide CVC's instruction No.3(v)/99/2 dated 29th June 1999.

2. However, it has come to the notice of the Commission that some Govt. Deptts./Orgns. and, in particular, banks are not complying with the CVC's instructions and have been taking cognizance/action on anonymous/pseudonymous complaints. Very often, the content of the complaint, described as verifiable, is used as a justification for such action. The instruction of the Commission does not permit this line of action.

3. It is hereby reiterated that, under no circumstance, should any investigation be commenced or action initiated on anonymous/pseudonymous complaints; these should invariably be filed. Any violation of this instruction will be viewed seriously by the Commission.

4. This issues with the approval of the Commission.

Yours faithfully,
Sd/-
(C.J. Mathew)
Deputy Secretary

No.000/VGL/18
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
 GPO Complex, INA,
 New Delhi- 110 023
 Dated the 23rd May 2000

To
 The CVOs of Ministries/Departments, autonomous organisations
 and Societies etc.

Subject: Schedule of time limits in conducting investigations and departmental inquiries.

Sir,

Delays in disposal of disciplinary cases are a matter of serious concern to the Commission. Such delays also affect the morale of the suspected/charged employees and others in the organisation. The Commission has issued instructions, vide its communication No. 8(1)(g)/99(3) dated 03.03.1999, that departmental inquiries should be completed within a period of six months from the date of appointment of Inquiry Officers. Regarding other stages of investigation/inquiry, the time-schedule, as under, has been laid down in the Special chapters on Vigilance Management in Public Sector Banks/Enterprises, which are applicable to the employees of public sector banks / enterprises. The Commission desires that these time-limits should also be adhered to by the Ministry/Departments of Government of India, autonomous organisations and other Cooperative Societies, in respect of their employees, so as to ensure that the disciplinary cases are disposed of quickly.

Sl. No	State of Investigation or inquiry	Time Limit
1.	Decision as to whether the complaint involves a vigilance angle	One month from receipt of the complaint.
2.	Decision on complaint, whether to be filed or to be entrusted to CBI or to be taken up for investigation by departmental agency or to be sent to the concerned administrative authority for necessary action.	-do-
3.	Conducting investigation and submission of report.	Three months.
4.	Department's comments on the CBI reports in cases requiring Commission's advice.	One month from the date of receipt of CBI's report by the CVO/Disciplinary Authority.
5.	Referring departmental investigation reports to the Commission for advice.	One month from the date of receipt of investigation report.
6.	Reconsideration of the Commission's advice, if required.	One month from the date of receipt of Commission's advice.

7.	Issue of charge-sheet, if required.	(i) One month from the date of receipt of Commission's advice. (ii) Two months from the date of receipt of investigation report
8	Time for submission of defence statement.	Ordinarily ten days or as specified in CDA Rules.
9.	Consideration of defence statement.	15 (Fifteen) days.
10.	Issue of final orders in minor penalty cases.	Two months from the receipt of defence statement.
11.	Appointment of IO/PO in major penalty cases.	Immediately after receipt and consideration of defence statement.
12.	Conducting departmental inquiry and submission of report.	Six months from the date of appointment of IO/PO.
13.	Sending a copy of the IO's report to the Charged Officer for his representation.	i) Within 15 days of receipt of IO's report if any of the Articles of charge has been held as proved; ii) 15 days if all charges held as not proved. Reasons for disagreement with IO's findings to be communicated.
14.	Consideration of CO's representation and forwarding IO's report to the Commission for second stage advice.	One month from the date of receipt of representation.
15.	Issuance of orders on the Inquiry report	i) One month from the date of Commission's advice. ii) Two months from the date of receipt of IO's report if Commission's advice was not required.

Yours faithfully,

Sd/-

(K.L. Ahuja)

Officer on Special Duty.

No.3 (v)/99/2
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 29th June 1999

Subject: Improving vigilance administration - no action to be taken on anonymous/pseudonymous petitions/complaints.

By virtue of the powers invested in the CVC under para 3(v) of the Ministry of Personnel, Public Grievances & Pensions, Department of Personnel & Training Resolution No.371/20/99-AVD.III dated 4th April 1999, the CVC is empowered to exercise superintendence over the vigilance administration of the various Ministries of the Central Government or Corporations established under any Central Act, Government Companies, Societies and local authorities owned or controlled by that Government.

2. One of the facts of life in today's administration is the widespread use of anonymous and pseudonymous petitions by disgruntled elements to blackmail honest officials. Under the existing orders, issued by Department of Personnel & Training letter No.321/4/91-AVD.III dt.29.9.92, no action should be taken on anonymous and pseudonymous complaints and should be ignored and only filed. However, there is a provision available in this order that in case such complaints contain verifiable details, they may be enquired into in accordance with existing instructions. It is, however, seen that the exception provided in this order has become a convenient loophole for blackmailing. The public servants who receive the anonymous/pseudonymous complaints, generally, follow the path of least resistance and order inquiries on these complaints. A peculiar feature of these complaints is that these are resorted to especially when a public servant's promotion is due or when an executive is likely to be called by the Public Enterprises Selection Board for interview for a post of Director/CMD etc. If nothing else, the anonymous/pseudonymous petition achieves the objective of delaying the promotion if not denying the promotion. These complaints demoralise many honest public servants.

3. A person will resort to anonymous or pseudonymous complaints because of the following reasons:

- (i) He is an honest person who is a whistle blower but he is afraid to reveal his identity because of fear of consequences of the powerful elements in the organization.
- (ii) He is a blackmailer who wants to psychologically pressurize the public servant complained against

4. There could be a view that if the anonymous/pseudonymous complaints contain an element of truth and if no action is to be taken on them then an important source of information will be lost. To that extent, corrupt practices may get a boost. At the same time the Central Vigilance Commission has initiated a number of steps to provide a channel of communication against the corrupt public servants. These measures include the following:
- (i) Under CVC's order No. 8(I)(h)(I) dated 18.11.98, even junior officers can complain to the CVC in cases of corruption against the seniors;
 - (ii) The CVC has issued instructions that the name of the complainant will not be revealed when the complaint is sent to the appropriate authorities for getting their comments or launching inquiries;
 - (iii) Under CVC Order No. 8(I)(g)(99(4) dated 12th March 1999, in every office there should be public notice displayed directing that no bribe should be paid. If any bribe is demanded, the complaint should be made to the appropriate authority like CVO, CVC etc; and
 - (iv) The CVC is now available on web – <http://cvc.nic.in> If anybody wants to complain they can easily lodge complaints on the website of CVC and also through e-mail – vigilance@hub.nic.in
5. In view of the above measures taken, there is very little possibility that genuine cases of corruption will not be brought to the notice of the appropriate authorities by those who were earlier resorting to anonymous/pseudonymous complaint route.
6. It is, therefore, ordered under powers vested in the CVC under para 3(v) of the DOPT Resolution No. 371/20/99-AVD.III dated 4th April 1999 that with immediate effect no action should at all be taken on any anonymous or pseudonymous complaints. They must just be filed.
7. This order is also available on web side of the CVC at <http://cvc.nic.in>

All CVOs must ensure that these instructions are strictly complied with.

Sd/-
(N. Vittal)

Central Vigilance Commissioner

To

- (i) The Secretaries of All Ministries/Departments of Govt. of India.
- (ii) The Chief Secretaries to All Union Territories.
- (iii) The Comptroller & Auditor General of India.
- (iv) The Chairman, Union Public Service Commission.
- (v) All Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies.
- (vi) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO.

No.3(v)/99/1
Central Vigilance Commission

Satarkta Bhawan, Block "A"
GPO Complex, I.N.A.,
New Delhi-110023
Dated the 21st June 1999

Subject:- Improving vigilance Administration- Bringing in accountability- Regarding.

Accountability is one of the major factors in the effective administration of the Organisations. Administration without accountability is disastrous and provides ample scope for corruption. Dealing with the complaints is one of the areas, which calls for more accountability. Therefore, in order to bring in a sense of accountability both in the complainant and in the office receiving the complaint, the Commission, in exercise of its powers conferred on it vide Section 3(v) of the Resolution No.371/20/99-AVD.III dated 4/4/99, hereby directs all Departments/Organisations under its purview to compulsorily give proper receipt of the complaints being received in person to the complainant, with immediate effect.

2. This is subject to surprise check by the Commission.

Sd/-
CENTRAL VIGILANCE COMMISSIONER

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to All Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) All Chief Vigilance Officers in the Ministries /Departments/PSEs /Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- (vi) President's Secretariat/ Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

No. 004/VGL/18
Government of India
Central Vigilance Commission

Satarkata Bhawan, Block-A,
GPO Complex, INA,
New Delhi-1100 23.
Dated the 21st December, 2005

Office Order No.74/12/05

Sub:- Vigilance angle – definition of (partial modification regarding).

In partial modification to Commission's Office Order No. 23/4/04 issued vide No. 004/VGL/18 dated 13.4.04 on definition of vigilance angle, the following is added at the end of para 2 for the purpose of determination of vigilance angle as para 2 (b) "Any undue/unjustified delay in the disposal of a case, perceived after considering all relevant factors, would reinforce a conclusion as to the presence of vigilance angle in a case". The existing para 2 will be marked as para 2 (a). 2. CVO may bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

Copy to:-

1. Director CBI, New Delhi.
2. AVD-III, Deptt of Personnel & Training, North Block, New Delhi.

No. 004/VGL/18
Government of India
Central Vigilance Commission

Satarkata Bhawan, Block-A,
GPO Complex, INA,
New Delhi-1100 23.
Dated: 13th April, 2004

Office Order No. 23/04/04
(read with modification vide Office Order No. 74/12/05)

Subject: Vigilance angle – definition of.

As you are aware, the Commission tenders advice in the cases, which involve a vigilance angle. The term “vigilance angle” has been defined in the Special Chapters for Vigilance Management in the public sector enterprises, public sector banks and public sector insurance companies. The matter with regard to bringing out greater quality and precision to the definition has been under reconsideration of the Commission. The Commission, now accordingly, has formulated a revised definition of vigilance angle as under:

“Vigilance angle is obvious in the following acts: -

- (i) Demanding and/or accepting gratification other than legal remuneration in respect of an official act or for using his influence with any other official.
- (ii) Obtaining valuable thing, without consideration or with inadequate consideration from a person with whom he has or likely to have official dealings or his subordinates have official dealings or where he can exert influence.
- (iii) Obtaining for himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing his position as a public servant.
- (iv) Possession of assets disproportionate to his known sources of income.
- (v) Cases of misappropriation, forgery or cheating or other similar criminal offences.

2(a)** There are, however, other irregularities where circumstances will have to be weighed carefully to take a view whether the officer's integrity is in doubt. Gross or willful negligence; recklessness in decision making; blatant violations of systems and procedures; exercise of discretion in excess, where no ostensible/public interest is evident; failure to keep the controlling authority/superiors informed in time – these are some of the irregularities where the disciplinary authority with the help of the CVO should carefully study the case and weigh the circumstances to come to a conclusion whether there is reasonable ground to doubt the integrity of the officer concerned.

2(b) Any undue/unjustified delay in the disposal of a case, perceived after considering all relevant factors, would reinforce a conclusion as to the presence of vigilance angle in a case.

** as modified vide Officer Order No. 74/12/05 dated 21/12/05.

3. The raison d'être of vigilance activity is not to reduce but to enhance the level of managerial efficiency and effectiveness in the organisation. Commercial risk taking forms part of business. Therefore, every loss caused to the organisation, either in pecuniary or nonpecuniary terms, need not necessarily become the subject matter of a vigilance inquiry. Thus, whether a person of common prudence, working within the ambit of the prescribed rules, regulations and instructions, would have taken the decision in the prevailing circumstances in the commercial/operational interests of the organisation is one possible criterion for determining the bona fides of the case. A positive response to this question may indicate the existence of bona- fides. A negative reply, on the other hand, might indicate their absence.

4. Absence of vigilance angle in various acts of omission and commission does not mean that the concerned official is not liable to face the consequences of his actions. All such lapses not attracting vigilance angle would, indeed, have to be dealt with appropriately as per the disciplinary procedure under the service rules."

5. The above definition becomes a part of the Vigilance Manual and existing Special Chapter on Public Sector Banks and Public Sector Enterprises brought out by the Commission, in supersession of the existing definition.

CVOs may bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No. 004/VGL/18
Government of India
Central Vigilance Commission

Satarkata Bhawan, Block-A,
GPO Complex, INA,
New Delhi-1100 23.
Dated: 13th April, 2004

Office Order No. 23/04/04

Subject: Vigilance angle – definition of.

As you are aware, the Commission tenders advice in the cases, which involve a vigilance angle. The term “vigilance angle” has been defined in the Special Chapters for Vigilance Management in the public sector enterprises, public sector banks and public sector insurance companies. The matter with regard to bringing out greater quality and precision to the definition has been under reconsideration of the Commission. The Commission, now accordingly, has formulated a revised definition of vigilance angle as under:

“Vigilance angle is obvious in the following acts: -

- (i) Demanding and/or accepting gratification other than legal remuneration in respect of an official act or for using his influence with any other official.
- (ii) Obtaining valuable thing, without consideration or with inadequate consideration from a person with whom he has or likely to have official dealings or his subordinates have official dealings or where he can exert influence.
- (iii) Obtaining for himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing his position as a public servant.
- (iv) Possession of assets disproportionate to his known sources of income.
- (v) Cases of misappropriation, forgery or cheating or other similar criminal offences.

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5. The above definition becomes a part of the Vigilance Manual and existing Special Chapter on Public Sector Banks and Public Sector Enterprises brought out by the Commission, in supersession of the existing definition. CVOs may bring this to the notice of all concerned.

**Sd/-
(Anjana Dube)
Deputy Secretary**

All Chief Vigilance Officers

References to CVC and other issues.

Sl. No.	Subject	Office Order/ Circular No.	File ref. No.	Date of Issue	Page No.
1	Clarification regarding making reference to the Commission for advice on complaints and second stage advice cases	03/01/10	No. 009/VGL/056	28.01.2010	
2	Reference to the Commission for advice – information to be enclosed along with organisations' recommendations	03/02/09	No. 006/PRC/1	18.02.2009	
3	Reference to the Commission for advice – information to be enclosed along with organisation's recommendations.	32/12/08	No. 006/PRC/1/27483	01.12.2008	
4	Reference to the Commission for reconsideration of its advice – regarding.	15/04/08	No.008/VGL/027	24.04.2008	
5	Jurisdiction of CVC over employees of PSUs, Insurance companies, RBI, NABARD, SIDBI, Societies and other local authorities.	37/10/07	No.006/VGL/11	18.10.2007	
6	Difference of opinion with CVC's advice regarding quantum of penalty, etc.	39/10/06	No.006/VGL/ 098	10.10.2006	
7	Reference to the Commission for its advice – Documents including the draft charge sheet to be enclosed for seeking first stage advice and the documents to be enclosed for seeking second stage advice reg.	14/3/06	No.006/PRC/1	13.03.2006	

8	Reference to the Commission for its advice.	30/5/05	No.NZ/PRC/1	09.05.2005	
9	Action taken on Advices tendered/Complaints referred by the Commission.	12/3/05	No.002/VGL/61	16.03.2005	
10	Procedure for making reference to the Commission for its first stage advice – regarding.	12/02/04	No.NZ/PRC/1	26.02.2004	
11	Commission's advice in cases not having vigilance angle.	11/02/04	No.004/VGL/3	19.02.2004	
12	Obtaining Commission's advice in composite cases.	2/1/04	No.000/VGL/187	08.01.2004	
13	Difference of opinion between CBI and Administrative authorities.	1/1/04	No.003/DSP/9	08.01.2004	
14	Procedure for making reference to the Commission for its second stage advice- regarding.	47/9/03	No.NZ/PRC/1	10.09.2003	
15	Procedure for making references to the Commission for seeking advice.	--	No.NZ/PRC/1	12.05.2003	
16	Non-Acceptance of the Commission's advice in the matter of appeals.	--	No.000/DSP/1	05.05.2003	
17	Delay in implementation of Commission's advice.	--	No.000/VGL/18	03.03.2003	
18	Non-acceptance of the Commission's advice in the matter of appeals.	--	No.000/DSP/1	10.02.2003	
19	Delay in implementation of CVC's advice.	--	No.002/VGL/49	18.09.2002	
20	References to the Commission seeking second stage advice.	--	No.000/VGL/187	03.08.2001	
21	Consultation with the CVC - Making available a copy of the CVC's advice to the concerned employee.	--	No.99/VGL/66	28.09.2000	

22	CVO's training/visits abroad - regarding	30/09/09	No. 001/TRG/01	17.09.2009	
23	Commission's advice in LTC, TA, etc. fraud cases-reference to the Commission- regarding.	32/6/05	No.004/VGL/18	02.06.2005	
24	Jurisdiction of the Central Vigilance Commission in relation to the officers of the level of Group-B, Gazetted.	26/4/04	No.98/VGL/15	16.04.2004	
25	Court case against Central Vigilance Commission	15/03/04	No. 002/VGL/27	15.03.2004	
26	System changes in organisation to check corruption.	--	No. 3(v)/99/15	16.01.2002	
27	System improvement to fight corruption through better synergy between CAG & CVC.	--	No.001/VGL/5	10.12.2001	
28	System improvement to fight corruption through better synergy between CAG and CVC.	--	No.3(v)/99/14	16.05.2001	
29	Tackling corruption through a proper follow up of audit reports.	--	001/VGL/5	25.04.2001	
30	Advance copy of CVO investigation report to CVC.	--	No.000/VGL/166	16.01.2001	
31	Commission's jurisdiction over the employees of Organizations which have 50% or less Government's equity.	33/7/03	No.000/VGL/66	24.07.2003	
32	Powers and functions of the Central vigilance Commission in relation to autonomous bodies 'other than the public sector undertakings' under various Ministries/Departments.	--	No.3M-VGL-3	07.04.2000	

33	Applicability of CVC's instruction No.8(1)(h)/98(1) dated 18/11/98 on post- tender negotiations to Projects of the World Bank & other international funding agencies.		NO.3(V)/99/9	01.10.1999	
34	Uniformity in designation of Heads of Vigilance in Public Sector Enterprises(PSEs).		No. 3(v)/99/5	29.07.1999	
35	Entrusting of additional charge(s) to Board-level functionaries in PSUs etc.	8/2/08	No.005-VGC-101	15.02.2008	
36	Grant of Vigilance Clearance – regarding interim additional/concurrent charge.		No. 005-VGC-101	11.08.2005	
37	Guidelines for obtaining vigilance clearance from the Commission in respect of candidate(s) recommended for Board Level appointment(s) in Public Sector Enterprises	--	No. 3(v)/99/4	12.07.1999	
38	Vigilance Administra-tion – Role of CVO- regarding.	25/07/06	No.006/VGL/ 065	06.07.2006	
39	Guidelines issued by the Central Vigilance Commission for Vigilance Administra-tion - regarding	20/04/05	No. 004/VGL/96	04.04.2005	
40	Delays in Payments to Contractors & Suppliers etc. – Reducing opportunities for corruption reg.	11/3/05	No. 005/ORD/1	10.03.2005	
41	Monthly/Quarterly structured meetings for review of vigilance work-reg.	12/03/10	No. 010/VGL/012	05.03.2010	

42	Disciplinary Cases Monitoring and Management Information System (DCM&MIS)-Package for expeditious disposal of vigilance cases instructions regarding.	3/1/04	No.003/VGL/31	14.01.2004	
43	Reconciliation of data with the CVOs.		No.003/MSD/12	18.11.2003	
44	Reconciliation of data with the CVOs.		No.003/MSD/12	18.11.2003	
45	Reconciliation of figures of pending cases with the Deptt./ Organisation	--	No.003/VGL/2	20.03.2003	
46	Submission of monthly report by CVOs	--	No.003/MMT/02	07.01.2003	

No. 009/VGL/056
Central Vigilance Commission

Satarkta Bhawan, INA
New Delhi-110023
Dated 28th January, 2010

Office Order No. 03/01/10

Sub: Clarification regarding making reference to the Commission for advice on complaints and second stage advice cases.

Ref: (i) Commission's circular No. 002/VGL/61 dated 23.9.2003 and 1-4-2004.

(ii) Commission's Circular No. 000/VGL/187 dated 3-8-2001

1. Complaints:

In case of a complaint referred by the Commission to the CVO for investigation and report, if after investigation it is found that the officials involved in the case do not fall under the jurisdiction of the CVC, the case need not be referred to the Commission and may be dealt with by the CVO. However, the action taken by the CVO on the CVC referred complaint may be intimated to the Commission in order to monitor compliance.

The above dispensation does not apply to complaints received by the Commission under PIDPI Resolution and which are referred to the CVO for investigation and report. In other words all complaints falling under PIDPI referred to the CVO by the Commission for investigation and report should necessarily be referred to the Commission for its advice.

2. Vigilance Cases:-

In respect of composite cases wherein the Commission had tendered its first stage advice for all categories of officers involved, second stage advice of the Commission should be sought only in case of officers falling within the jurisdiction of the Commission. With respect to officers not falling under the jurisdiction of the Commission, the case should be dealt at the level of the CVO, and referred to the Commission for second stage advice only if the DA's opinion is at variance with the Commission's advice. This procedure would also apply to CBI investigated cases involving officials not falling under the jurisdiction of the CVC wherein the Commission had rendered its advice (cases where there were differences between the CBI and the DA and which were referred to the CVC for advice).

Sd/-
(Vineet Mathur)
Director

1. The Secretaries of all Ministries/Departments of Government of India.
2. The Chief Secretaries of all Union Territories.
3. The CMDs of all CPSUs/Public Sector Banks/insurance Companies/Autonomous Bodies/Societies.
4. Chief Vigilance Officers of Ministries/Departments/Organizations/CPSUs/Public Sector Banks/Insurance Companies/Autonomous Bodies/Societies.

No. 006/PRC/1
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan,
G.P.O. Complex,
Block A, INA,
New Delhi-110023
Dated: The 6th August, 2009

Circular No.21/8/09

Subject: References to the Commission for first stage advice – procedure regarding

Reference: (i) Commission's Circular No.NZ/PRC/1 dated 26.02.2004;
(ii) Commission's Circular No.NZ/PRC/1 dated 9.5.2005;
(iii) Commission's Circular No.006/PRC/1 dated 13.3.2006; and
(iv) Commission's Circular No.006/PRC/1 dated 1.12.2008;

The Commission receives preliminary inquiry reports from their Chief Vigilance Officers (CVOs) of Departments/Organisations, seeking the first stage advice. Reports for similar action also emanate from the CVOs in response to the Commission's directions for investigation issued u/s 8(1)(d) of the CVC Act, 2003. However, these reports are often found lacking in cogent analysis of misconduct or allegations, evidence on record and the recommendation of line of action. The supporting documents catered also very often disjointed, casually arranged for unduly bulky, making the examination cumbersome and leading to protracted correspondence and delays.

2. With a view to improving the quality and focus of these investigation reports, the Commission has devised a new reporting format. Accordingly, it is directed that henceforth, a vigilance report should broadly conform to the parameters specified in Annexure-A. Further, as the Commission lays utmost emphasis on facts, evidence and recommendations made by the CVOs, an investigation report should invariably be accompanied by an Assurance Memorandum (AnnexureB) signed by the CVO, taking due responsibility and giving assurance of a comprehensive application of mind while submitting the report.

3. In supersession, therefore, of earlier instructions of the Commission on submission of investigation reports, the following instructions should be followed scrupulously while seeking the first stage advice:-

- i) All vigilance reports of the CVOs should conform to the parameters prescribed in **Annexure-A**.
- ii) They would be accompanied by an Assurance Memo, in the form of **Annexure-B**.
- iii) Bio-data of suspect officials, figuring in the investigation reports, should be enclosed as per the format provided at **Annexure-C**.
- iv) Tabular statements, as prescribed vide the Commission's circular dated 1.12.2008, shall continue and be kept objective and precise.
- v) Draft charge-sheets and imputation of charge in respect of suspect officials where disciplinary action, such as major penalty or minor penalty proceedings, is proposed, would accompany the investigation reports.

4. The CVOs would ensure that all documents/exhibits constituting the basis evidence for the charge, are systematically identified and arranged. Superfluous and voluminous documents, with little or no relevance to the misconduct under examination, should be retained at the CVO's end. In case any additional material or evidence is required, it can always be recalled by the Commission before an advice is tendered.

5. The aforesaid reporting procedure would become operative with immediate effect.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

Encl: As proposed.

Annexure-A**Vigilance Report**

Title of the report

1. Source

- Background of the report – whether based on source information, complaint referred to by the CVC, CTE/CTE type inspection or direct enquiry.

2. Gist of allegations**3. Facts**

- The relevant facts relating to the issue under examination should be presented in chronological or activity-wise sequence.
- Each fact should be supported by documentary evidence (other forms of evidence may also be presented) denoted as E1, E2 and E3 etc. Since the facts occur in chronological order, the evidence E1, E2, E3 etc., should necessarily be arranged under the report in the same order, thus making it easier for reference.
- While annexing the evidence, the relevant portion of the document should be highlighted and annexed. For example, the evidence for educational qualifications for promotion should consist of the Xerox copy of only the clause prescribing the qualifications and not the whole 20 pages of the promotion policy.
- There may be several issues in a report which may be conveniently arranged as different paras viz. 2.1, 2.2 etc.
- All relevant facts needed to support the observations/conclusion should be gathered and presented. Irrelevant facts, bearing no consequence on the issues under inquiry should be avoided.
- Evidence presented should be credible and adequate.

4. Observations

- Ordinarily, observations are logical deductions arrived at through a set of facts. They are in the nature of objections or anomalies observed with reference to the gathering facts. There may be several observations arising out of the analysis of facts.
- Observations are also arrived at by evaluating the facts against certain criteria viz. rules, regulations, policies, procedures, norms, good practices or normative principles. Evidence of these criteria (extracts of rules, procedures, etc.) should also be presented as E1, E2, etc.

5. Response of the officials concerned

- It is necessary to elicit the reasons and clarifications of the management or the officers concerned for the anomalies pointed out in the observations. Every deviation from rules or procedure cannot be attributed to a malafide/corrupt intent. There may be situations where it may be difficult to achieve the objectives of a task by strictly abiding by the rules. Rules may be circumvented, while expediting the work or in the larger interest of the work, with good intentions. It is, therefore, essential for Vigilance to distinguish between acts of omission and acts of commission. Therefore, obtaining the response of the officers concerned is essential in order to arrive at an objective conclusion.
- Response of the management is also necessary in order to clarify differences in interpretation or an understanding of the issues between vigilance and the management.

6. Counter to the response

- In order to sustain the observations made by Vigilance, it is necessary to counter the defence given by the management/officers concerned with facts and supporting evidence. It should be clearly and convincingly brought out why the explanation given by the management is not tenable.

7. Conclusion

- Conclusion is the logical summation of the observations. The observations denoting various counts of irregularity, lapses or impropriety should finally lead to a logical conclusion on whether the case involves commission of irregularity/impropriety with the intention of corruption.
- Undue favour given to a party or obtained for self and its adverse impact on the government or the citizens in terms of additional cost, poor quality or delayed service should be clearly highlighted.

8. Responsibility of officials

- Having determined the vigilance angle in the case, the next step is to fix the accountability of the individuals involved in the misconduct. Name of officers should be clearly stated in this para.
- The role of each officer shall be judged with reference to his prescribed charter of duties. In case the tender committee is responsible for the misconduct then, as far as possible, all members should be equally and collectively held responsible.
- Comments of Disciplinary Authority should invariably be included.

9. Recommendation for action

- Recommendation for closure of the case in case there is no discernible vigilance angle or criminal misconduct, should be clearly spelt out.
- Bio-data of the officials reported against in the investigation report should be included in the given format.

10. Recommendation for systemic improvement

- Punitive action on detection of corruption does not by itself lead to a logical conclusion unless it is able to prevent recurrence of the lapse. Any fraud, corruption, irregularity or impropriety indicates a failure of control mechanism or gaps in systems and procedures. Therefore, each case throws up an opportunity to identify these control failures and suggest ways of plugging them to prevent recurrence of the lapse. Therefore, at the end of the report the CVO should also try to recommend systemic improvements to order to prevent the risk of recurrence of the lapse/misconduct.

Annexure-B**ASSURANCE MEMO**

This is to provide reasonable assurance to the Commission:

- a) That all necessary facts and relevant evidence have been gathered.
- b) That all facts and supporting evidence have been duly verified.
- c) That contested evidence, if any, have been conclusively handled with reference to the facts at the disposal of Vigilance.

Chief Vigilance Officer

Annexure-C**Format of Bio-Data of Officer(s) against whom Commission's advice is sought****(To be incorporated in the Vigilance Report of the CVO)**

1.	Name of the Officer	
2.	Designation: At present At the time of alleged misconduct	
3.	Service to which belongs (Cadre and year of allotment in case of officers of the organized/All India Services)	
4.	Date of Birth	
5.	Date of superannuation	
6.	Level/group of the present post and pay scale	
7.	Date of suspension (if under suspension)	
8.	Disciplinary Rules applicable to the officer	

No. 006/PRC/1
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: 18th February, 2009

Circular No.03/02/09

Subject: Reference to the Commission for advice – information to be enclosed along with organisations' recommendations

In order to streamline the process of assessment and proper examination of the cases, being referred for the advice of the Commission, a proforma for submission of the details pertaining to the officials involved in tabular statement was circulated vide Commission's circular No.32/12/08 dated 01.12.08. The said circular is also available on the Commission's website www.cvc.nic.in.

2. It has been observed that a large number of organizations are still not following the aforementioned instructions and the required information is still not being provided in the said tabular statement. The Commission has taken a serious note of non-observance of its guidelines and has decided that henceforth, the references for first/second stage advice received without information in the requisite tabular form will be returned to the departments/organizations concerned. CVOs of the concerned department/organizations will also be held responsible for the same.

3. All CVOs may note the Commission's above directions for strict compliance.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

No. 006/PRC/1/27483
Government of India
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: The 1st December 2008

Circular No.32/12/08

Subject: Reference to the Commission for advice – information to be enclosed along with organisation's recommendations.

The Commission, in order to ensure correct assessment and speedy examination of the cases, being forwarded to it for obtaining its advice, has been emphasizing on the need for sending complete details/records pertaining to such case(s). However, it is noted that despite the Commission's circular No.14/3/06 dated 13.3.2006 on the aforementioned subject, there is no uniformity regarding the manner of sending information to it in cases where Commission's advice is being sought. The Commission, with a view to further streamline the procedure and to avoid delay on account of incomplete information, has decided that, along with other records/documents, the following tabular should accompany the organisation's recommendations:-

Sl. No.	Name & Designation of the suspected officer	Allegations in brief	Findings of the suspected officer	Defence of the suspected officer	Comments/ Recommendations of the DA	Comments/ Recommendations of the DA

3. The information in the tabular statement should accompany recommendations in both first/second stage advice cases. This may be noted for strict compliance.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

No.008/VGL/027
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110023.
Dated, the 24th April, 2008

Circular NO.15/4/08

Sub:-Reference to the Commission for reconsideration of its advice – regarding.

The Commission has expressed serious concern about receiving repeated requests for the reconsideration of its advice that give the impression of being routine in nature. The present instructions contained in para 5.16, Chapter I of Vigilance Manual, Vol. I provide that where the department propose to take a lenient view or stricter view than that recommended by the Commission, consultation with the CVC is necessary. The departments, therefore, are required to approach the Commission for advice in such cases before a final decision is taken. It has also been stated that the reference for reconsideration of the Commission's advice should be made only once. Subsequently it was instructed vide letter No.000/DSP/1 dated 6.3.2000 that reconsideration proposals should be sent within a period of two months from the date of receipt of the Commission's advice. It has been observed that the proposals for reconsideration of the Commission's advice are not sent within the stipulated time. Further, justification warranting reconsideration is also not given.

2. In view of the position stated above, the Commission has reviewed its instructions in the matter. The Commission's advice is based on the inputs received from the organization and where the Commission has taken a view different from the one proposed by the organization, it is on account of the Commission's perception of the seriousness of the lapses or otherwise. In such cases, there is no scope for reconsideration. The Commission has, therefore, decided that no proposal for reconsideration of the Commission's advice would be entertained unless new additional facts have come to light which would have the effect of altering the seriousness of the allegations/charges leveled against an officer. Such new facts should be substantiated by adequate evidence and should also be explained as to why the evidence was not considered earlier, while approaching the Commission for its advice. The proposals for reconsideration of the advices, if warranted, should be submitted at the earliest but within two months of receipt of the Commission's advice. The proposals should be submitted by the disciplinary authority or it should clearly indicate that the proposal has the approval of the disciplinary authority.

3. The above instructions may be noted for strict compliance.

Sd/-
(Vineet Mathur)
Deputy Secretary

All Chief Vigilance Officers

No.006/VGL/11
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110023.
Dated, the 18th October, 2007.

Office Order No.37/10/07

Subject : Jurisdiction of CVC over employees of PSUs, Insurance Companies, RBI, NABARD, SIDBI, societies and other local authorities.

DOPT, in accordance with Section 8 (2) (b) of the CVC Act 2003, has notified the level of officers of PSUs, Insurance companies, RBI, NABARD, SIDBI, Societies and other local authorities who would be covered under the normal advisory jurisdiction of the Commission.

4. A copy of the gazette notification dated 12.9.2007 issued by DOPT on the subject cited above is enclosed. The levels specified in the DOPT's gazette notification may be kept in view while forwarding the cases to the Commission for seeking its advice.

Sd/-
(Rajiv Verma)
Under Secretary.

All Chief Vigilance Officers.

THE GAZETTE OF INDIA EXTRAORDINARY
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
(Department of Personnel and Training)
NOTIFICATION

New Delhi, the 12th September, 2007.

S.O.1538(E) -- In exercise of the powers conferred by clause (b) of sub-section (2) of Section 8 of the Central Vigilance Commission Act, 2003 (45 of 2003), the Central Government hereby specifies the following level of officers mentioned in column (3) of the table below of the corporations established by or under any Central Act, the Government Companies, societies and other local authorities owned or controlled by the Central Government mentioned in column (2) of the said Table for the purpose of clause (d) of sub-section(1) of Section 8 of the said Act –

TABLE

Sl.No.	Name and categories of Corporation/ Government companies/societies and other local authorities	Level of Officers
(1)	(2)	(3)
1.	Schedule 'A' and 'B' Public Sector Undertakings	Chief Executive and Executives on the Board and other officers of E-8 and above.
2.	Schedule 'C' and 'D' Public Sector Undertakings	Chief Executive and Executives on the Board and other officers of E-7 and above.
3.	Reserve Bank of India, NABARD and SIDBI.	Officers in Grade 'D' and above.
4.	General Insurance Companies	Managers and above.
5.	Life Insurance Corporations	Sr.Divisional Manager and above.
6.	Societies and other Local Authorities	Officers drawing salary of Rs.8700/- p.m. and above on Central Government D.A. Pattern, as on the date of the notification and as may be revised from time to time.

(No.418/2/2004-A.V.D.IV)

Sd/-
(P.K.Tripathi)
Jt. Secretary.

No.006/VGL/ 098
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block –A,
GPO Complex,
INA, NEW DELHI-110 023.
New Delhi, the 10th October, 2006

Circular No.39/10/06

Subject: Difference of opinion with CVC's advice regarding quantum of penalty, etc.

Reference is invited to the Department of Personnel & Training O.M. No. 134/2/95-AVD-I dated 13.6.1995 and the earlier instructions contained in Department of Personnel & Administrative Reforms O.M. No.118/2/78-AVD-I dated 28.9.78 on the above subject. The Commission has observed that in a number of cases of disagreement with the Commission's advice, the Commission has not been informed about the reasons for disagreement or whether a reference to the DOPT, as required under the above instructions, was made. The CVOs are, therefore, directed to ensure that before it is finally decided to disagree with the Commission's advice on further action on a complaint or on an investigation report, or in a vigilance case, reference is made to the Department of Personnel in respect of all such cases, where the appointing authority is the President or the disagreement is due to UPSC's advice. The CVOs may please note these instructions for strict compliance. They should also ensure that wherever it has been finally decided to disagree with the Commission's advice, reasons for the same are communicated to the Commission along with a final order in the case, to enable the Commission to decide about inclusion of the case in its Annual Report.

SD/-
(V.KANNAN)
DIRECTOR

All Chief Vigilance Officers

No.006/PRC/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 13th March 2006

Circular No. 14/3/06

Subject:- **Reference to the Commission for its advice – Documents including the draft charge sheet to be enclosed for seeking first stage advice and the documents to be enclosed for seeking second stage advice reg.**

Reference:- **(i) No. NZ/PRC/1 dated 9.5.2005**
(ii) No. NZ/PRC/1 dated 26.2.2004

The Commission has been repeatedly emphasizing the need for sending complete information to the Commission along with the relevant documents while seeking its advice. In particular, it was emphasized that while seeking first stage advice, the draft charge sheet should be enclosed. It is a matter of serious concern that these instructions are not being strictly complied with.

2. In supersession of all earlier instructions it is reiterated that following material should be furnished to the Commission while seeking its advice:-

- (a) A self contained note clearly bringing out the facts and the specific point(s) on which Commission's advice is sought. The self contained note is meant to supplement and not to substitute the sending of files and records.
- (b) The bio-data of the officer concerned in the enclosed format (Annexure-I).
- (c) Other documents required to be sent for first stage advice:
 - (i) A copy of the complaint/source information received and investigated by the CVOs;
 - (ii) A copy of the investigation report containing allegations in brief, the results of investigation on each allegation;
 - (iii) Version of the concerned public servant on the established allegations, the reasons why the version of the concerned public servant is not tenable/acceptable, and the conclusions of the investigating officer;
 - (iv) Statements of witnesses and copies of the documents seized by the investigating officer;

- (v) Comments of the Chief Vigilance Officer and the disciplinary authority on the investigation report {including investigation done by the CBI and their recommendation}.
- (vi) A copy of the draft charge sheet against the SPS along with the list of documents and witnesses through which it is intended to prove the charges.
- (d) Other documents required for second stage advice:
 - (i) A Copy of the charge sheet issued to the public servant;
 - (ii) A copy of the inquiry report submitted by the inquiring authority {along with a spare copy for the Commission's records};
 - (iii) The entire case records of the inquiry, viz copies of the depositions, daily order sheets, exhibits, written briefs of the Presenting Officer and the Charged Officer;
 - (iv) Comments of the CVO and the disciplinary authority on the assessment of evidence done by the inquiring authority and also on further course of action to be taken on the inquiry report.

This is brought to the notice of all CVOs for strict compliance.

Sd/-
(V. Kannan)
Director

To
All Chief Vigilance Officers

Annexure

Bio-Data of the officer against whom Commission's advice is sought

1. Name of the officer :
2. Designation
 - (a) At Present :
 - (b) When the alleged misconduct was committed :
2. Service to which belongs :
(Also please mention the cadre and year of allotment in case of officers of the organized/All India Services)
3. Date of Birth :
4. Date of Superannuation :
5. Level/Group of the present post and pay scale :
6. Date of suspension [If under suspension] :
7. Disciplinary Rules applicable to concerned public servant
8. Nature of misconduct, in brief [Like false TA claims, :
Exceeding delegated powers, supervisory lapses etc.]
9. Allegations/charges in details [which were investigated/
Inquired] and results thereof
10. Version of public servant on established allegations/:
Charges [Separately for each allegation/charge]
12. Reasons why version of public servant is not acceptable
13. Misconduct imputed [Whether lack of integrity and/or:
devotion to duty] with relevant clauses of CDA Rules
14. Recommendation of CVO and disciplinary authority:
on the findings of investigating/inquiring authority
15. Involvement of officer in previous complaints, if any,
and results of investigations/inquiries authority
16. Brief particulars of similar cases, if any, in the organization
in which same or other officer might have been indulged; and
action taken in the matter

Signature of C.V.O. _____

Date _____

Tel. No. _____

No.NZ/PRC/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 9th May, 2005

Office Order No. 30/5/05

Subject:- Reference to the Commission for its advice.
Reference:- (i) No. 1/14/73-R dated 24.7.1973
(ii) No. DO PRC 4 dated 11.8.1986
(iii) No. NZ PRC 1 dated 7.12.1995
(iv) No. NZ PRC 1 dated 9.8.1996
(v) No. NZ PRC 1 dated 16.3.2000
(vi) No. NZ PRC 1 dated 12.5.2003
(vii) No. NZ PRC 1 dated 10.9.2003
(viii) No. NZ PRC 1 dated 26.3.2004

The Commission has issued instructions regarding the manner in which the references to the Commission for first stage and second stage advice are required to be made. Although these instructions have been reiterated by the Commission several times, the complete information is not being sent by all the CVOs. The Commission has noted this lapse with concern and desires that the cases received with incomplete information will not be entertained in future and returned to the concerned departments/Organisation.

2. In supersession of all earlier instructions it is reiterated that following material should be furnished to the Commission while seeking its advice:-

(a) A self-contained note clearly bringing out the facts and the specific point(s) on which Commission's advice is sought. The self-contained note is meant to supplement and not to substitute the sending of files and records.

(b) The bio-data of the officer concerned in the enclosed format (Annexure-I).

(c) Other documents required to be sent for first stage advice:

- (i) A copy of the complaint/source information received and investigated by the CVOs;
- (ii) A copy of the investigation report containing allegations in brief, the results of investigation on each allegation;

- (iii) Version of the concerned public servant on the established allegations, the reasons why the version of the concerned public servant is not tenable/acceptable, and the conclusions of the investigating officer;
 - (iv) Statements of witnesses and copies of the documents seized by the investigating officer;
 - (v) Comments of the Chief Vigilance Officer and the disciplinary authority on the investigation report {including investigation done by the CBI and their recommendation}.
- (d) Other documents required for second stage advice:
- (i) A Copy of the charge sheet issued to the public servant;
 - (ii) A copy of the inquiry report submitted by the inquiring authority {along with a spare copy for the Commission's records};
 - (iii) The entire case records of the inquiry, viz copies of the depositions, daily order sheets, exhibits, written briefs of the Presenting Officer and the Charged Officer;
 - (iv) Comments of the CVO and the disciplinary authority on the assessment of evidence done by the inquiring authority and also on further course of action to be taken on the inquiry report.

This is brought to the notice of all CVOs for strict compliance.

Sd/-
(Anjana Dube)
Deputy Secretary

To
All Chief Vigilance Officers

Annexure**Bio-Data of the officer against whom Commission's advice is sought**

1. Name of the officer :
2. Designation
 - (a) At Present :
 - (b) When the alleged misconduct was committed :
3. Service to which belongs :
(Also please mention the cadre and year of allotment in case of officers of the organized/All India Services)
4. Date of Birth :
5. Date of Superannuation :
6. Level/Group of the present post and pay scale :
7. Date of suspension [If under suspension] :
8. Disciplinary Rules applicable to concerned public servant
9. Nature of misconduct, in brief [Like false TA claims, :
Exceeding delegated powers, supervisory lapses etc.]
10. Allegations/charges in details [which were investigated/
Inquired] and results thereof
11. Version of public servant on established allegations/:
Charges [Separately for each allegation/charge]
12. Reasons why version of public servant is not acceptable
13. Misconduct imputed [Whether lack of integrity and/or:
devotion to duty] with relevant clauses of CDA Rules
14. Recommendation of CVO and disciplinary authority:
on the findings of investigating/inquiring authority
15. Involvement of officer in previous complaints, if any,
and results of investigations/inquiries authority
16. Brief particulars of similar cases, if any, in the organization
in which same or other officer might have been indulged; and
action taken in the matter

Signature of C.V.O._____

Date_____

Tel. No._____

No.002/VGL/61
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated the 16th March 2005

Office Order No.12/3/05

Subject: Action taken on Advices tendered/Complaints referred by the Commission.

The Commission has observed that some of the Govt. Departments were not following the prescribed guidelines as regards action taken on Commission's Ist/Ind stage advices. **It is also seen that some of the departments are closing the complaints on their own which were forwarded by the Commission for investigation and report.**

2. Para 22 of Chapter X of Vigilance Manual provides that all cases pertaining to Gazetted Officers (may be read as Group A Officers after passing of CVC Act-2003), in respect of whom the Central Vigilance Commission is required to be consulted, will be referred to the Commission for advice (first/second stage advice). The major penalty cases pertaining to such officers envisage consultation with the Commission at two stages. The first stage of consultation arises while initiating disciplinary proceedings, while second stage consultation is required before a final decision is taken at the conclusion of the proceedings. It follows that the **CVC should also be consulted** in cases where the disciplinary authority have initiated action for major/minor penalty proceedings and **propose to close the case** on receipt of Statement of defence.

3. As regards the complaints, para 4.1 of Chapter II of CVC Manual envisages that the complaints forwarded for inquiry to the administrative Ministries/ Departments, the CVO concerned will make an inquiry or have an inquiry made into the complaints to verify the allegations and will submit his report together with the relevant records to the Central Vigilance commission. **The reports of investigation should normally be sent to the Commission within three months from the date of receipt of the reference from the Commission. In cases where the CVO need more time, an interim reply should be sent to the Commission. It is reiterated that no complaint is to be closed by the department on its own without consulting the Commission, in case the same has been forwarded by the Commission for a report.**

The above may be noted for strict compliance by the Ministries/ Departments.

Sd/-
(Anjana Dube)
Deputy Secretary

To
All CVOs of Ministries/Departments

No.NZ/PRC/1
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 26th February 2004

Office Order No.12/02/04

To
All Secretaries to the GOI/ CEOs of PSEs/PSBs
All Chief Vigilance Officers

Sub: Procedure for making reference to the Commission for its first stage advice – regarding.

Reference is invited to the Commission's circular of even number dated 12.05.2003 on the above subject. It has been observed that after the Commission tenders its first stage advice in cases of major penalty, the vigilance cases get unnecessarily delayed or result in exoneration due to non-availability of proper documents. The Commissioners for Departmental Inquiries (CDIs) have also pointed out that in many cases the Presenting Officers find problems even in the production of prosecution/management documents. This results in undue delay in finalisation of the inquiries.

2. The Commission is, therefore, of the view that the Disciplinary Authority should go through all the documents/evidences carefully at the initial stage itself before deciding whether the case(s) against the SPS(s) warrants major penalty or not. Once a decision is taken by the DA and the case is referred to the Commission for its first stage advice with the recommendation of major penalty proceedings against the SPS(s), the Disciplinary Authority should enclose a copy of draft charge sheet along with the list of documents and witnesses through which the department intends to prove the charges besides the completed 'proforma for seeking advice'.

3. Disciplinary Authority should also ensure that the Presenting Officer(s) is/are given the custody of all the listed documents in original or certified copies thereof along with his appointment order so that the delay in disciplinary proceedings are reduced.

Sd/-
(Anjana Dube)
Deputy Secretary

No.004/VGL/3
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, A, Block,
GPO Complex, INA,
New Delhi-1100 23.
Dtd:19th February, 2004

Office Order No.11/02/04

To,

- (1) All Secretaries to the GOI.
- (2) Chief Executives of all PSUs/Banks/Orgn.
- (3) All CVOs
- (4) Dy. Secy.(AVD.III), DOPT

Sub: Commission's advice in cases not having vigilance angle.

Sir,

The Commission has observed that the Deptts./Ministries are not properly interpreting and appreciating the advice of the Commission that "there is no vigilance angle to the alleged lapses and the Department may take appropriate action in the matter".

2. The Cases where the lapses are not having vigilance angle, it does not automatically mean that no disciplinary proceedings have to be taken. In such cases the disciplinary authority may take appropriate action under the Conduct and Disciplinary Rules and the matter need not be referred to the Commission again for consultation.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No.000/VGL/187
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 8th January, 2004

Office Order No. 2/1/04

To
All CVOs of Public Sector Enterprises

Subject:- Obtaining Commission's advice in composite cases.

Sir,

Para 16.2 of Special Chapter on Vigilance Management in Public Sector Enterprises provides that if an employee of a PSU involved in a case, falls within the Commission's jurisdiction, latter's advice would be required and any decision of the disciplinary authority at this juncture may be treated as tentative. Such a reference would be required to be made even in respect of an officer/staff who are not within the Commission's jurisdiction if they are involved along with other officers who are within the jurisdiction of the Commission, as the case would then become a composite case and falls within the Commission's jurisdiction.

2. However, it has been observed by the Commission that a number of organisations are not following this procedure and de-linking the suspected employees in a composite case. This is not in consonance with the Commission's directives. The Commission again reiterates that a composite case should be processed as 'one' and action against every individual employee should be taken only on Commission's advice, even if there is only one official who comes within Commission's jurisdiction.

Yours faithfully,
Sd/-
(Anjana Dube)
Deputy Secretary

Confidential

No.003/DSP/9
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 8th January, 2004

Office Order No. 1/1/04

To
All Chief Vigilance Officers

Subject: Difference of opinion between CBI and Administrative authorities.

Sir/Madam,

The Commission has decided that where there is difference of opinion between the Deptt./organisation and the CBI in cases where the latter have recommended prosecution under PC Act etc., the Commission would hold a joint meeting with the representatives of CBI and concerned Deptt./organisation. In such a meeting the CVO of the Deptt./organisation should take a brief from the disciplinary authority in this regard. However, if the DA wishes to attend the joint meeting, the Commission has no objection to it.

2. CVOs may bring this to the notice of all concerned Disciplinary Authorities.

Sd/-
(Anjana Dube)
Deputy Secretary

No.NZ/PRC/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 10th September, 2003

Office Order No. 47/9/03

To
All Chief Vigilance Officers

Subject: Procedure for making reference to the Commission for its second stage advice-regarding.

Sir/Madam,

The Commission has observed that Ministries/Departments/Organisations are not properly following the laid down procedure and also making incomplete reference to the Commission while seeking its second stage advice. This results in back references to the department and causes unnecessary delay in disciplinary proceedings. In order to obviate delays on this account, the Commission reiterates that the cases requiring the Commission's second stage advice may be referred to it along with the following documents:-

- (i) Copy of the Charge-sheet with all the annexures,
- (ii) CO's statement of defence,
- (iii) The IO's report and connected documents (including PO's brief and CO's brief),
- (iv) Self-contained note on findings of the DA on each of article of charges along with tentative view of DA and CVO.

Yours faithfully,
Sd/-
(Anjana Dube)
Deputy Secretary

No.NZ/PRC/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 12th May 2003

To
All Chief Vigilance Officers

Subject: Procedure for making references to the Commission for seeking advice.

Sir/Madam,

Kind attention is invited to the Commission's circular letter of even number dated 16.3.2000 reiterating the Commission's instructions dated 7.12.1995 and dated 24.11.1997 on the procedure for making references to the Commission.

2. It has been observed that organisations are still making references with incomplete bio-data forms and insufficient justification to support recommendations. The Commission has, therefore, devised a format, a copy of which is enclosed along with instructions thereto. The CVOs are therefore, requested to ensure that bio-data forms are properly filled in and recommendation against allegations are given in the enclosed format.

3. Kindly acknowledge receipt.

Yours faithfully,
Sd/-
(Mange Lal)
Deputy Secretary
Tel.No. 24651010

Copy for internal distribution

Annexure**PROFORMA FOR SEEKING FIRST STAGE ADVICE OF THE COMMISSION**

Name & Date of Birth :

Designation

(a) Present :

(b) At the material time :

1. Date of occurrence of the :
alleged misconduct

2. Source :

3. Nature of Lapse(s) :

4. Details of Allegation(s) :

5. Evidence(s) with type :

6. Explanation of SPS and :
reasons as to why the
same is acceptable or
not acceptable

7. Misconduct imputes, with :
relevant clause(s) of CDA Rules

8. Recommendation of the CVO

9. Recommendation of the :
Disciplinary Authority

Chief Vigilance Officer

Instructions to the departments on filling up the proforma in reference(s) seeking first stage advice of the Commission

1. A separate proforma should be used for allegation(s) in respect of each official.
2. It is mandatory to mention the date of birth. A proposal that does not contain date of birth will be returned back to the department.
3. In Column (3), the nature of allegation would mean a brief description, say false TA claim; Use of Excess Authority; Supervisory Lapse; etc.
4. Details of allegation(s) should be indicated in Column (4).
5. Evidences in support of each allegation should be indicated clearly in Column (5). Type of evidences should be indicated, using 'O' for Oral evidence and 'D' for Documents.
6. In Column (6), the department should specifically comment on explanation of the official and give reasons why it is not acceptable.
7. In Column (7), nature of misconduct, along with relevant clause(s) of CDA Rules, should necessarily be mentioned. For instance, it must be indicated whether the allegation/imputation reflects lack of devotion to duty or lack of integrity or it is a violation of some other CDA Rule.

No.000/DSP/1
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, INA
New Delhi –110023
Dated the 5th May, 2003

To
All Chief Vigilance Officers

Subject:- Non-Acceptance of the Commission's advice in the matter of appeals.
Sir/Madam,

The Commission has issued instructions vide circular No. 000/DSP/1 dated 10th February, 2003 on consideration of appeals preferred by the punished officers against the orders of punishment imposed on them. Accordingly, the relevant provision on appeal, in the Vigilance Manual, and Special Chapters on Vigilance Management in public sector banks/public sector enterprises/public sector insurance companies, would stand amended to that extent.

Yours faithfully,
Sd/-
(Mange Lal)
Deputy Secretary
Telefax-24651010

No.000/VGL/18
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.
New Delhi –110023
Dated the 3rd March 2003

To

- (1) The Secretaries of Ministries/Departments, autonomous organizations and Societies etc.
(2) CMDs of all PSUs including PSBs.

Subject:- Delay in implementation of Commission's advice.

Reference: Commission's instructions vide Circular letter No. 000/VGL/18 dated 23.05.2000 and 003/MMT/02 dated 07.01.2003.

The Commission would like to invite the attention of disciplinary authorities to a large number of advices from it at both first and second stage pending implementation for long periods. It must be understood that a reasonable time limit for concluding and finalizing vigilance cases is already built in the procedure for disciplinary proceedings. Besides the responsibility for ensuring quick disposal of disciplinary proceedings rest with the administration and the vigilance department cannot be called in to share it at the advice implementation stage. Therefore administration must appreciate that it will be called upon to explain inordinate delay over the above the prescribed time limits for finalizing disciplinary cases. **Accordingly the Commission would like to direct that subsequent to its first and second stage advice the responsibility for finalization and award of punishment passes on from the vigilance to the personnel department. Administration may impress upon all concerned and especially the personnel departmental that in view of the shift in responsibility from the vigilance to the personnel, any delay over and above the prescribed time limits for finalization of disciplinary cases will be viewed as misconduct by the Commission and will render the concerned officials of the personnel department and others concerned liable for being proceeded from the vigilance angle with its attendant ramifications.**

Kindly acknowledge receipt and confirm having taken steps for compliance of the above instructions. A copy of this letter is also being endorsed to the CVOs of the organizations for necessary followed up action.

Yours faithfully,
Sd/-
(R. Ashok)
Additional Secretary
Telefax: 24651017

No.000/DSP/1
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, INA,
New Delhi – 110023
Dated the 10th February 2003

To
All Chief Vigilance Officers.

Subject:- Non-acceptance of the Commission's advice in the matter of appeals.

The Commission tenders its second stage advice before the DA decides on the outcome of the inquiry in the case of major penalty or takes a view on the minor penalty proceedings after receipt of the explanation of the charged official. Sometimes after imposition of the punishment by the disciplinary authority, the charged official makes an appeal. The Appellate Authority is expected to keep the advice tendered by the Commission and decide on the appeal. In case the Appellate Authority decides to deviate from the advice given by the Commission on appeal, the CVO will report this to the Commission which will take an appropriate view whether the deviation is serious enough to be included in its Annual Report.

2. The Commission further wishes to stress that reconsideration of advice will be only in exceptional cases at the specific request of the DA, before a decision is taken by it to impose the punishment or otherwise. After a decision has been taken by DA or the Appellate Authority the Commission will not entertain any reconsideration proposal. Such cases will be treated only as "deviation" from the non-acceptance of Commission's advice.

Yours faithfully,
Sd/-
(Mange Lal)
Deputy Secretary
Telefax : 24651010

Confidential

**No.002/VGL/49
Government of India
Central Vigilance Commission**

Satarkta Bhavan, Block 'A',
GPO Complex, INA,
New Delhi-110023
Dated the 18th September 2002

To
All Chief Vigilance Officers.

Subject: Delay in implementation of CVC's advice.

Sir/Madam,

As per the information available on the CVC's web-site, updated on 20.08.2002, 3202 cases are pending with the disciplinary authorities for implementation of the Commission's first stage advice and 1473 cases for implementation of the Commission's second stage advice. This includes as many as 1947 cases (1st Stage) and 893 cases (2nd Stage) pending for more than a year.

2. The instructions issued by the Commission, vide letter No. 000/VGL/18 dated 23.05.2000 and the provisions made in the Special Chapters on Vigilance Management for Public Sector Undertakings/Banks/Insurance Companies provide for implementation of the CVC's first and second stage advice within a month of the receipt of Commission's advice. The Commission has, therefore, taken a serious note of delay in implementation of its advice. It desires that the Chief Vigilance Officers may pursue the matters vigorously with the concerned disciplinary authority to get the orders issued on such matters. In the Commission's view, the CVO's performance would need to be assessed, among others, on the basis of their effectiveness in expeditious decision in these cases.

Yours faithfully,
Sd/-
(K.L. Ahuja)
Officer on Special Duty

No.000/VGL/187
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 3rd August 2001

To

- (i) The Secretaries of All Ministries/ Departments of Government of India
(ii) All Chief Vigilance Officers of Ministries/Departments/Banks/PSUs/UTs/
Autonomous Bodies/ Insurance Sectors.

Subject: References to the Commission seeking second stage advice.

The Central Vigilance Commission is empowered to exercise superintendence over the vigilance administration of the various Ministries of the Central Government or Corporations established under any Central Act, Government Companies, Societies and local authorities owned or controlled by that Government in terms of para 3(V) of the Ministry of Personnel, Public Grievances & Pensions, DOPT Resolution No. 371/20/99-AVD.III dated 4th April 1999.

2. Though there is no categorisation of public servants for determining the Commission's jurisdiction, in view of the magnitude of the total employee strength the Commission had delineated certain levels for making references to the Commission for advice, both first and second stage. It was also directed that this delineation would not operate in composite cases cutting across levels.

3. The Commission observes that, after seeking the Commission's first stage advice in composite cases, the concerned departments/organisations fail to seek second stage advice in the cases of all covered by the first stage advice ostensibly on the ground that certain employees do not come within the purview of the Commission.

4. In view of the comprehensive jurisdiction of the Commission and instructions regarding handling of composite cases, it is hereby clarified that, irrespective of level of the public servant, Commission's second stage advice should be sought in the case of all employees where first stage advice has been rendered by the Commission.

5. This issues with the approval of the Commission.

Yours faithfully,
Sd/-
(C.J. Mathew)
Deputy Secretary

No.99/VGL/66
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A",
GPO Complex, I.N.A.,
New Delhi-110023
Dated the 28th September 2000

To

All Chief Vigilance Officers of Ministries / Departments of Government of India/ Nationalised Banks / PSUs / Autonomous Bodies, Societies etc.

Subject: - Consultation with the CVC - Making available a copy of the CVC's advice to the concerned employee.

Sir,

Para 3.6 (iii), chapter XI and para 8.6, Chapter XII of the Vigilance Manual, Vol. I, provide that the advice tendered by the Central Vigilance Commission is of a confidential nature meant to assist the disciplinary authority and should not be shown to the concerned employee. It also mentions that the Central Vigilance Commission tenders its advice in confidence and its advice is a privileged communication and, therefore, no reference to the advice tendered by the Commission should be made in any formal order.

2. The Commission has reviewed the above instructions in view of its policy that there should be transparency in all matters, as far as possible. The Commission has observed that the Hon'ble Supreme Court had held a view in the case - State Bank of India Vs. D.C. Aggarwal and another [Date of Judgement: 13.10.1992] - that non-supply of CVC's instructions, which was prepared behind the back of respondent without his participation, and one does not know on what material, which was not only sent to the disciplinary authority but was examined and relied, was certainly violative of procedural safeguard and contrary to fair and just inquiry. Further, the Hon'ble High Court of Karnataka at Bangalore, in writ Petition No. 6558/93, has also observed that if a copy of the report (CVC's advice) was furnished to the delinquent officer, he would have been in a position to demonstrate before the disciplinary authority either to drop the proceedings or to impose lesser punishment instead of following blindly the directions in the CVC's report.

3. The Commission, at present, is being consulted at two stages in disciplinary proceedings, i.e. first stage advice is obtained on the investigation report before issue of the charge sheet, and second stage advice is obtained either on receipt of reply to the charge sheet or on receipt of inquiry report. It, however, does not seem necessary to call for the representation of the concerned employee on the first stage advice as the concerned employee, in any case, gets an opportunity to represent against the proposal for initiation of departmental proceedings against him. Therefore, a copy of the Commission's first stage advice may be made available to the concerned employee along with a copy of the charge sheet served upon him, for his information. However, when the CVC's second stage advice is obtained, a copy thereof may be made available to the concerned employee, along with the IO's report, to give him an opportunity to make representation against IO's findings and the CVC's advice, if he desires to do so.

4. In view of the position stated above, para 3.6 (iii), Chapter XI and para 8.6, Chapter XII of the Vigilance manual, Vol. I, and also para 2 of the Commission's letter No.6/3/73-R dated 20.08.1973 may be treated as deleted.

5. Para 12.4.4 of Special Chapter on Vigilance Management in Public Sector Banks and para 22.6.4 of the Special Chapter on Vigilance Management in Public Sector Enterprises envisage that the inquiring authorities, including the CDIs borne on the strength of the Commission, would submit their reports to the disciplinary authority who would then forward the IO's reports, along with its own tentative views to the Commission for its second stage advice. The existing procedure in this regard may broadly continue. The disciplinary authority may, after examination of the inquiry report, communicate its tentative views to the

Commission. The Commission would thereafter communicate its advice. This, along with the disciplinary authority's views, may be made available to the concerned employee. On receiving his representation, if any, the disciplinary authority may impose a penalty in accordance with the Commission's advice or if it feels that the employee's representation warrants consideration, forward the same, along with the records of the case, to the Commission for its reconsideration.

6. Thus, if on the receipt of the employee's representation, the concerned administrative authority proposes to accept the CVC's advice, it may issue the orders accordingly. But if the administrative authority comes to the conclusion that the representation of the concerned employee necessitates reconsideration of the Commission's advice, the matter would be referred to the Commission.

Yours faithfully,

Sd/-
(K.L. Ahuja)
Officer on Special Duty.

No. 001/TRG/01
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA
New Delhi – 110023
Dated : the 17th September 2009

Circular No.30/09/09
Subject : CVOs training/visits abroad – regarding.

While the Commission has always been appreciative of the need for the exposure of CVOs and officers working in vigilance set ups in various Organisations/Departments to certain training programmes held abroad in fighting corruption in order to update themselves with the modern techniques adopted by other countries and international bodies engaged in this arduous task, it has also been insisting on ensuring that CVOs and vigilance officers attend only appropriate training programmes, which are really useful in improving vigilance administration. It had issued instructions vide Office Order No. 6/2/04 dated 3.2.2004, that the Administrative Ministry/PSEs should take prior concurrence of the Commission. Later, the Commission vide Order No. 6/2/2005, stipulated that it would not be advisable to recommend officers for such trainings abroad, if similar programmes are available in India and that the same should have relevance to vigilance work

2. Of late, it is observed in certain cases, not only Commission's prior concurrence was not obtained for undertaking foreign visits of CVOs but some of the visits, were for purposes which were neither relevant nor related to the vigilance work of the CVOs. The Commission has viewed these instances seriously and, would therefore, reiterate its earlier Office Orders and emphasise that Commission's prior approval should be obtained before the CVOs go on official visits abroad, either on training or otherwise. While seeking the Commission's approval, the exact purpose of the visit/details of the training programme, its relevance to vigilance work and all other relevant details should be submitted. On completion of the foreign visit, along with their monthly report, the CVO should submit a report on the programme attended and its utility for the Commission's perusal.

3. In addition, the Commission has also decided that all full time CVOs would mandatorily send a copy of their tour programme of visits undertaken to places other than their headquarters in connection with official work within the country. All full time CVOs may, therefore, furnish the requisite details of official tours to the Commission together with their monthly reports to the Commission.

4. The above said instructions may be noted for strict compliance in future.

Sd/-
(J. Vinod Kumar)
Under Secretary

To
All Secretaries of Ministries/Department of Govt. of India
All CMDs/CEOs of PSBs/PSUs
All Chief Vigilance Officers

No.004/VGL/18
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 2nd June, 2005

Office Order No.32/6/05

Subject:- Commission's advice in LTC, TA, etc. fraud cases- reference to the Commission-regarding.

In certain cases of the nature of LTC fraud, TA fraud etc., the Commission has been advising the organizations to take such action as deemed fit. This did not mean that no action is to be taken. A need has been felt to clarify the Commission's intention. The Commission has already clarified "vigilance angle" in its Office Order No. 23/4/04 dated 13.4.04 and any lapse including the lapses of the above nature which reflect adversely on the integrity of the officer would be a matter of vigilance case. The Commission's intention was only that while such lapses are definitely to be considered as serious misconduct and the CVO/DA need to take action in these cases, only they need not be referred to the Commission for second stage advice.

CVOs may bring this to the notice of the all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers.

No.98/VGL/15
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, I.N.A.,
New Delhi-110 023
Dated the 16/04/2004

Office Order No. 26/4/04

To
The Secretaries of All Ministries/Depts. of Government of India
The Chief Secretaries to all Union Territories
The Comptroller & Auditor General of India
The Chairman, Union Public Service Commission
All Chief Vigilance Officers in the Ministries/Departments,
Autonomous Organisations/Societies etc.
President Secretariat/Vice-President's Secretariat/Lok Sabha
Secretariat /Rajya Sabha Secretariat/PMO

Subject: Jurisdiction of the Central Vigilance Commission in relation to the officers of the level of Group-B, Gazetted.

Attention is invited to para 5.4, Chapter I of the Vigilance Manual, Volume-I on the above subject, requiring that vigilance cases of the Gazetted officers of the Central Government and its equivalent grade in other Government organisations might be referred to the Commission for advice.

2. Keeping in view the large increase in number of cases being referred to the Commission for advice, the Commission has decided that, henceforth, only cases of officers of the level of Group 'A' and above of the Central Govt. and Members of All India Services in connection with the affairs of the Union and Group 'A' officers of the Central Govt. may be referred to the Commission for advice. It is, however, clarified that the Commission's advice would be necessary in respect of all officers of the Central Government irrespective of their level, if they are involved in the same matter in which an officer of the level of Group 'A' or above is involved. The Commission's advice would also be necessary in cases of difference of opinion between the disciplinary authority and the CVO with regard to the action to be taken against officers who are not within the jurisdiction of the Commission if these differences cannot be resolved with the intervention of the Secretary of the Ministry or Head of the Departments.

3. While delegating the powers to the concerned Ministries/Organisations with regard to gazetted officers below Group 'A' of Central Government, the Commission expects that (i) appropriate expertise would be available to the CVOs; (ii) the CVO would be in a position to exercise proper check and supervision over such cases and would ensure that the cases are disposed off expeditiously within the time norms stipulated by the Commission; and (iii) the punishment awarded to the concerned employee would commensurate with the gravity of the misconduct established on his/her part. In order to ensure that the Commission's expectations are fully met, the Commission may depute its officers to conduct vigilance audit through onsite visits and also through the monthly information system (monthly reports etc.). If the Commission comes across any matter, which in its opinion has not been handled properly, it may recommend its review by the appropriate authority or may give such directions as it considers appropriate.

4. In respect of cases involving Gazetted officers below Group 'A' of the Central Government, in which the Commission has tendered its first stage advice before issue of these instructions, the matter need not be referred to the Commission for second stage advice if the disciplinary authority, on conclusion of the disciplinary proceedings, proposes to impose a penalty which coincides with the Commission's first stage advice, provided that none of the officers involved in that matter is an officer of All-India Service or Group A' officers. The case, however, may be referred to the Commission for its advice if the disciplinary authority proposes to take action, which does not coincides with the Commission's first stage advice, (or it differs with the recommendation of the CVO with regard to the quantum of punishment to be imposed).

Sd/-
(Anjana Dube)
Deputy Secretary

No. 002/VGL/27
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110023
Dated the 15th March, 2004.

Office Order No. 15/03/04

To

- (i) **Secretaries to all Ministries/Departments**
- (ii) **Chief Executives of all PSEs/Banks/Organisation.**
- (iii) **All Chief Vigilane Officers.**

Subject :- Court case against Central Vigilance Commission.

It has come to the notice of the Commission that the Commission is being made a party (Respondent) in the legal proceedings. Section 15 of Central Vigilance Commission Act 2003 lays down that no such prosecutions or other legal proceeding shall lie against the Commission, the Central Vigilance Commissioner, any Vigilance Commissioner, the Secretary or against any staff of the Commission in respect of anything which is in good faith done or intended to be done under the Act. Under Section 11 the Central Vigilance Commission is vested with the powers of a Civil Court and under Section 12 of the said Act the Commission shall be deemed to be a Civil Court for the purposes of section 195 and Chapter XXVI of the CrPC 1973 and every proceeding before the Commission shall be deemed to be a judicial proceeding within the meaning of Section 193 and 228 and for the purposes of Section of the IPC. Same provisions exist in the CVC Ordinances of 1998 and 1999.

2. It has, therefore, been decided that in future, whenever the Commission is made a party in any Court proceedings, the provision contained in Section 11, 12 and 15 may be brought to the notice of the concerned Court through the concerned government pleader to delete the name of the Commission/Central Vigilance Commissioner/any Vigilance Commissioner/the Secretary or any officer or staff of the Commission, as the case may be, from the list of parties.

Sd/-
(Anjana Dube)
Deputy Secretary.

No. 3(v)/99/15
Central Vigilance Commission

Satarkta Bhawan
Block 'A', GPO complex,
New Delhi – 110 023
Dated the 16th January 2002

Subject: System changes in organisation to check corruption.

The Central Vigilance Commission is empowered to exercise superintendence over the vigilance administration of the various Ministries of the Central Government or Corporations established under any Central Act, Government Companies, Societies and local authorities owned or controlled by that Government in terms of the powers invested in it under para (3)(v) of the Ministry of Personnel, Public Grievances & Pensions, Department of Personnel & Training Resolution No. 371/20/99-AVD.III dated 4th April 1999.

2. The Commission, in exercise of these powers, has been conducting studies of systems that lead to corruption and has issued directives to organisations to make appropriate changes. It is quite possible that CVOs, while performing their normal functions, may come across systems and procedures that breed corruption in their organisations. These are to be brought to the notice of the Commission for remedying by issue of directives under the powers vested in the Commission.

3. This is for strict compliance by all CVOs.

4. This order is also available on web-site of the CVC at <http://cvc.nic.in>.

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

All CVOs of the Ministries/Deptt./PSEs

001/VGL/5
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023

Dated: 10-12-2001.

To

All Chief Vigilance Officers

Sub: System improvement to fight corruption through better synergy between CAG & CVC.

Sir,

Attention is invited to the Commission's Circular No. 001/VGL/5 dated 25.4.2001 and No. 3(v)/99/14 dated 16.5.2001 on the subject cited above.

2. It is informed that all Audit Reports are simultaneously displayed in the CAG's web-site viz. "<http://www.cagindia.org>" on the date of placement.

3. The Commission desires that all CVOs should access the Audit Reports issued after the date of this circular to identify cases of corruption arising from those Audit Reports that pertain to their organisation. In all such cases immediate action must be initiated against the public servants concerned through the standard practice of referring vigilance cases to CVC.

4. This is issued for strict compliance by all concerned.

Yours faithfully,
Sd/-
(C.J. Mathew)
Deputy Secretary

No.3(v)/99/14
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, I.N.A.,
New Delhi- 110 023
Dated the 16th May 2001

Subject: System improvement to fight corruption through better synergy between CAG and CVC.

Under the powers vested in the DOPT Resolution No.371/20/99-AVD.III dated 4th April 1999, para 3(v), the following instructions are issued:

The audit reports of the Comptroller & Auditor General many a time reveal not only administrative and financial irregularities but also actual cases of corruption. The CAG reports are generally well documented and would be useful in bringing the corrupt public servants to book.

2. There is a need for introducing a system for prompt follow up action in the cases of corruption brought out by the CAG in its audit reports. The Public Accounts Committee and the Committee on Public Undertakings which scrutinise the CAG reports may not have the time to scrutinise all the reports and all the paragraphs. At the same time, the valuable information available through the CAG audit reports in the form of documented cases of corruption call for prompt action on the part of the disciplinary authorities.

3. It is, therefore, decided that with immediate effect the CVOs in all the organisations must scrutinise the CAG audit reports issued after the date of this circular to check whether any cases of corruption are revealed in them. In all such cases immediate action must be initiated against the public servants concerned through the standard practice of referring vigilance cases to CVC.

4. The Commission had also been in correspondence with the CAG on this subject. It has been agreed that all serious cases of malpractices reported by CAG which are perceived to have a vigilance angle would also be sent to the Commission for examination and follow up action. On receiving such references from CAG, the CVC would take follow up action with the disciplinary authorities. In this way, it will be ensured that the cases of corruption and issues having a vigilance angle are not lost sight of and there is effective synergy between CAG and CVC to Strengthen the system to fight corruption.

5. This instruction is also available on the CVC web site at <http://cvc/nic.in>.

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

1. The Secretaries of all Ministries/Departments of Government of India
2. The Chief Secretaries to all Union Territories
3. The Comptroller & Auditor General of India
4. The Chairman, Union Public Service Commission
5. The Chief Executives of all PSEs/Public Sector Banks/ Insurance Companies/Autonomous Organisations/ Societies
6. The Chief Vigilance Officers in the Ministries/Departments/PSEs/ Public Sector Banks/Insurance Companies/Autonomous Organisations /Societies
7. President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO
8. Director, CBI
9. Department of Personnel & Training, North Block, New Delhi

001/VGL/5
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 25th April 2001

To

- (i) Secretaries of all Ministries/Departments of Government of India.
(ii) Chief Executives of all PSEs/Public Sector Banks/Insurance Companies/
Autonomous Organisations/Societies.
(iii) CVOs of all Ministries/ Departments / Public Sector Undertakings/
Organisations.

Subject: Tackling corruption through a proper follow up of audit reports.

Sir,

Audit is an important tool available for proper control of organisations and the office of the Comptroller and Auditor General (CAG) has been envisaged as the body established for carrying out the necessary checks and reporting of irregularities. It has, however, been observed by the Commission that in response to CAG reports, apart from replying to the office of CAG and to the Public Accounts Committee, no serious effort is undertaken to identify the officials responsible and to initiate disciplinary proceedings, where warranted. As a result, the audit exercise remains an unfulfilled one and irregularities continue to be repeated.

2. The Commission has been in correspondence with CAG on this subject and it has been decided that all serious cases of malpractices reported by the CAG which have a perceived vigilance angle would be sent to the Commission for examination and follow up action.

3. However, this does not absolve the Ministries, Departments and other organisations of their administrative responsibility. It has, therefore, been decided that, in future, all audit reports should be examined by the administrative head to identify the officials responsible for the lapses. Initiation of disciplinary action should be the objective of this examination and the matter is to be referred thereafter to the CVO for complying with the procedure stipulated. Any audit report on which it has been decided that no action is to be initiated is to be furnished, within three months of receipt, to the CVO for a further examination. The CVO is to furnish quarterly data to the Commission about such cases.

This is issued for strict compliance by all concerned.

Yours faithfully,
Sd/-
(C.J. Mathew)
Deputy Secretary

No.000/VGL/166
Government of India
Central Vigilance Commission

Satarkata Bhavan, Block "A"
GPO Complelx, I.N.A.,
New Delhi-110023
Dated the 16th January 2001

To
All CVOs of Ministries/Departments of Govt. of India/Nationalised Banks/
PSUs/Autonomous Bodies etc.

Subject: Advance copy of CVO investigation report to CVC.

Please refer to instructions issued under the Commission's Circular of even number dated 9/11/2000 regarding advance copy of CVO investigation report to CVC. Consequent upon the issue of the instructions, certain clarifications have been sought by some Departments/Organisations on the issue. The matter has been considered in the Commission and it is clarified as under:

- i) The Commission's circular dated 9.11.2000 refers to investigations carried out by the Vigilance Wing of the concerned Ministries/Departments/Organisations into acts of omission and commission on the part of officers coming within the purview of the Commission's jurisdiction.
- ii) It is reiterated that notwithstanding the submission of advance copy by the CVO, a separate reference in accordance with the usual procedure needs to be made to the Commission to enable tendering of advice.
- iii) CVOs are to furnish advance copies to the Secretary, Central Vigilance Commission and not to the undersigned.

This issues with the approval of the Commission.

Yours faithfully,
Sd/-
(C.J.Mathew)
Deputy Secretary

No.000/VGL/66
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 24th July 2003

Office Order No. 33/7/03

All Chief Vigilance Officers
All Chief Executives of PSEs/PSBs/FIs

Subject: Commission's jurisdiction over the employees of Organizations which have 50% or less Government's equity.

Sir/Madam,

The Commission has received a number of queries from different Ministries/Departments regarding question of CVC's jurisdiction as well as purview over the employees of the organizations in which the Central Government (including entities owned by Central Government) has 50% or less equity.

2. The jurisdiction of the Commission extends to the Central Government, Corporations established by or under any Central Act, Government companies, Societies and local authorities owned or controlled by the Central Government. Accordingly, the Commission has considered the issue and **has decided that its jurisdiction will continue over any organization, irrespective of the shareholding pattern, so long as the administrative Ministry/Department of the Central Government continues to exercise administrative control over these organizations including appointment of Chief Executives, board members, etc.** The Chief Vigilance Officers may accordingly review the situation and report to the Commission the organizations which will come under the purview of the Commission and those which will not.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

Confidential

No.3M-VGL-3
Government of India
Central Vigilance Commission

Satarkata Bhawan,
GPO Complex,
Block-A, INA,
New Delhi - 23.
Dated 7th April 2000

OFFICE MEMORANDUM

Subject:- **Powers and functions of the Central vigilance Commission in relation to autonomous bodies other than the public sector undertakings' under various Ministries/Departments.**

The Commission, vide its OM No. DM-VGL-10 dated 18.10.1984, had advised all Ministries/Departments of Government of India that the vigilance cases against those officials of autonomous bodies, which did not fall in the category of public sector undertakings or local bodies and also whose employees could not be considered to be Government servants, drawing basic pay of Rs.1000/- per month and above might be referred to the Commission for advice. Such bodies included those set up by Acts of Parliament, or registered under the Societies Act, or those set up in some other manner such as a Resolution of the Government.

2. The above pay limit of Rs.1000/- was based on the pay pattern recommended by the Third Pay Commission. The aforesaid pay limit for reference to the Commission was revised to Rs.2825/- for those organisations, who had revised their pay-scale on the pattern of the recommendations of Fourth Pay Commission [para 5.4 of Chapter I of the Vigilance Manual, Volume-I refers]. Consequent upon the implementation of the recommendations of Fifth Pay Commission, the Commission has reviewed the aforesaid pay limit and has decided that the cases against those officials of autonomous bodies/cooperative societies etc., who are in receipt of basic pay of Rs.8700/- per month and above may be referred to the Commission for advice.

Sd/-
(K.L. Ahuja)
Officer on Special Duty

To

- (1) The Secretaries of all Ministries/Departments of Government of India.
- (2) The CVOs of all autonomous organisations/cooperative societies within the purview of the Commission.

IMMEDIATE**NO.3(V)/99/9
CENTRAL VIGILANCE COMMISSION**

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.
New Delhi-110023
Dated the 1st October, 1999

Subject:- Applicability of CVC's instruction No.8(1)(h)/98(1) dated 18/11/98 on post- tender negotiations to Projects of the World Bank & other international funding agencies.

The Commission has banned post- tender negotiations except with L-1 vide its instruction No.8(1)(h)/98(1) dated 18/11/98. Subsequently, the Commission had also issued a clarification vide No.98/ORD/1 dated 15/3/99. Notwithstanding the clarifications issued by the Commission, many Departments/Organisations have been approaching the Commission on specific issues which were clarified to the individual departments/organisations.

2. A clarification sought by many Departments/Organisation, which is vital and has relevance to many of the organisations relates to the applicability of the above said instruction of CVC to World Bank Projects. It has been decided after due consideration, that in so far as the World Bank Projects and other international funding agencies such as IMF, ADB etc. are concerned, the department/organisations have no other alternative but to go by the criteria prescribed by the World Bank/concerned agencies and the Commission's instruction would not be applicable specifically to those projects. However, the instructions of the CVC will be binding on purchases/sales made by the departments within the Country. The CVC's instruction of 18/11/98 will apply even if they are made with sources outside the Country and if they are within the budget provisions and normal operations of the Department/ Organisation.

3. All CVOs may ensure strict compliance of this instruction.

4. This instruction is also available on CVC's Website at <http://cvc.nic.in>

**Sd/-
(N.Vittal)
Central Vigilance Commissioner.**

To

- (i) The Secretaries of All Ministries/Departments of Government of India.
- (ii) The Chief Secretaries to All Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission.
- (v) The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies.
- (vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/ Insurance Companies/ Autonomous Organisations/Societies
- (vii) President's Secretariat / Vice- President's Secretariat / Lok Sabha Secretariat/ Rajya Sabha Secretariat/ PMO

No. 3(v)/99/5
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.,
New Delhi-110 023
Dated the 29th July, 1999.

Subject:- Uniformity in designation of Heads of Vigilance in Public Sector Enterprises(PSEs).

Uniformity in the work culture is one of the factors, which affects the overall functioning of any organisation. The nomenclature of the Heads of Vigilance in PSEs is one of the areas which lacks uniformity at present. Officers who are of same and equivalent rank are designated as Director (Vigilance) in some PSEs and as Executive Director (Vigilance) in others. This anomaly has caused a lot of heartburning and misunderstanding between the CVOs and in the PSEs itself.

2. In order to promote uniformity in the work culture, in exercise of powers conferred on CVC vide para 3(v) of the Ministry of Personnel, Public Grievances & Pensions, Department of Personnel & Training Resolution No.371/20/99-AVD.III dated 4th April 1999, the Commission has decided that with immediate effect that all Heads of Vigilance Divisions in the PSEs will be designated only as "Chief Vigilance Officer" irrespective of their status in the parent organisation. However, those Chief Vigilance Officers who are of the level of Joint Secretary to the Government of India and above would be given a status, facilities and perquisites equivalent to that of a functional director in that PSE as has been provided in the DPE's O.M.No. 16(48)87-GM dated 2/8/96. The Chief Vigilance Officers, who are below the level of Joint Secretary to the Govt. of India will get status, facilities and perquisites as that of Executive Director in the concerned PSEs.

3. All the Administrative Ministries/Department concerned with the PSEs may take necessary action to implement the above decisions of the Commission and also advise all the PSEs under their administrative control accordingly.

4. This order is also available on web site of the CVC at <http://cvc.nic.in>

Sd/-
(N.Vittal)
Central Vigilance Commissioner.

1. The Secretaries of All the Administrative Ministries/Departments
2. The Secretary, Department of Public Enterprises, Enterprises Bhavan, CGO Complex, Lodhi Road, New Delhi
3. All Chief Executive of Central PSEs
4. All CVOs of Central PSEs
5. Shri D.C. Gupta, Additional Secretary (S&V), Department of Personnel and Training, North Block, New Delhi
6. The Establishment Officer, Department of Personnel and Training, North Block, New Delhi. He is requested that in all future appointments, the designation in the appointment orders may be made only as CVO and not as Executive Director (Vigilance) etc. while getting the approval of ACC.

No.005-VGC-101
Government of India
Central Vigilance Commission

Satarkata Bhavan,
GPO Complex, Block-A,
INA, New Delhi-110 023
Dated: 15.02.2008.

Office Order No.8/2/08

Sub: **Entrusting of additional charge(s) to Board-level functionaries in PSUs etc.**

References are being received by the Commission, from time to time, seeking vigilance clearance in favour of Board-level functionaries who are proposed to be entrusted with some additional charge(s) within the same organization or in another organization under the same administrative Ministry/Department. It has been decided that henceforth clearance from the Commission is not required to be sought for the purpose of additional charge arrangements in respect of Board-level functionaries in PSUs, unless the Department concerned has material in their possession on the basis of which it has reason to believe that vigilance status has changed since the incumbent was last cleared for Board-level appointment.

2. These instructions, however, will not apply in case where a functional Director of a PSU is proposed to be given additional charge of MD/CMD of the same PSU or of another PSU.

Sd/-
(P.M.Pillai)
Officer on Special Duty.

No. 005-VGC-101
Government of India
Central Vigilance Commission

Satarkta Bhavan,
GPO Complex, Block-A,
INA, New Delhi-110 023
Dated : 11th August, 2005

To
All the CVOs of Ministries / Departments, Banks / PSUs / Organisations.

Sub: Grant of Vigilance Clearance – regarding interim additional/ concurrent charge.

Sir/Madam,

According to the instructions contained in Department of Personnel & Training OM No.27(5)-EO/88(ACC) dated 4.8.1988 and 27/12/EO/94(ACC) dated 30/7/1999 vigilance clearance is required from the Central Vigilance Commission in respect of officers who are already holding Board level positions and who have been recommended for higher Board level posts. However, the Commission has been considering cases of all officers recommended by PESB for Board in position in PSBs irrespective of their holding Board level or below Board level postings. As per subsequent instructions of DOPT contained in their OM No.1/12/2003-EO(SMII) dated 12.4.2004, approval of ACC is required for additional charge arrangements made for higher posts, if regular appointment to which falls within the purview of ACC.

2. It has been observed that certain Departments/PSEs seek clearance from the Commission for additional/concurrent charge/arrangements. In this connection, it is clarified that whenever some officer is given additional charge of another post for a short duration i.e. upto 3 months, clearance from the CVC will not be required. In such cases, CVO of the organization would give the vigilance clearance.

Yours faithfully,

Sd/-
(MANGE LAL)
DEPUTY SECRETARY
Tele fax : 24651010

No. 3(v)/99/4
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 12th July 1999

Subject: Guidelines for obtaining vigilance clearance from the Commission in respect of candidate(s) recommended for Board Level appointment(s) in Public Sector Enterprises.

The Central Vigilance Commission is empowered to exercise superintendence over the vigilance administration of the various Ministries of the Central Government or Corporations established under any Central Act, Government Companies, Societies and local authorities owned or controlled by that Government in terms of the powers invested in it under para (3)(v) of the Ministry of Personnel, Public Grievances & Pensions, Department of Personnel & Training Resolution No.371/20/99-AVD.III dated 4th April 1999.

2. By virtue of these powers, the Commission has been taking various measures to improve the vigilance administration in the Organisations/Departments under its purview. One of the ways which the Commission considers appropriate for achieving this objective is ensure that the top level posts in the PSEs are occupied by persons with exemplary service records and clean vigilance track records. It is in this context, that a system has been evolved for according vigilance clearance, in particular, after the instructions of DOPT's OM No. 27(5)-EO/88(ACC) dated 4th August 1988. In keeping with this instruction, the Commission is consulted for vigilance clearance in respect of those officers, who are already holding board level posts and are being considered for some other board/higher board level posts. In respect of those candidates, who are holding posts below the board level and are recommended by PESB for board level post, vigilance clearance from the Commission is not being obtained. There are many instances, in which officers with adverse vigilance history have managed to occupy Board level positions in PSEs without obtaining vigilance clearance from the Commission, merely because of the fact that they were holding a post below the board level.

3. In order to remedy the defects arising from the existing procedure it has been decided that vigilance clearance should be obtained from the Commission in respect of all candidates/officers recommended by the PESB for appointment to any Board level position in PSEs, irrespective of their holding a board level or below board level post at that point of time.

4. CVOs of all Ministries/Departments must ensure strict compliance of these instructions with immediate effect.

5. This order is also available on web site of the CVC at <http://cvc.nic.in>

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

- i) The Secretaries of All Ministries/Departments of Government of India
- ii) All Chief Vigilance Officers in the Ministries/Departments/PSEs
- iii) Establishment Officer, O/o Establishment Officer, DOPT, New Delhi
- iv) Secretary, PESB, New Delhi
- v) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

No.006/VGL/ 065
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated the 6th July, 2006

Circular No.25/7/06

Sub: Vigilance Administration – Role of CVO- regarding.

The Commission has issued a number of instructions on different aspects of vigilance administration and the CVO's role in the same. During the Annual Zonal Meetings and interactive sessions with the CVOs, a number of issues were raised on most subjects, on which, though already instructions exist, the Commission has felt the need to reiterate/clarify and focus on some of the select issues raised in these meetings. Accordingly, the following guidelines are laid down:-

i) Complaints.

Meaningful and prompt investigation of complaints with desired follow up action is an important aspect of effective vigilance administration. Inordinate delay in investigation of the complaint sent by the Commission for investigation and report, reflects poorly on the performance of the CVO. Therefore, complaints need to be attended to promptly. Any anonymous complaint sent by the Commission for investigation, needs to be treated as source information and duly investigated, and report sent to the Commission.

It is also seen that in many a case, the complainant is not able to clearly articulate his allegations. In such cases, the CVO should contact the complainant for such additional information/clarification that the complainant could provide so that investigation, if need be, could be undertaken on serious allegations, in a focused manner. Further, wherever the complainant is addressed either for verification or for additional information, in order to avoid delay, the CVO should simultaneously call for the records of the case, scrutinize the same in the light of the allegations made, and take necessary action.

The Commission's prior approval is necessary to take up any anonymous/pseudonymous complaint for investigation. Even though such complaints apparently contain verifiable information, the CVO is expected to conduct a preliminary enquiry and if it is considered that a detailed investigation is called for, then the Commission should be approached for seeking its approval.

While complaints against Board level officials are within the purview of the administrative Ministry's CVO, if it is referred to the CVO of the organisation under the Ministry, he should gather all factual information and submit the same to the Ministry's CVO. He is not required to make analysis or draw conclusions. A copy of his report, whenever called by the Ministry CVO should be sent to the Commission for information. It is also reiterated that no vigilance complaint against any official under the Commission's jurisdiction should be closed without the prior approval of the Commission.

On receipt of any complaint containing allegations against any tender in process, the tender process need not be stopped. However, the allegations should be brought to the notice of the competent authority, including the purchase committee, tender committee, negotiation committee, etc, and the complaint should be taken up for investigation independently. It should be borne in mind that if a CVO fails to notice a serious irregularity or to take necessary follow up action, and if such an irregularity is unearthed on investigation of a complaint received by the Commission, it would reflect poorly on the performance of the CVO, and he would need to explain in this regard.

ii) Consultation with CVOs.

The CVO has an important role in effective vigilance administration and functions as an extension of the Commission. While the Commission's jurisdiction is confined to Group 'A' officers and other officials of and above the level notified, and the Commission's advice is only to the Disciplinary Authority, there is no such restriction on the CVOs. They are required to be consulted by the Disciplinary Authority/Appellate Authority, irrespective of the level of officers involved. Wherever the Appellate Authority has disagreed with the Commission's advice, which was accepted by the Disciplinary Authority, the CVOs should scrutinise the matter carefully to take up the matter with the reviewing authority and also report such cases to the Commission. In respect of officials not under the jurisdiction of the Commission, where the Disciplinary Authority has disagreed with the CVO's advice, such cases should be specifically brought to the notice of the Board.

While CVOs may be consulted by the management in formulating a policy, to provide for necessary checks and balances as a preventive vigilance measure, they should not get involved in decisions in individual cases like works/procurement, etc, having financial implications. The Commission further directs that the CVOs should not be given any operational duties. If any such duty with financial implications is assigned to him, the CVO should promptly bring it to the notice of the Commission for its intervention.

iii) Review of Vigilance work by Board

The Commission's instructions vide No.98/VGL/51 dated 9/12/2003 requires that the Board of Directors review the Vigilance Work in the organisation and the CVO should send a copy of such review to the Commission. It has been observed that in a number of organisations, the CVOs are not invited to the Board Meeting. In the absence of the CVO, the review of the vigilance work by the Board would not be meaningful. The Commission has, therefore, decided that the CMDs/CEOs should ensure that the CVO of the organisation is invited and remains present at the time of the review of vigilance work by the Board.

iv) Monthly/Quarterly/Annual Report of the CVOs

The CVOs should take utmost care in sending the monthly report, which enables the Commission to assess their performance. They can attach additional sheets if they want to bring any special vigilance related issue to the notice of the Commission. A statement should also be enclosed along with the monthly report giving details of complaints/vigilance cases relating to officials falling under the Commission's jurisdiction, which are pending for more than a year, giving reasons for delay.

The QPR should contain details of all projects and progress relating thereto and the CVO would be responsible for its accuracy. As the annual reports of CVOs form the basis for certain incorporations in the Commission's Annual Report, the CVOs should ensure that their Annual Reports are sent positively by 31st January of the year following the completed calendar year.

v) Reference to the Commission

The Commission has issued detailed instructions regarding the manner of seeking the advice of the Commission. The CVOs should invariably ensure that the reference to the Commission for seeking first stage/second stage advice is made along with the views of the Disciplinary Authority, etc. However, in respect of such officials where the President is the Disciplinary Authority, the case could be referred to the Commission for seeking first stage advice with the views of the Secretary of the concerned administrative department.

vi) Disciplinary Cases

The CVOs should ensure that charge-sheets are carefully drafted covering all lapses. It is seen that in some CBI cases, there is delay in obtaining the documents. It should be ensured that the listed documents are obtained from the CBI before issuing the charge-sheet and, where parallel proceedings are to be initiated, a set of listed documents, duly certified, is obtained from the CBI.

vii) Irregularities in Recruitment :

The Commission has been seriously concerned with certain instances of irregularities in recruitment. Every organisation is expected to have a recruitment policy and proper recruitment rules in keeping with the guidelines of the GOI. The CVOs should monitor and take up for necessary action, any case of recruitment in violation of the laid down rules and procedures, and wherever necessary, report the matter to the Commission.

**Sd/-
(V. Kannan)
Director**

To
All CVOs
All CMDs/CEOs

No. 004/VGL/96
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110023
Dated, the 4th April, 2005

Office Order No. 20/4/05

Sub:- **Guidelines issued by the Central Vigilance Commission for Vigilance Administration - regarding.**

The Commission regularly issues guidelines/instructions regarding important policy decisions etc. These guidelines are mainly meant for the Chief Vigilance Officers. However, a number of guidelines relate to tender matters/operational aspects, these should be circulated to all concerned by the CVO. Further, some of the C&MDs/CEOs desire to have all the guidelines/instructions issued by the Commission irrespective of whether they are meant for CVOs only. The Commission has considered the issue and has decided that all the important communications/Circulars issued by the Commission to the Chief Vigilance Officers should be brought into the notice of C&MDs/CEOs by the Chief Vigilance Officers.

Sd/-
(Anjana Dube)
Deputy Secretary
All Chief Vigilance Officers

No. 005/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110023
Dated 10th March, 2005

OFFICE ORDER NO. 11/3/05

To,
All the Chief Vigilance Officers

Sub: Delays in Payments to Contractors & Suppliers etc. – Reducing opportunities for corruption reg.

The Commission has observed that in a large number of Government organisations and PSUs, payments to contractors/suppliers are inordinately delayed. This makes the system vulnerable to corruption, in addition to increasing the cost of procurement by the Government agencies.

2. The Commission has therefore directed that all the CVOs should undertake a review of bills received during the last six months. The review is meant to primarily determine the time taken in clearing the bills. Necessary help from the concerned Finance/Administration departments may be taken wherever required. Wherever the systems have not yet been computerized there may be practical difficulties in conducting such a review for all the bills. The organisations may fix a cut off limit for review. It is suggested that the cut off limit for bills can be Rs. 1 lakh i.e. time taken for payment of all bills above this amount should be seen. In smaller organisations the cut off limit can be lower depending on feasibility and convenience.

3. The CVO should also review whether payments are being made on “first-come-first-serve” basis or not.

4. A compliance report in this regard may be sent to the Commission by 15.4.2005 as per the following details:

Statement on delays in Bill Payments

1. Name of Organisation :

2. Cut off limit : Rs.1 lakh/others(in respect of small orgns.)

3. Bills received during Sept.,04-Feb,05 :

(from contractors/suppliers etc.)

Total No. of Bills :

Total amount involved :

4. Out of these :

(a) Bills paid in 15 days :

No. of Bills :

Amount Involved :

(b) Bills paid in 15-30 days :

No. of Bills :

Amount Involved :

(c) Bills paid in 30-60 days :

No. of Bills :

Amount Involved :

(d) Bills paid from 60 days to 120 days :

No. of Bills :

Amount Involved :

(e) Bills paid over 120 days :

No. of Bills :

Amount Involved :

5. There are also complaints that most of the organisations take inordinately long time in releasing 5% bills amount which is normally retained as performance guarantee after it becomes due. CVO may do a similar exercise with regard to release of this payment.

6. Has any ERP system or any other computerized system been installed for accounting purposes which can monitor bill payment?

6A. If not, is there any plan to do so in near future? If so, please indicate the time frame.

Sd/-
(Balwinder Singh)
Additional Secretary

No.010/VGL/012
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA
New Delhi – 110023
Dated : the 5th March, 2010

Circular No. 12/03/10

Sub : Monthly/Quarterly structured meetings for review of vigilance work -reg.

The Vigilance Manual Volume-1(6th edition) vide Para 2.16.2 provides for review of vigilance work in an organisation to be taken by the Secretary of the Ministry/Department or the Chief Executive of the Organisation. The Commission has been emphasising on the need for a structured regular and continuous review of the vigilance work in every Organisation/Department. During the Annual Zonal Review Meetings held with the CVOs , it has been observed that even though some organisations have been undertaking such reviews, the same is not institutionalised and carried out on uniform pattern.

2. Commission would, therefore, advise that all organisations/Departments need to hold regular meetings for review of vigilance work/activities either on a monthly or quarterly basis in a structured manner between the CVO and the Chief Executive in the organisations and between the CVO and Secretary of the Ministries/Departments. Minutes of such review meetings held are to be drawn up with actionable points. CVOs of all organisations would report the status of such monthly/quarterly review held in their monthly reports to the Commission.

Sd/-
(Vineet Mathur)
Director

To

All Secretaries of Ministries/Departments
All CMDs of CPSUs/Public Sector Banks/Insurance Companies
All CVOs of Ministries/Departments
All CVOs of CPSUs/Public Sector Banks/Insurance Companies

No.003/VGL/31
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.,
New Delhi- 110 023
Dated the 14th January, 2004

Office Order No. 3/1/04

Subject:- Disciplinary Cases Monitoring and Management Information System (DCM&MIS)- Package for expeditious disposal of vigilance cases instructions regarding.

Sir/Madam,

Department of Personnel & Training, as part of Corruption Control Mechanism has formulated a web based, Comprehensive Computerized Monitoring & Management Information System for disciplinary cases and enabled the Ministries/Departments/PSUs/ Organizations that are under the control and monitoring system of Central Vigilance Commissioner, to use by accessing it from the web site <http://persmin.nic.in>. The package is intended to capture the critical steps of the disciplinary proceedings and enable the Ministry/Department/PSUs/Organizations to monitor the progress closely and to dispense with manual reporting mechanism. The features of the package are versatile and helps the Chief Vigilance Officers to have grip over the progress of various disciplinary proceeding/vigilance cases/complaints.

2. Department of Personnel & Training vide their circular dated 20.10.2003 issued detailed instructions with the roles and responsibilities of various agencies for successful implementation. The Chief Vigilance Officer of the organization is the nodal point who uses/maintains the package pertaining to that organization.

3. The Chief Vigilance Officers shall commence the use of this package immediately and complete the data entry of the ongoing pending cases of disciplinary cases/sanction for prosecution/complaints. The data entry should be completed by the end of February, 2004. The concurrent entry of the cases shall be commenced immediately. The progress of usage of this package will be reviewed from time to time by the CVC.

Yours faithfully,

Sd/-

(Anjana Dube)

Deputy Secretary

To

1. The Chief Vigilance Officers of all Ministries / Departments / PSUs /Organizations.
2. The Secretary, Department of Personnel & Training/ Secretary (Coordination), Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.

No.003/MSC/12
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, INA
New Delhi-110023
Dated the 18th November, 2003

To
All Chief Vigilance Officers

Sub: Reconciliation of data with the CVOs.

At many times, it has been observed that there is discrepancy in the figures available with the Commission vis-à-vis concerned Ministries and Departments while doing reconciliation of data with the CVOs. It is because of that the Sections in the Commission are not following uniform data entry methods in respect of this issue.

2. It is, therefore, clarified that for the purpose of reconciliation of data with the CVOs, the following conditions have to be satisfied:

1. Pending implementation of first stage advice would mean,

- a) In major penalty cases till the appointment order of the IO is received.**
- b) In minor penalty cases till the order of imposition of penalty is received.**

2. Pending implementation of second stage advice would mean;

- a) Till the order of imposition of penalty is received.**

3. Cases may come for reconsideration at each of these stages however, they would continue to be pending till either of the conditions (a) and (b) are satisfied.

4. Attention is also invited to the Commission's instruction No.003/MMT/02 dated 7.1.2003. As regards format of the monthly report of CVOs the item at S.No. 3 i.e. departmental inquiries, pertains with respect to Commission's cases only.

5. The CVOs should separately mentioned about the cases of their department if any, pending in the Commission for a long time. This information may be added in the remarks column.

6. The above may be noted for compliance with regard to the submission of monthly report by the CVOs to the Commission.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No.003/MSC/12
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, INA
New Delhi-110023
Dated the 18th November, 2003

To
All Chief Vigilance Officers

Sub: Reconciliation of data with the CVOs.

Sir/Madam,

During the recent review meetings with the CVOs held in the Commission, it was observed that there are differences in the list of cases shown pending in the records of the Commission with that of the concerned department. One of the reasons appeared to be that copies of charge sheet and penalty orders issued by the disciplinary authorities were not endorsed to the Commission.

2. It has been decided that the CVO would tie up with the administrative wing of the department/organisation concerned and would arrange to endorse copies of charge sheet and the final orders passed, to the Commission invariably.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax- 24651010

No.003/VGL/2
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 20th March 2003

To
All Chief Vigilance Officers

Subject: Reconciliation of figures of pending cases with the Deptt./Organisation.

Sir/Madam,

During the recent review meetings with the CVOs held in the Commission, it was observed that there are differences in the list of cases shown pending in the records of the Commission with that of the concerned department. One of the reasons appeared to be that copies of charge sheet and penalty orders issued by the disciplinary authorities were not endorsed to the Commission.

2. It has been decided that the CVO would tie up with the administrative wing of the department/organisation concerned and would arrange to endorse copies of charge sheet and the final orders passed, to the Commission invariably.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax- 24651010

No.003/MMT/02
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 7th January 2003

To
All Chief Executive Officers

Sub: Submission of monthly report by CVOs
Ref.: Commission's last letter No.00Q-RTN-3 dated 17.2.2000

Sir,

The Commission has recently decided that the CVOs shall submit the monthly report on vigilance activities in addition to the usual quarterly statistical returns submitted by them. A copy of the format of the monthly report is enclosed for your kind perusal. In this context the commission would like to invite the attention of the Chief Executives to a large number of advices from it at both first and second stage pending for action for long periods. While a reasonable time limit for concluding and finalizing vigilance cases is already built in the procedure for disciplinary proceedings, the management must appreciate that subsequent to the first and second stage advice of the Commission the responsibility for early finalization and awarding of punishment passes on from vigilance to the personnel department. Chief Executives kindly impress upon all concerned and especially personnel department that unusual delay over and above the prescribed time limit for finalisation of disciplinary cases will itself construe misconduct and may be viewed from a vigilance angle by the Commission with its attendant ramifications.

2. The Commission fully recognizes that vigilance essentially is a management control function and will be only as successful as the Chief Executive desires it to be. It is in this context that the Commission solicits the cooperation of the Chief Executives in ensuring that the CVOs are able to function and complete the monthly and quarterly reports with a view to ensuring the performance of the organization in totality.

3. Please acknowledge receipt and confirm having taken effective steps for compliance of the above instructions. A copy of this is also being endorsed to the CVO in your organisation for necessary follow-up action.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary

Circulars relating to Prosecution Sanctions

Sl. No.	Subject	Office Order/ Circular No.	File ref. No.	Date of Issue	Page No.
1	Constitution of Committee of Experts for scrutiny of prosecution sanctions.	13/06/12	No.011/VGL/094(Part-1)	29.06.2012	
2	Guidelines for checking delay in grant of sanction for prosecution – reg.	33/09/10	No.010/CRD/003/103208	28.09.2010	
3	Guidelines for checking delay in grant of sanction for prosecution on CBI Reports- reg.	22/06/10	No. 010/CRD/003/91417	23.06.2010	
4	Constitution of Committee of Experts for scrutiny of prosecution sanctions	06/02/10	No. 007/VGL/010	12.02.2010	
5	Constitution of Committee of Experts for scrutiny of prosecution sanctions.	31/10/09	No. 007/VGL/010	29.10.2009	
6	Constitution of Committee of Experts for scrutiny of prosecution sanctions	25/08/09	No. 007/VGL/010	28.08.2009	
7	Constitution of Committee of Experts for scrutiny of prosecution sanctions	24/08/09	No. 007/VGL/010/53089	20.08.2009	
8	Constitution of Committee of Experts for scrutiny of prosecution sanctions.	11/03/08	No.007/VGL/010	24.03.2008	
9	Constitution of Committee of Experts for scrutiny of prosecution sanctions	17/5/07	No. 007/VGL/010	13.06.2007	
10	Difference of opinion between State Anti Corruption Bureaus and Central Government authorities regarding sanction of prosecution of Central Government officials – reg.	23/06/06	No.006/DSP/002	23.06.2006	

11	Guidelines to be followed by the authorities competent to accord sanction for prosecution u/s. 19 of the PC Act.	31/5/05	No. 005/VGL/11	12.05.2005	
12	Sanction of Prosecution	--	No.8(1)(h)/98(3)	27.11.1998	
13	Action on CBI Report – Revised time limit for furnishing comments to the Commission	--	98/VGL/7	12.03.1998	
14	Reporting of cases in the monthly report of the CVOs, where sanction for prosecution is to be granted by the competent authority.	40/11/07	No.005/VGL/031	23.11.2007	

No. 011/VGL/094(Part-1)
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA
New Delhi-110023
Dated 29th June, 2012

OFFICE ORDER NO. 13/06/12

Sub: Constitution of Committee of Experts for scrutiny of prosecution sanctions.

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.

2. The tenure of the panel of experts of the committee last constituted vide circular No. 30/10/09 dated 29th October 2009 having expired, the Commission hereby, reconstitutes the panel of experts with effect from 1st July, 2012 with the following persons:-

1. Shri A.K.Jain, IAS(Retd.) former Secretary, Department of Disinvestment
2. Shri Vivek Mehrotra, IAS(Retd.), former Secretary, Ministry of Minority Affairs.
3. Shri V.S.Jain, Ex-Chairman, SAIL & Member, PESB
4. Shri Uday Shankar Dutt, IPS(Retd.)
5. Shri Balwinder Singh, IPS(Retd.)
6. Shri R.N.Ravi, IPS(Retd.)
7. Shri Prakash Chandra, IRS(Retd.), ex-Chairman, CBDT
8. Shri D.L.Rawal, ex-CMD, Dena Bank
9. Shri M.Venugopalan, ex-CMD, Bank of India.

3. Depending upon the nature of the case, a committee consisting of three members including the Chairperson (i.e. Vigilance Commissioner) shall examine the CBI recommendation and the tentative views of the Ministry/Department concerned in greater detail. Two members of the Committee would be drawn from the panel of experts and one of the Vigilance Commissioners in the Commission would chair the meeting. In the light of the expert committee's recommendation, the CVC would render appropriate advice to the competent authority within 15 days of the meeting of the committee.

1. The tenure of the panel of experts would be for a period of two years from 01.07.2012. The terms and conditions would be as indicated in the annex.
2. The meetings of the committee would be held in Delhi. Central Vigilance Commission would provide the required secretarial services along with the necessary funds to meet the expenditure to be incurred regarding the meetings of the committee.

Sd/-
(K.D.Tripathi)
Secretary.

Encl: as above

To,

1. Members of the Committee of Experts
2. Shri P.K.Misra, Secretary, DoPT, North Block, New Delhi
3. Shri A.P.Singh, Director, CBI, North Block, New Delhi
4. All Chief Vigilance Officers.

No. 010/CRD/003/103208
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, I.N.A.,
New Delhi-110023
Dated 28th Sept'2010

Circular No. 33/09/10

Sub: Guidelines for checking delay in grant of sanction for prosecution – reg.

Attention is invited to Department of Personnel & Training's Office Memorandum No. 399/33/2006-AVD-III dated 06/11/2006 and dated 20/12/2006 and Commission's Circular No. 22/06/10 dated 23/06/2010 regarding guidelines for checking delay in grant of sanction for prosecution. It has been prescribed that Ministries/Depts./Orgns. are required to formulate their tentative views within **three weeks** of receipt of CBI's requests seeking sanction for prosecution and seek the advice of the commission.

It has come to the notice of the Commission that the provisions of the DOPT circular referred above, are not strictly adhered to. It is, therefore decided that in case the Commission does not receive communication/comments on CBI report from the competent authority within 3 weeks, the Commission would suo moto tender its advice Any communication/comments received from competent authority after three weeks but before 31 days will be entertained by the Commission as a reconsideration request and CVC within a fortnight, after consulting experts, will tender its advice. Any communication/comments received from the competent authority after 31 days of receipt of CBI's report will not be entertained by the Commission and will be sent to DoPT for a final decision.

Sd/-
(Vineet Mathur)
Director

To

All Secretaries of all Ministries/Departments of Govt. of India
All CMDs/CEOs of all PSEs/PSBs/Financial Institutions/Autonomous orgs.
All CVOs
CBI

No. 010/CRD/003/91417
Central Vigilance Commission

Satarkta Bhawan, GPO Complex,
INA, New Delhi
Dated 23rd June, 2010

Circular No. 22/06/10

Sub: Guidelines for checking delay in grant of sanction for prosecution on CBI Reports- reg.

In terms of the Hon'ble Supreme court's judgment in Vineet Narain's case, the competent authorities are required to take a decision on CBI applications for the grant of sanction for prosecution within a period of three months. Further, additional time of one month is allowed in respect of cases warranting prior consultation with the Attorney General or any other law officer in the AG's Office. The Hon'ble Supreme Court had also directed that the Commission shall review the progress of cases moved by CBI for sanction of prosecution, especially those in which sanctions have been delayed. Even CVC Act, 2003, under Section 8(1) (f) relating to functions and powers of the Commission, stipulates review of the progress of the applications pending for sanction for prosecution under the PC Act, 1988. The Commission while discharging its functions has observed that the competent administrative authorities concerned are taking too long time in conveying their views on the cases recommended for sanction of prosecution.

2 As prescribed in DOPT's OM dated 6th November 2006, the Ministries/Departments are required to formulate their tentative views within three weeks of receipt of CBI's request seeking sanction for prosecution and seek the advice of the Central Vigilance Commission. The aforesaid time limit is not being adhered to by the Ministries/Departments. The responsibility for processing cases for sanction for prosecution within the time-limit vests with the Administrative Ministries/Departments/Organization.

3. It has been brought to the notice of the Commission by the CBI that in some cases, the administrative authorities concerned seek clarification on the CBI reports. This also is a contributory factor for delays. It is therefore, reiterated that, including the seeking and obtaining of such clarification and time taken for the same, time limit prescribed by the Apex Court should be strictly maintained.

Sd/-
(Shalini Darbari)
Director

To,
All Secretaries of all Ministries/Departments
All CMDs/CEOs of all PSEs/PSBs/Financial Institutions/Autonomous Orgs.
All CVOs
CBI

No. 007/VGL/010
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, I.N.A.,
New Delhi-110023
Dated 12th Feb'2010

Circular No. 06/02/10

Sub: Constitution of Committee of Experts for scrutiny of prosecution sanctions

Please refer to Commission's Circular No. 30/10/09 dated 29th October, 2009 on the subject mentioned above.

Para 5 of the Commission's Circular has been amended and would read as under:-

Para 5 'Depending upon the nature of the case, a committee consisting of three members including the Chairperson shall examine the CBI recommendation and the tentative view of the Ministry/Department concerned in greater detail. The committee shall consist of two members drawn from the panel of experts and one of the Vigilance Commissioners in the Commission would chair the meeting. **In case the vigilance Commissioners are unable to chair the meeting owing to posts being vacant or due to absence on leave or otherwise, the Secretary, CVC will be the Chairperson of the expert committee.** In the light of the expert committee's recommendation, the CVC would render appropriate advice to the competent authority within 15 days of the meeting of the committee.'

Sd/-
(Vineet Mathur)
Director

To,
Members of the Committee of Experts.
Shri Shantanu Consul, Secretary, DOPT, North Block, New Delhi
Shri Ashwani Kumar, Director, CBI, North Block, New Delhi.
All Chief Vigilance Officers.

No. 007/VGL/010
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, I.N.A.,
New Delhi-110023
Dated 29th Oct. 2009

Circular No. 30/10/09

Sub: Constitution of Committee of Experts for scrutiny of prosecution sanctions.

Central Vigilance commission, in accordance with the power conferred upon it vide section 8(1) (f) and (h) of CVC Act, 2003, tenders advice in respect of officers coming under its jurisdiction against whom the Central Bureau of Investigation, after investigating the case, has recommended sanction for prosecution.

On a few occasions, where the Commission has, in agreement with the CBI's recommendations, advised sanction for prosecution against a public servant, the disciplinary authority, in disagreement with the CBI's recommendations, approached the Commission for reconsideration of its advice.

In accordance with the guidelines issued by the Ministry of Personnel, Public Grievances & pensions (Deptt. of Personnel & Training) vide O.M. No. 399/33/2006-AVD-III dated 6/11/2006, a committee of experts is to be set-up by the Central Vigilance Commission (with experts drawn from civil services, public sector undertakings and banks) to examine such reconsideration proposals received from various ministries/ Departments/organizations.

Accordingly, the Commission had initially constituted a panel of experts of six eminent persons, for scrutiny of reconsideration proposals where the Commission and CBI have advised sanction for prosecution against the suspected public servants vide its circular no. 17/5/07 dt. 13th June 2007. The tenure of the said Committee of experts which was for a period of two years was last extended vide Commission's circular no 25/8/09 dt. 28th August 2009 upto 31/10/09. The commission has decided to reconstitute the panel of experts with effect from 01/11/2009 with the following persons:-

Shri M.M.K. Sardana, IAS (Retd.)
Shri Naresh Narad, IAS (Retd.)
Shri R.C.Aggarwal, IPS (Retd.) DG, ITBP.
Shri A.P.Bhatnagar, IPS(Retd.)
Shri S.R.Mehra, IPS (Retd.)
Shri J.S.Juneja, (Retd.) Chairman, NSIC
Shri Rohit M. Desai, (Retd.), ED, India Overseas Bank.
Shri Gautam Kanjilal, (Retd.) Chief general Manager, SBI.

Depending upon the nature of the case, a committee consisting of three members including the Chairperson shall examine the CBI recommendation and the tentative view of the Ministry/Department concerned in greater detail. The committee shall consist of two members drawn from the panel of experts and one of the vigilance Commissioners in the Commission would chair the meeting. In the light of the expert committee's recommendation, the CVC would render appropriate advice to the competent authority within 15 days of the meeting of the committee.

The tenure of panel of experts would be for a period of two years. The terms and conditions would be as indicated in the annexure.

The meetings of the committee would be held in Delhi. Central Vigilance Commission would provide the required secretarial services along with the necessary funds to meet the expenditure to be incurred regarding the meetings of the committee.

Sd/-
(K.S.Ramasubban)
Secretary

To
Members of the Committee of Experts.
Shri Shantanu Counsel, Secretary, DOPT, North Block, new Delhi
Shri Ashwani Kumar, Director, CBI, North Block, New Delhi
All Chief Vigilance Officers.

ANNEXURE

Terms of appointment of the Committee of Experts.

1. Period

The term will be for a period of two years.

2. Honorarium

An honorarium of Rs. 3000/- (Three thousand only) per day would be paid to the members.

3. Secretarial Assistance

Secretarial assistance would be provided by the commission as per requirements.

4. Fare, Transport & Accommodation

The fare, transport and accommodation would be provided by the Commission as per entitlement of the members.

No. 007/VGL/010
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, I.N.A.,
New Delhi-110023
Dated 28th Aug'2009

Circular No. 25.08.09

Sub: Constitution of Committee of Experts for scrutiny of prosecution sanctions.

The Commission, in accordance with the guidelines issued by M/o Personnel, Public Grievances & pensions (Deptt. of Personnel & Training) vide O.M. No. 399/33/2006-AVD-III dated 6.11.2006, had, vide circular No. 17.5.07 dated 13.6.2007 and No. 11/3/08 dated 24.3.2008 constituted a committee chaired by a Vigilance Commissioner for scrutiny of reconsideration proposals where the Commission and CBI have advised sanction for prosecution against the suspected public servants.

The tenure of the said Committee of experts was for a period of two years which has expired on 13.6.2009 which has been extended till 31.8.09 vide circular No. 24/8/09 dated 20.8.09. It has further been decided to extend the tenure of the Committee till 31/10/09.

Terms and conditions of the Expert committee would remain unchanged.

Sd/-
(Shalini Darbari)
Director

To,

1. Members of the Committee of Experts.
Shri Rahul Sarin, Secretary, DOPT, North Block, New Delhi
Shri Ashwani Kumar, Director, CBI, North Block, New Delhi
All Chief vigilance Officers.

No. 007/VGL/010/53089
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, I.N.A.,
New Delhi-110023
Dated 20th Aug'2009

Circular No. 24.08.09

Sub: Constitution of Committee of Experts for scrutiny of prosecution sanctions.

The Commission, in accordance with the guidelines issued by M/o Personnel, Public Grievances & pensions (Deptt. of Personnel & Training) vide O.M. No. 399/33/2006-AVD-III dated 6.11.2006, had, vide circular No. 17.5.07 dated 13.6.2007 and No. 11/3/08 dated 24.3.2008 constituted a committee chaired by a Vigilance Commissioner for scrutiny of reconsideration proposals where the Commission and CBI have advised sanction for prosecution against the suspected public servants.

The tenure of the said Committee of experts was for a period of two years which has expired on 13.6.2009. Now the commission has decided to extend the tenure of the Committee till 31.08.2009.

Terms and conditions of the Expert committee would remain unchanged.

Sd/-
(Shalini Darbari)
Director

To,
Members of the Committee of Experts.
Shri Rahul Sarin, Secretary, DOPT, North Block, New Delhi
Shri Ashwani Kumar, Director, CBI, North Block, New Delhi
All Chief vigilance Officers.

No.007/VGL/010
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO complex, INA,
New Delhi-110023
Dated the 24th March, 2008

Circular No.11/3/08
CORRIGENDUM

Sub:- Constitution of Committee of Experts for scrutiny of prosecution sanctions.

The Commission, in accordance with the guidelines issued by M/o Personnel, Public Grievances & Pensions (Deptt. of Personnel & Training) vide O.M. No.399/33/2006-AVD-III dated 6.11.2006, had, vide circular No.17/5/07 dated 13/6/07 constituted a panel of experts. This inter-alia provided that three members would be drawn from the panel to form a Committee to be chaired by a Vigilance Commissioner, for scrutiny of reconsideration proposals where the Commission and CBI have advised sanction for prosecution against the suspected public servants. The matter has been considered by the Commission and a need has been felt to clarify that the Committee would consist of three members including the Vigilance Commissioner who would chair the Committee. Therefore, two members would be drawn from the panel.

2. In view of the above, para 4 of the Commission's circular No.17/5/07 dated 13.6.2007 may be read as under:-

“It has, therefore, been decided to constitute a panel of experts of six eminent persons, for scrutiny of reconsideration proposals where the Commission and CBI have advised sanction for prosecution against the suspected public servants. Depending upon the nature of the case, a committee consisting of three members including the Chairperson, shall examine the CBI recommendation and the tentative view of the Ministry/Department concerned in greater detail. The committee shall consist of two members drawn from the panel of six experts and one of the Vigilance Commissioners in the Commission would chair the meeting. In the light of the experts committee's recommendation, the CVC would render appropriate advice to the competent authority within 15 days of the meeting of the committee.”

Sd/-
(Vineet Mathur)
Deputy Secretary

To,

1. Members of the Committee of Experts
2. Shri Satyananda Mishra, Secretary, DOPT, North Block, New Delhi
3. Shri Vijay Shanker, Director, CBI, North Block, New Delhi
4. All Chief Vigilance Officers

No. 007/VGL/010
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
INA, GPO complex,
New Delhi-110023
Dated, the 13th June, 2007

Circular No. 17/5/07

Sub:- Constitution of Committee of Experts for scrutiny of prosecution sanctions.

Central Vigilance Commission, in accordance with the power conferred upon it vide section 8 (1)(f) and (h) of CVC Act, 2003, tenders advice in respect of officers coming under its jurisdiction against whom the Central Bureau of Investigation, after investigating the case, has recommended sanction for prosecution.

2. On a few occasions, where the Commission has, in agreement with the CBI's recommendations, advised sanction for prosecution against a public servant, the disciplinary authority, in disagreement with the CBI's recommendations, approaches the Commission for reconsideration of its advice.

3. In accordance with the guidelines issued by M/o Personnel, Public Grievances & Pensions (Deptt. of Personnel & Training) vide O.M. No. 399/33/2006- AVD-III dated 6/11/2006, a committee of experts is to be set-up by the Central Vigilance Commission (with experts drawn from civil services, public sector undertakings and banks) to examine such reconsideration proposals received from various ministries/departments/organizations.

4. It has, therefore, been decided to constitute a panel of experts of six eminent persons, for scrutiny of reconsideration proposals where the Commission and CBI have advised sanction for prosecution against the suspected public servants. Depending upon the nature of the case, a committee of 3 members from amongst the panel of six experts would be drawn, who shall examine the CBI recommendation and the tentative view of the Ministry/Department concerned in greater detail and, based on the experts committee's recommendation, the CVC would render appropriate advice to the competent authority within 15 days of the meeting of the committee. The three-member committee would be chaired by one of the Vigilance Commissioners in the Commission.

5. The following persons would form the panel of experts:-

1. Shri B.S. Minhas, IAS (Retd.)
2. Shri J.S. Juneja, Chairman (Retd), NSIC
3. Shri S.N. Menon, IAS (Retd) Ex-commerce Secretary
4. Shri R.C. Aggarwal, IPS (Retd. DG, ITBP)
5. Shri Himanshu Kumar, IPS (Retd DG, SSB)
6. Shri A.K. Purwar, Ex CMD, SBI

6. The tenure of panel of experts would be for a period of two years. The terms and conditions would be as indicated in the annexure.

7. The meetings of the committee would be held in Delhi. Central Vigilance Commission would provide the required secretariat services alongwith the necessary funds to meet the expenditure to be incurred regarding the meetings of the committee. The Commission would tender advice within 15 days of the meeting of the experts committee.

Sd/-
(SUJIT BANERJEE)
SECRETARY

To,

1. Members of the Committee of Experts.
2. Shri Satyananda Mishra, Secretary, DOPT, North Block, New Delhi.
3. Shri Vijay Shanker, Director, CBI, North Block, New Delhi.
4. All Chief Vigilance Officers.

ANNEXURE

Terms of appointment of the Committee of Experts:-

- 1. Period**
The term will be for a period of two years from date of issue of orders.
- 2. Honorarium**
An honorarium of Rs.3000/- (Three thousand only) per day would be paid to the members.
- 3. Secretarial Assistance**
Secretarial assistance would be provided by the Commission as per requirements.
- 4. Fare, Transport & Accommodation**
The fare, transport and accommodation would be provided by the Commission as per entitlement of the members.

No.006/DSP/002
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023
Dated the 23rd June, 2006

Office Order No.23/6/06

Subject:- Difference of opinion between State Anti Corruption Bureaus and Central Government authorities regarding sanction of prosecution of Central Government officials – reg.

The Commission has noted certain instances where the competent authority in the concerned Central Government organisation has declined the request of the State ACB for sanction of prosecution against certain central government officials in cases investigated by the concerned State ACB. The Commission has felt that there is a need to establish a mechanism to resolve such differences of opinion between the State ACBs and the Central Government Authorities.

2. In this connection, it may be mentioned that such a mechanism is provided in para 11.2 of Chapter VII of Vigilance Manual (Vol. I) in respect of cases investigated by the Central Bureau of Investigation. The relevant provisions are extracted below:

- (a) In the case of government servants, the competent authority may refer the case to its Administrative Ministry/Department which may after considering the matter, either direct that prosecution should be sanctioned by the competent authority or by an authority higher to the competent authority, or in support of the view of the competent authority, forward the case to the Central Vigilance Commission along with its own comments and all relevant material for resolving the difference of opinion between the competent authority and the CBI. If the Commission advice grant of sanction for prosecution but the Ministry/Department concerned proposes not to accept such advice, the case should be referred to DOPT for a final decision.
- (b) In the case of public servants other than government servants (i.e. employees of local bodies, autonomous bodies, public sector organisations, nationalised banks, insurance companies etc.) the competent authority may communicate its views to the Chief Executive of the Organisation who may either direct that sanction for prosecution should be given, or in support of the views of the competent authority have the case forwarded to the Central Vigilance Commission for resolving the difference of opinion between the competent authority and the CBI.

3. The Commission has, decided that the same procedure be followed in respect of difference of opinion on action to be taken on the recommendations of the State Anti Corruption Bureaus also, in respect of cases investigated by them. Such cases should be dealt with as provided above, and if the difference of opinion persists, the case should be referred to the Commission, irrespective of the level of the official involved whether he is under the normal advisory jurisdiction of the Commission or not.

4. All CVOs may note for strict compliance.

Sd/-
(V. Kannan)
Director

Chief Secretaries of all States
All Chief Vigilance Officers
D/o Personnel & Training, North Block, New Delhi
All State Vigilance Commissioners

No. 005/VGL/11
Central Vigilance Commission
Coordination I

Satarkta Bhawan, Block 'A'
INA, New Delhi-110023
The, 12th May, 2005.

OFFICE ORDER NO. 31/5/05

Sub:- **Guidelines to be followed by the authorities competent to accord sanction for prosecution u/s. 19 of the PC Act.**

The Commission has been concerned that there have been serious delays in according sanction for prosecution under section 19 of the PC Act and u/s 197 of CrPC by the competent authorities. The time limit prescribed by the Hon'ble Supreme Court for this is 3 months generally speaking. The Commission feels this delay could be partly due to the lack of appreciation of what the competent authority is expected to do while processing such requests. There have been a number of decisions of the Supreme Court in which the law has been clearly laid down on this issue:-

1. Jagjit Singh Vs. State of Punjab, 1996 Cr.L.J. 2962.
2. State of Bihar Vs. P.P. Sharma, AIR 1991 SC 1260.
3. Superintendent of Police (CBI) Vs. Deepak Chowdhary, AIR 1996 SC 186.
4. Vineet Narain Vs. Union of India, AIR 1998 SC 889.

2. The guidelines to be followed by the sanctioning authority, as declared by the Supreme Court are summarized hereunder:-

- i) Grant of sanction is an administrative act. The purpose is to protect the public servant from harassment by frivolous or vexatious prosecution and not to shield the corrupt. The question of giving opportunity to the public servant at that stage does not arise. The sanctioning authority has only to see whether the facts would prima-facie constitutes the offence.
- ii) The competent authority cannot embark upon an inquiry to judge the truth of the allegations on the basis of representation which may be filed by the accused person before the Sanctioning Authority, by asking the I.O. to offer his comments or to further investigate the matter in the light of representation made by the accused person or by otherwise holding a parallel investigation/enquiry by calling for the record/report of his department.
- iii) When an offence alleged to have been committed under the P.C. Act has been investigated by the SPE, the report of the IO is invariably scrutinized by the DIG, IG and thereafter by DG (CBI). Then the matter is further scrutinized by the concerned Law Officers in CBI.

- iv) When the matter has been investigated by such a specialized agency and the report of the IO of such agency has been scrutinized so many times at such high levels, there will hardly be any case where the Government would find it difficult to disagree with the request for sanction.
- i) The accused person has the liberty to file representations when the matter is pending investigation. When the representations so made have already been considered and the comments of the IO are already before the Competent Authority, there can be no need for any further comments of IO on any further representation.
- ii) A representation subsequent to the completion of investigation is not known to law, as the law is well established that the material to be considered by the Competent Authority is the material which was collected during investigation and was placed before the Competent Authority.
- vii) However, if in any case, the Sanctioning Authority after consideration of the entire material placed before it, entertains any doubt on any point the competent authority may specify the doubt with sufficient particulars and may request the Authority who has sought sanction to clear the doubt. But that would be only to clear the doubt in order that the authority may apply its mind proper, and not for the purpose of considering the representations of the accused which may be filed while the matter is pending sanction.
- viii) If the Sanctioning Authority seeks the comments of the IO while the matter is pending before it for sanction, it will almost be impossible for the Sanctioning Authority to adhere to the time limit allowed by the Supreme Court in Vineet Narain's case. The Commission has directed that these guidelines as at para 2(i) (vii) should be noted by all concerned authorities for their guidance and strict compliance.

Sd/-
(Sujit Banerjee)
Secretary

To
Secretaries of All Ministries/Departments
CMDs/CEOs of all PSEs/PSUs/PSBs/Financial Institutions
Autonomous Organisations
All CVOs

IMMEDIATE**No.8(1)(h)/98(3)
CENTRAL VIGILANCE COMMISSION**

Jaisalmer House, Man Singh Road
New Delhi – 110 011

Dated the 27th November 98.

Sub: Sanction of Prosecution.

The Central Vigilance Commission, while reviewing the overall functioning of the vigilance administration of the Departments/Organisations has observed that one of the methods of improving the vigilance functions is to give prompt clearance for sanction for Prosecution under the Prevention of Corruption Act. The Supreme Court has also in the case of Vineet Narain and others Vs. Government of India directed that **a time limit of 3 months in grant of sanction for prosecution must be strictly adhered to. However, additional time of one month may be allowed where consultation is required with the Attorney General or any other Law Officer in the AG's Office.** Subsequently, the Commission had also issued instructions vide its letter No.98/VGL/7 dated the 12th March,1998,directing all Ministries/Departments / Organisations to furnish their comments on CBI reports within 30 days of the receipt of CBI reports in respect of prosecution and disciplinary cases. Notwithstanding these directions/instructions, delays on the part of the disciplinary/administrative authorities in the cases of sanction of prosecution continue to exist.

2. The Central Vigilance Commission Ordinance 1998 under Section 8(1)(f) directs that the power and function of the CVC will be:

“to review the progress of applications pending with the competent authorities for sanction of prosecution under the Prevention of Corruption Act, 1988”

3. Therefore, in exercise of powers conferred on CVC under Section 8(1)(f) in conjunction with Section 8(1)(h) of the CVC Ordinance 1998, it is hereby directed that:

- (i) In respect of CBI reports/cases in which the Commission's advice is not necessary, the competent authorities may exercise their mind and give or refuse sanction for prosecution under the PC Act, within the time limit of 30 days from the date of receipt of request from CBI; and
- (ii) In respect of the cases of Presidential appointees, in which the Commission's advice is required, the competent authorities may furnish their comments within 30 days to the Commission and give the sanction of prosecution or otherwise, within a period of 60 days from the date of receipt of request from CBI.

4. If at the end of the above said time limits no decision had been given by the competent authorities, then the CVC will take an adverse view and deem it as a case of misconduct on the part of the competent authority.

5. This comes into force with immediate effect.

Sd/-
(N.VITTAL)
CENTRAL VIGILANCE COMMISSIONER

To

- (i) The Secretaries of All Ministries/Deptts. of Government of India.
- (ii) The Chief Secretaries to all Union Territories.
- (iii) The Comptroller & Auditor General of India.
- (iv) The Chairman, Union Public Service Commission.
- (v) The Director, CBI
- (vi) All Chief Vigilance Officers in the Ministries/ Departments/PSEs/
Public Sector Banks/ Insurance Companies/ Autonomous Organisations/Societies.
- (vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO.

No.98/VGL/7
Government of India
Central Vigilance Commission

Bikaner House, 1st Floor,
New Delhi, dtd.12/3/98

To
All Chief Vigilance Officers

Sub: Action on CBI reports – Revised time limit for furnishing comments to the Commission.

Ref: 1) Commission's letter No.4/62/70-R-dated 3rd November, 1973
2) Commission's letter No.4/62/70-R-dated 8th February, 1974

Sir,

As per existing instructions, the Ministries/Departments etc. are required to furnish their comments on CBI reports within a period of two months from the receipt of the CBI's report to the Commission. The Department of Personnel and Training vide their OM No.142/10/97-AVD I dated 14th January, 1998 advised all Ministries/ Departments to strictly adhere to a time limit of three months for grant of sanction for prosecution of public servants.

2. The Commission in order to streamline the process and eliminate delays in the processing of prosecution as well as disciplinary cases has reviewed the time limits prescribed for consultation with it. It has, therefore been decided all Ministries/ Departments/Organisation would furnish their comments on CBI reports within 30 days of the receipt of the CBI reports by them. It may therefore, be ensured in future that the comments are sent to the Commission within the specified period. If no comments are received within 30 days, it will be presumed that the Ministry/Department/Organisation has no comments to make and the Commission will thereafter, proceed with the examination of the case and tender advice without waiting further for the comments.

3. Commission's letter No.4/62/70-R dated 8th February, 1974 stands modified to the above extent.

4. All Ministries/Departments/Organisations may kindly note the above revised instructions for strict compliance.

Yours faithfully

Sd/-
(A.K.KADYAN)
DY.SECRETARY

No.005/VGL/031
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 23rd November 2007

Office Order No.40/11/07

Sub:- **Reporting of cases in the monthly report of the CVOs, where sanction for prosecution is to be granted by the competent authority.**

The Hon'ble Supreme Court in Vineet Narain Vs Union of India case had directed that "time limit of three months for grant of sanction for prosecution must be strictly adhered to. However, additional time of one month may be allowed where consultation is required with the Attorney General (AG) or any Law Officer in the AG's office". It is observed that the time limit set by the Supreme Court is not being adhered to by the organizations concerned in many a cases.

2. The Commission had decided to modify para 4 of the monthly report and para 8 of the Annual Report to be submitted by the CVOs to the Commission to enable monitoring of delay in grant of sanction for prosecution. Copies of the modified format of para 4 of the Monthly Report and para 8 of Annual Report are enclosed. The complete and modified formats of the Monthly Report and Annual Report are available on the Commission's web-site i.e. <http://cvc.nic.in> in a downloadable forms.

3. All CVOs are directed to forward the data in the revised formats and the details pertaining to officers/officials of all category against whom sanction for prosecution is pending beyond the specified time limit may be attached along with the monthly/ annual report as a separate annexure.

Sd/-
(Vineet Mathur)
Deputy Secretary
All Chief Vigilance Officers

Departmental Enquiries

Sl. No.	Subject	Office Order/ Circular No.	File ref. No.	Date of Issue	Page No.
1	Expeditious disposal of cases involving public servants due to retire shortly	03/03/11	No.007/VGL/052	11.03.2011	
2	Expeditious disposal of cases involving public servants due to retire shortly	34/9/07	No.007/VGL/052	27.09.2007	
3	Delay in initiating Disciplinary Proceedings	21/5/10	No. 010/VGL/039/90/09	02.06.2010	
4	Timely completion of Departmental Inquiries – Improving Vigilance Administration	13/03/10	No. 009/VGL/067	09.03.2010	
5	Preparation of charge-sheets for RDA in CBI cases.	8/4/09	No.009/VGL/018	01.04.2009	
6	Drafting of charge- sheet.	--	No.3(v)/99/8	05.10.1999	
7	Need for self-contained speaking and reasoned order to be issued by the authorities exercising disciplinary powers	02/01/09	No. 003/DSP/3/31364	15.01.2009	
8	Need for self-contained speaking and reasoned order to be issued by the authorities exercising disciplinary powers.	51/9/03	No.003/DSP/3	15.09.2003	
9	Criteria to be followed while examining the lapses of authorities exercising quasi-judicial powers in accordance with the criteria laid down by the Hon'ble Supreme Court	39/11/07	No. 007/MISC/Legal/04(Pt)	01.11.2007	
10	Delay in completion of departmental proceedings - reg.	34/09/06	No.006/PRC/1	21.09.2006	

11	Adherence to time limit in processing of disciplinary cases	28/7/06	No.006/VGL/025	21.07.2006	
12	Reducing delay in departmental proceedings-ensuring availability of documents-regarding.	3/1/06	No. 006/VGL/5	18.01.2006	
13	Appointment of retired officers as Inquiring Authority	70/11/04	No.004/VGL/63	18.11.2004	
14	Adherence to time-limits in processing of disciplinary cases	51/08/04	No. 000/VGL/18	10.08.2004	
15	Adherence to time-limits in processing of disciplinary cases	50/08/04	No. 000/VGL/18	09.08.2004	
16	Reducing Delays in Departmental Inquiries.	30/4/04	No. 99/VGL/3	26.04.2004	
17	Delay in finalising of Vigilance cases	13/02/04	No. 000/VGL/18	27.02.2004	
18	Role of Disciplinary Authority in decision taken	14/02/04	No.003/DSP/3	26.02.2004	
19	Accountability for delay in decision making.		No.11013/2/2004-Estt.(A)	16.02.2004	
20	Utilising the services of outsiders including retired officers for conducting Departmental inquiries.	34/7/2003	No.98/MSC/23	01.08.2003	
21	Utilising the services of outsiders including retired officers for conducting Departmental Inquiries	--	No.98/MSC/23	25.03.2003	
22	Entitlement of TA/DA to the private witnesses and the retired employees appearing before departmental inquiry.	--	No.002/MSC/15	10.02.2003	
23	Utilising the services of retired officers for conducting Departmental Inquiries	--	No. 98/MSC/23	29.11.2002	

24	Promotion of Govt. Servants against whom preliminary inquiries are pending – clarification regarding.	--	No. 3S/DSP/1	14.06.2002	
25	Videotaping of evidence.	--	No.001/VGL/82	11.02.2002	
26	Ensuring attendance by private witnesses in Departmental Inquiries	--	No. 001/DSP/6	02.11.2001	
27	Utilising the services of Retired Government Officer as Inquiry Officer in the disciplinary proceedings against the employees of Banks/PSUs.	--	No. 98/MSD/23	10.09.2001	
28	Status of CDIs vis-à-vis the charged employee in departmental proceedings	--	No.000/VGL/57	28.11.2000	
29	Suspension of public servants involved in criminal/departmental proceedings	--	No.000/VGL/70	25.09.2000	
30	Utilising the services of retired officers for conducting Departmental Inquiries.	--	No.98/MSD/23	16.09.1999	
31	Improving vigilance administration- Reducing delays in Departmental Inquiries	--	No.3(v)/99/7	06.09.1999	
32	Reducing Delays in Departmental Inquiries	--	No-8(1)(g)/99(2)	19.02.1999	
33	Definition of term stiff/severe penalty- reg.	11/03/10	No. 99/DSP/1	03.03.2010	
34	Definition of term stiff/severe minor penalty		NO.99/DSP/1	20.06.2003	
35	Definition of the term Stiff/Severe minor penalty.		No.99/DSP/1	11.08.1999	

No.007/VGL/052
Central Vigilance Commission

Satarkta Bhawan, Block-A,
2nd Floor, GPO Complex
INA, New Delhi – 110023
Dated : 11.03.2011

Circular No. 03/03/11

Subject : Expeditious disposal of cases involving public servants due to retire shortly.

Attention is invited on Commission's circular of even No dated 27.09.2007 wherein all Ministries/Departments/Organisations were impressed on the need for expeditious completion of disciplinary proceedings/action, particularly against officials likely to retire. Commission has of late, observed that some Departments/Organisations have a marked tendency to refer the vigilance cases to the Commission seeking its advice at the last moment and sometimes even a few days before retirement of officers.

2. The Commission has taken a serious note of such lax attitude on the part of CVOs/Das in making such references which leaves no option for the Commission, except to examine the case in a hurry. Such delayed references ultimately result in situations which either serve to the advantage of the suspect public servants/charged officers (SPS/Cos) or initiation of disciplinary proceeding at the fag end of service of an officer.

3. While reiterating its earlier instructions in this regard, the Commission emphasizes that the vigilance functionaries as well as administrative authorities concerned should prioritise their activities of conducting investigation and disciplinary action so as to avoid such late references to the Commission. Undue delays on part of administrative authorities, in dealing with vigilance matters/disciplinary cases, will henceforth be viewed seriously by the Commission and it would be constrained to take an adverse view of CVOs/Administrative authorities for such avoidable delays.

4. All CVOs/Administrative Authorities should ensure strict compliance to the above instructions.

Sd/-
(J.Vinod Kumar)
Officer on Special Duty.

All Secretaries/Heads/CMDs of Ministries/Departments/PSUs/Banks/Autonomous Organisations etc.
All Chief Vigilance Officers of Ministries/Departments/PSUs/Banks/Autonomous Organisations etc.

No.007/VGL/052
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 27th September 2007

Office Order No.34/9/07

Subject: Expeditious disposal of cases involving public servants due to retire shortly.

The Commission had, vide its letter No.DO/DSP/15 dated 26.2.1981 and 6.5.1981 directed expeditious completion of disciplinary action, particularly against the officials likely to retire soon. Later, vide Commission's circular No.14/3/06 dated 13.3.2006, detailed instructions were issued on the pre-requisites for seeking first/second stage advice. In this circular a specific mention had been made about the requirement of bio-data, which inter-alia contains the date of superannuation of the SPS/CO.

2. The ready availability of date of superannuation of the SPS/CO is meant to serve as a guide to the CVO/DA to handle the case at a pace that should complete the action well in time. It has, however, come to repeated notice of the Commission that the CVOs/DAs often tend to lose sight of the superannuation dates, thereby creating situations which serve to the advantage of the SPS/COs. The entire effort is rendered all the more infructuous in organizations where the Conduct Rules do not provide for continuance of disciplinary action after retirement.

3. The Commission has, therefore, emphasized once again that all vigilance/administrative functionaries in an organization must invariably keep in mind the date of superannuation of the SPS/CO while handling disciplinary cases and anyone found to have consciously ignored the fact should be held accountable for the delay that may lead to the eventual dropping of the proceedings.

4. All CVOs should ensure strict compliance to the above instructions.

Sd/-
(Vineet Mathur)
Deputy Secretary
All Chief Vigilance Officers

No. 010/VGL/039/90/09
Central Vigilance Commission

Satarkta Bhawan, Block-A,
2nd Floor, GPO Complex
INA, New Delhi – 110023
Dated : 2nd June, 2010

Circular No. 21/05/10

Sub : Delay in initiating Disciplinary Proceedings.

During intensive Examination of contracts/complaints by CTEO/CVC or CVOs of various organisations excess payments to the contractors have been observed which may be either due to ambiguity in the contractor misinterpretation of various clauses of the contract. In some of the cases variations in the contract clauses or specifications are allowed without financial adjustments, thus, giving undue benefit to the contractors.

2. In such cases, two fold action is normally recommended by CVC -
- (i) for identifying the officials responsible for making excess payments involving vigilance angle.
 - (ii) to recover such excess payments from the contractors.

In number of cases contractors invoke arbitration to avoid such recoveries and in addition submit huge claims to deter the authorities from making recoveries. CVOs in such cases delay the process of identifying the officials citing reference to arbitration as an excuse and the organization also fall to affect the recoveries citing reference to arbitration by the contractor.

3. In view of above, following directions are hereby issued :
- (a) whenever, any excess payment is detected, it should be recovered from the contractor from the available amount at the first opportunity following due procedure prescribed in the contract, unless any stay has been granted by any Court.
 - (b) Reference to arbitration should not be linked with investigation and for identifying the officials responsible for lapses/excess involving mala-fide intentions/vigilance angle. CVOs should immediately investigate the case to identify the officials for lapses attributable to them and should approach the Commission for first stage advice without any delay.

Sd/-
(V.K. Gupta)
Chief Technical Examiner

No. 009/VGL/067
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex ,INA
New Delhi-110023
Dated 9th March, 2010

Office order No. 13/03/10

Sub: Timely completion of Departmental Inquiries – Improving Vigilance Administration.

- Ref:** (i) Commission's Instruction No. 8(1)(g)/99(2) dated 19.02.1999
(ii) Commission's Instruction No. 8(1)(g)/99(3) dated 03.03.1999
(i) Commission's Circular No. 3(v)/99/7 dated 06/09/1999
(ii) Commission's Circular No. NZ/PRC/1 dated 26/02/2004
(iii) Commission's Office Order No. 30/04/04 dated 26/04/2004
(iv) Commission's Circular No. 3/1/06 dated 18/01/2006

Natural justice demands that disciplinary proceedings are finalised in an expeditious manner. The delay in completion of proceedings works against the institutional incentive built to fight corruption. It may either cause undue harassment and demoralization of innocent employees, who at the end of the proceedings are exonerated of the charges framed against them; or it enables the guilty officers to evade punitive action for longer periods of time. In the former, it is not fair to the official concerned. In the latter, it provides perverse incentive for the corrupt. The delay in handling disciplinary cases has, on several occasions, been viewed adversely by the courts also. There have in fact been instances where the proceedings initiated against the delinquent employees were quashed solely on the ground that there were inordinate delays in handling the disciplinary cases. It is important that the formal proceedings, once instituted, are completed within the time frame laid down by the Government so that timely action can be taken against the delinquent employees.

- 2 An Inquiry Officer (IO) appointed by the disciplinary Authority to conduct departmental inquiry in a particular case cannot start the inquiry unless related documents, viz, a copy of the charge sheet, reply of the Charged Officer, order of appointment of the Presenting Officer (PO) and the listed documents/witnesses, are furnished to the Inquiry Officer.

1. The Commission observes that non-availability of documents relevant to the departmental inquiry proceedings and undue delays in providing such documents is a major factor contributing to delay in timely finalisation of the inquiry. Another factor is delay in issue of appointment orders of IO by the disciplinary authorities. The Commission in the past vide its various circulars referred above, prescribed certain specific steps to be adopted for eliminating such avoidable delays like appointment of IO/PO immediately on denial of charges by CO, making legible certified photocopies of documents in cases where the originals are seized by CBI/filed in Courts, providing custody of all listed documents along with appointment order to Presenting Officers etc. The Commission while reiterating its earlier instructions would emphasise that all pending cases of departmental inquiries need to be reviewed at regular intervals by the CVO and the Disciplinary Authority concerned in each Ministry/Department/Organisation to ensure that the proceedings are completed/finalised expeditiously.

Sd/-
(Vineet Mathur)
Director

- 1.All Ministries/Departments of Government of India.
- 2.All Chief Executives of CPSUs/Public Sector Banks/insurance
Companies/Autonomous Bodies
- 3.All Chief Vigilance Officers

No.009/VGL/018
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block ‘A’,
GPO Complex, INA,
New Delhi- 110 023
Dated the 1st April, 2009

Circular No.8/4/09

Subject: Preparation of charge-sheets for RDA in CBI cases.

Consequent upon discontinuation of the longstanding practice of appending drafts of charge-sheets/imputations to the SP's reports in those cases where RDA is recommended by the CBI, a number of references have been received by the Commission from various CVOs soliciting intervention for the reintroduction of the earlier practice.

2. While the Commission has taken up the issue, separately, with the CBI (for getting the earlier practice revived), it is for the information of all concerned that as on date, CBI's decision to discontinue the earlier practice stands. That would mean that it is for the organisations/disciplinary authorities concerned to prepare the charge-sheets/imputations (as also the lists of exhibits and prosecution witnesses) in those cases where the CBI recommended departmental proceedings and where CBI's recommendation is accepted by the disciplinary authority.

3. Since the SP's reports are, generally speaking, exhaustive and self-contained, preparation of the charge-sheets/imputations should not ordinarily be a problem, per se, for the internal Vigilance Departments/functionaries. In fact, all that is required here is a careful application of mind. When charge-sheets are prepared by the vigilance functionaries themselves in departmentally-investigated cases, one finds no reason why this cannot be done in respect of the cases investigated by the CBI where, as mentioned above, the reports are well-structured and well made out. Nonetheless, if the organisation concerned faces a real/genuine problem or difficulty in preparing charge-sheets in a particular case, the same can be taken up with the CBI appropriately. Needless to say that such instances/exceptions should be a few and far between i.e. exceptions only.

4. CBI had also since dispensed with the practice of sparing their officials for appointment as Presenting Officers in departmental proceedings. Here also, one finds no reason why a departmental (i.e. Vigilance) functionary cannot present a case before an Inquiry Officer in a CBI-investigated case when it is the organisation's own official who is appointed as Presenting Officer in a departmentally investigated case.

5. In short, thus, as of today, it is the responsibility of the individual organisations concerned to prepare charge-sheets/imputations and lists of exhibits and witnesses in CBI-investigated cases where disciplinary action (as distinct from criminal prosecution) has been agreed upon. Similarly, it is for the organisation concerned to appoint, in such cases, an officer from within as the Presenting Officer. Organisations can also arrange for imparting (if need be) some training to their personnel in these areas. Officers of the Commission and/or the CBI can also be associated with such training programmes/workshops as faculty members, if the organisation so desires. It also needs to be ensured that follow up actions on CBI reports are not delayed or held up on account of either non-availability of draft charge-sheets or because the CBI is in no position to spare its official for appointment as Presenting Officer.

6. All CVOs are requested to make note of the above for compliance/necessary action.

Sd/-
(Shalini Darbari)
Director

To
All Chief Vigilance Officers
Copy to The Director, CBI, North Block, New Delhi

No.3(v)/99/8
CENTRAL VIGILANCE COMMISSION

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.
New Delhi-110023
Dated the 5th October,1999.

Subject:- Drafting of charge- sheet.

Inadequate skill in drafting the charge-sheet is one of the reasons which help the charged officials to get away with lapses/misconduct committed by them. Many cases fail before the Courts of Law just because of the defective framing of charge-sheets. It has been observed by the Commission that the chargesheets are sometimes framed in a very general way and the existing practice with regard to framing of charges and imputations vary widely. Sometimes the charge itself is framed in a very general way, only pointing out that the official concerned has acted in an unbecoming manner or has shown lack of devotion to duty or has acted without integrity. The real issues, in such circumstances, are to be found in the statement of imputations. It has also been observed by the Commission that the organisations/Ministries etc. while framing the charge sheets list serious irregularities/charges in the imputations but do not mention the same in the articles of charge. Many a times the charges are not framed in accordance with the advice given by the Commission, thereby diluting the central issues.

2. Rule 14(3)(i) of the CCS (CCA) Rules stipulates that "the substance of the imputations of misconduct or misbehaviour into distinct articles of charge" should be drawn up by the Disciplinary Authority whenever it is proposed to hold an enquiry against a Government servant. This would mean that no charge can be proper or complete without including therein elements of the main content of the allegations/imputations. Therefore, the spirit of all Conduct, Discipline & Appeal Rules imply that there should be a specific finding on each allegation made against the officer. At the end, the IO must then apply his mind to come to a conclusion as to whether the charge as a whole has been proved wholly, partially or not at all.

3. It has to be understood that the statement of imputations/allegations annexed are supplementary/supportive material to the charge sheet; they are details of facts/evidence to support the charges made, and should contain names of witnesses/documents in support of the charges. That is, the statement of imputations is to make the basis of the charge, allegation-wise, precise and specific and should include details of what exactly each witness/document is going to prove regarding every charge. Each charge should also have a separate statement of imputations of misbehaviour/misconduct. The common failing of listing out one long statement of misconduct/misbehaviour ought to be avoided.

4. The Commission has also issued instructions earlier which are reproduced in Para 14.1 to 14.3 of Chapter X of Vigilance Manual Part I stipulating that the articles of charge should be framed with great care. Broad guidelines as to how the articles of charge should be framed have also been indicated therein. Similarly, the common mistakes which have been noticed by the Commission in framing the chargesheet have also been incorporated in Para 12.1.3 of the special Chapter on Vigilance Management in Banks and Para 20.1.3 in the Special Chapter in PSEs.

These are reproduced below:-

"Special care has to be taken while drafting a chargesheet. A charge of lack of devotion to duty or integrity or unbecoming conduct should be clearly spelt out and summarised in the Articles of charge. It should be remembered that ultimately the IO would be required to give his specific findings only on the Articles as they appear in the chargesheet. The Courts have struck down chargesheets on account of the charges framed being general or vague (S.K. Raheman Vs. State of Orissa 60 CLT 419.) If the charge is that the employee acted out of an ulterior motive that motive must be specified (Uttar Pradesh Vs. Salig Ram AIR 1960 All 543). Equally importantly, while drawing a charge sheet, special care should be taken in the use of language to ensure that the guilt of the charged official is not pre-judged or pronounced upon in categorical terms in advance (Meena Jahan Vs. Deputy Director, Tourism 1974 2SLR 466 Cal). However, the statement merely of a hypothetical or tentative conclusion of guilt in the charge, will not vitiate the charge sheet (Dinabandhu Rath Vs. State of Orissa AIR 1960 Orissa 26 cf. Also Powari Tea Estate Vs. Barkataki (M.K.) 1965 Lab LJ 102)".

5. Notwithstanding the extant instructions/guidelines many organizations continue to make avoidable mistakes while framing the charge sheets. Therefore, it is reiterated that the extant instructions on the subject as stated in the aforesaid paras may be followed carefully while drafting the charge sheet, in order to avoid subsequent difficulties. The CVOs of the organisations/Ministries etc. should ensure that these instructions are implemented scrupulously.

6. In addition as already summarised above, an IO is required to give his finding in respect of each article of charge and reasons thereof. As the articles of charge are definite and distinct substance of the statement of imputations of misconduct or misbehaviour, the findings on each articles of charge have to be inter-alia based on statement of imputations. Therefore, the Inquiry Officers are required to record their findings in respect of each allegation framed in support of an article of charge in order to ensure that inquiry reports do not suffer due to deficiencies.

7. All CVOs may ensure strict compliance of the above instructions. CVOs are also instructed to carry out an exercise on their own in respect of cases where the Commission has tendered its first stage advice to ensure that the articles of charge and statement of imputations are in conformity with the advice. The CVOs of Ministries can also check charge sheets in a random manner during their visits/inspections.

8. This instruction is available in the website of CVC at <http://cvc.nic.in>.

Sd/-
(N. Vittal)
Central Vigilance Commissioner

TO

- (i) The Secretaries of All Ministries/Departments of Government of India.
- (ii) The Chief Secretaries to All Union Territories.
- (iii) The Comptroller & Auditor General of India.
- (iv) The Chairman, Union Public Service Commission.
- (v) All Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies.
- (vi) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO.
- (vii) The Director/CBI, New Delhi.

No. 003/DSP/3/31364
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: 15/01/09

Circular No.02/01/09

Subject: Need for self-contained speaking and reasoned order to be issued by the authorities exercising disciplinary powers.

Attention is invited to the Commission's Office Order No.51/9/03 dated 15.09.2003 and Office Order No.14/2/04 dated 26.2.2004 wherein, it was clarified that disciplinary authorities (Das) should issue a self-contained, speaking and reasoned order which must indicate, inter-alia, due application of mind by the authority issuing the order.

2. As regards, making available a copy of CVC's first and second stage advises to the employees concerned, the Commission vide its circular No.99/VGL/66 dated 28.09.2000, had prescribed that the same should be supplied to the employees by the Disciplinary Authorities. It was precisely stated, therein that a copy of CVC's 2nd stage advice should be supplied to the employee concerned along with the IOs report, in order to give him an opportunity to make a representation against IOs findings and CVC's advice.

3. Instances have, however, come to the notice of the Commission in which the final orders passed in disciplinary cases by the competent disciplinary authorities did not indicate proper application of mind, but a mere endorsement of the Commission's recommendations which leads to an unwarranted presumption that the DA has taken the decision under the influence of the Commission's advice. Further, it is also observed that the DA's in the Departments/Organisations, in practice, do not provide a copy of Commission's advice to the employees concerned. The cases where the final orders do not indicate proper application of mind by the DA and or non-supply of Commission's advises, are liable to be quashed by the courts.

4. The Commission would, therefore, again reiterate that the CVC's views/advises in disciplinary cases are advisory in nature and it is for the DA concerned to take a reasoned decision by applying its own mind. The DA while passing the final order, has to state that the Commission has been consulted and after due application of mind, the final orders have been passed. Further, in the speaking order of DA, the Commission's advice should not be quoted verbatim.

5. CVOs should ensure that the DAs in their respective Departments /Organisations strictly follow the above guidelines/procedures while processing the disciplinary cases.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

No.003/DSP/3
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.
New Delhi –110023
Dated 15th September 2003

Office Order No. 51/9/03

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to All Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) The Executives of All PSEs/Public Sector Banks/Insurance Companies/
Autonomous Organisations/Societies
- (vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs./Public Sector Banks/
Insurance companies/Autonomous Organisations/Societies
- (vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/
Rajya Sabha Secretariat/PMO

Subject:- Need for self-contained speaking and reasoned order to be issued by the authorities exercising disciplinary powers.

Sir/Madam,

It was clarified in the Department of Personnel & Administrative Reforms' OM No. 134/11/81/AVD-I dated 13.07.1981 that the disciplinary proceedings against employees conducted under the provisions of CCS (CCA) Rules, 1965, or under any other corresponding rules, are quasi-judicial in nature and therefore, it is necessary that orders issued by such authorities should have the attributes of a judicial order. It was also clarified that the recording of reasons in support of a decision by a quasi-judicial authority is obligatory as it ensures that the decision is reached according to law and is not a result of caprice, whim or fancy, or reached on ground of policy or expediency. Such orders passed by the competent disciplinary/appellate authority as do not contain the reasons on the basis whereof the decisions communicated by that order were reached, are liable to be held invalid if challenged in a court of law.

2. It is also a well-settled law that the disciplinary/appellate authority is required to apply its own mind to the facts and circumstances of the case and to come to its own conclusions, though it may consult an outside agency like the CVC. There have been some cases in which the orders passed by the competent authorities did not indicate application of mind, but a mere endorsement of the Commission's recommendations. In one case, the competent authority had merely endorsed the Commission's recommendations for dropping the proposal for criminal proceedings against the employee. In other case, the disciplinary authority had imposed the penalty of removal from service on an employee, on the recommendations of the Commission, but had not discussed, in the order passed by it, the reasons for not accepting the representation of the concerned employee on the findings of the inquiring authority. Courts have quashed both the orders on the ground of non-application of mind by the concerned authorities.

3. It is once again brought to the notice of all disciplinary/appellate authorities that Disciplinary Authorities should issue a self-contained, speaking and reasoned orders conforming to the aforesaid legal requirements, which must indicate, inter-alia, the application of mind by the authority issuing the order.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No. 007/MISC/Legal/04(Pt)
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: 1st November, 2007

Circular No.39/11/07

Subject: Criteria to be followed while examining the lapses of authorities exercising quasi-judicial powers in accordance with the criteria laid down by the Hon'ble Supreme Court

The Commission has observed that certain departments, while approaching the Commission for advice in respect of alleged/perceived lapses of the officials exercising quasi-judicial powers, do not follow a uniform approach in examining such lapses. In certain cases, it is routinely defended that the official had exercised his quasi-judicial powers and no disciplinary proceedings were warranted. In certain other cases, for similar lapses, disciplinary proceedings were proposed alleging that the official had shown recklessness or acted negligently and lacked devotion to duty. The commission is of the view that there should be a uniform approach in examining such cases and it is important not to create an impression that the department was following a policy in targeting only few officials exercising such powers.

It is observed that the Hon'ble Supreme Court has laid down the criteria in K.K. Dawan's case which, however, were being ignored and the officials were being defended on the basis of a subsequent Supreme Court judgement in the case of Z.B. Nagarkar –Vs- Union of India. The Hon'ble Supreme Court in its judgement in the case of Union of India –Vs- Duli Chand has held that the decision in the Z.B. Nagarkar's case did not represent the law correctly and decided that the decision in the K.K. Dawan's case (decided earlier by a larger bench of the Supreme Court) would prevail. The judgement in K.K. Dawan's case, had laid down the following criteria:

- i) Where the officer had acted in a manner as would reflect on his reputation for integrity or good faith or devotion to duty;
- ii) If there is prima facie material to show recklessness or misconduct in the discharge of his duty;
- iii) If he has acted in a manner which is unbecoming of a Government Servant;
- iv) If he had acted negligently or that he omitted the prescribed conditions which are essential for the exercise of the statutory powers;

- v) If he had acted in order to unduly favour a party;
- vi) If he had actuated by corrupt motive, however, small the bribe may be because Lork Coke said long ago “though the bribe may be small, yet the fault is great”.

The Commission has, therefore, decided that the CVOs while sending the case to the Commission for advice against the lapses of officials exercising quasi-judicial powers, should examine critically whether any of the above criteria listed, was attracted or not. In either case, detailed justification should be given in arriving at the conclusion as to how none of the criteria was attracted, or how any of them was attracted.

**Sd/
(Vineet Mathur)
Deputy Secretary**

To
All Chief Vigilance Officers.

No.006/PRC/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 21st September, 2006

Circular No. 34 /09/06

Subject:- Delay in completion of departmental proceedings - reg.

Reference: Circular No.14/3/06 - F.No. 006/PRC/001 dt. 13.3.06

The Commission has been emphasising the need for completing the departmental inquiry proceedings expeditiously so that errant officials are punished at the earliest. It has been observed that one of the major causes for delay lies in making the listed documents available for the inquiry. Sometimes, poor drafting of the charge sheet also creates confusion about the documents relied upon. The Commission has also noted with serious concern, that while advice of the Commission is sought on the basis of indicated lapses/irregularities and the suspected public servants' role, the charge-sheets are not drafted properly to reflect the seriousness of the lapses. The lapses are not covered precisely in the articles of charge and certain lapses, on the basis of which advice is obtained, are not included in the charge-sheets, thereby limiting the areas of operation/effectiveness of the Inquiry Officer. There are also cases where there was no credible evidence to back the charge, as a result of which, the said charge could not be proved during the inquiry. This not only results in errant officials escaping punishment, but also causes avoidable embarrassment to the Vigilance Administration and the Commission.

2. It is with a view to checking such occurrences that the Commission has been emphasising that while seeking Commission's advice, wherever disciplinary proceedings are proposed, references, complete in all respects, including the draft charge-sheets with supporting evidence, should be made to the Commission. While this was not to be construed as vetting of the charge-sheets by the Commission, it was intended to ensure that the specific lapses were duly reflected in the chargesheet before it was decided to proceed against an officer. It may be pointed out that in Para 2.14.1(v) of Chapter II of the Vigilance Manual (Vol.I), it has been clearly stipulated that the CVO is required **'to ensure that the charge-sheets to the concerned employees are drafted properly'**. It is needless to say that this includes the different aspects of the charge-sheet mentioned in the aforesaid para. Accordingly, the CVOs are directed to carefully scrutinise the draft charge-sheets before sending their proposals, suggesting departmental proceedings and seeking Commission's advice on the same. **The Commission may take an adverse view on a CVO, who sends incomplete references, besides being constrained to return such proposals.**

3. Another cause for concern is the transfer of officials appointed as P.Os., while the inquiry is in progress, and appointment of new P.Os. in their place. In certain cases, it has been observed that the P.Os. were changed a number of times, leading to avoidable delay. Appointment of very junior official as P.O. also defeats the purpose of the inquiry against a senior officer, as such a P.O. is not able to present the case confidently.

4. After due consideration, the Commission has directed that the Disciplinary Authority should consider all relevant aspects about the official to be appointed as I.O./P.O. in a particular case, with particular reference to his/her continued availability to complete the inquiry proceedings. It should be ensured that only such officials, who are not likely to be transferred during the pendency of the inquiry proceedings, are appointed as P.Os./I.Os. In extreme cases where the transfers are unavoidable, it should be ensured that the I.Os./P.Os. complete the inquiry proceedings as expeditiously as possible, before they are relieved or at the earliest after their relief. It should also be kept in view, that to the extent possible, an official of appropriate seniority, with reference to the status of the charged official, is appointed as the P.O.

5. The CVOs may also apprise the competent authority of these instructions in their respective organisations.

Sd/-
(V. Kannan)
Director

To
All Secretaries of Ministries/Departments in GOI.
All Chief Vigilance Officers
All CEOs/CMDs of PSUs/PSBs

No.006/VGL/025
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023.
Dated the 21st July, 2006

Circular No. 28/7/06

Subject:- Adherence to time limit in processing of disciplinary cases.

Attention is invited to the Commission's Office Order No. 50/05/04 issued vide No. 000/VGL/18 dated 9/8/04 on the above mentioned subject.

2. The Commission has noted with concern that the observance of time schedule in conducting investigations and departmental inquiries, as laid down in its letter no. 000/VGL/18 dated 23/5/2000, is often lax and there are similar delays noticed on part of the decision making authorities, leading to the disciplinary proceedings getting indefinitely prolonged.

3. The Commission has also noticed that sometimes the disciplinary authorities misinterpret the Supreme Court judgment in the case of K.V.Jankiraman etc. vs Union of India, regarding adopting sealed cover procedure on the recommendations of departmental promotion committee for certain categories of officials. In this regard, DOPT has already issued instructions/clarifications vide letter no. 22011/4/91-Estt(A) dated 14/9/92 clearly stating that in accordance with the Supreme Court ruling in the K.V. Jankiraman etc. vs Union of India case, the findings of the departmental promotion committee in respect of the following categories of officials would be kept in a sealed cover:-

- (i) Government servants under suspension;
- (ii) Government servants in respect of whom a charge- sheet has been issued and disciplinary proceedings are pending; and
- (iii) Government servants in respect of whom prosecution for a criminal charge is pending.

4. The above instructions also provide that a Government servant who is recommended for promotion by the DPC but in whose case any of the above circumstances arise after the date of receipt of recommendation of the DPC but before he is actually promoted, would be considered as if his case had been placed in a sealed cover by the DPC. He shall not be promoted until he is completely exonerated of the charges against him.

5. All administrative authorities may be suitably advised to take note of, and strictly adhere to the prescribed time schedule in dealing with the disciplinary cases. Further, it is also necessary to correctly interpret/apply the Supreme Court judgment in Jankiraman case on 'sealed cover' in the light of instructions issued by the DOPT.

6. Undue delays on part of administrative authorities, in dealing with disciplinary cases, will be viewed seriously by the Commission and it would be constrained to advise penal action against those found responsible.

Sd/-
(V. Kannan)
Director

All Secretaries to Govt. of India
All CEOs/Head of Organisations
All Chief Vigilance Officers

F.No. 006/VGL/5
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023.
Dated, the 18/01/2006.

Circular No. 3/1/06

Subject:- Reducing delay in departmental proceedings- ensuring availability of documents-regarding.

The Commission has observed that non-availability of documents relevant to the departmental inquiry proceedings continues to be a major problem contributing to the delay in the finalisation of the inquiry. Commission would reiterate its instructions under circular no. NZ/PRC/1 dt. 26.2.2004 circulated vide Office Order No. 12/02/2004 in which the Disciplinary Authority is required to ensure that the P.O. is given custody of all the listed documents in original and certified copies thereof. It would also reiterate its instructions vide order No. 3(v)/99/7 dated the 6th September, 1999 wherein it has been decided that in respect of the CBI cases, the CBI should make available to the organization, legible certified photocopies of all documents seized by them. It is, therefore, reiterated that CBI/CVO of the concerned organization should ensure that legible certified copies of the documents taken over by CBI are made available to the organization to pursue the departmental proceedings.

The above instructions may be noted for strict compliance.

Sd/-
(V.KANNAN)
DIRECTOR

All Chief Vigilance Officers/CBI

No.004/VGL/63
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 18th November 2004

Office Order No.70/11/04

To
All Chief Vigilance Officers

Subject: Appointment of retired officers as Inquiring Authority.

The Commission vide its Office Order No. 34/7/2003 dated 1.8.2003 had directed for suitable amendment in the provisions for appointment of retired officers as Inquiring Authorities by PSEs.

2. In recent case (Ravi Malik Vs. National Film Development Corporation Ltd.-Civil Appeal No. 4481 of 2004), the Supreme Court in their judgement delivered on 23.7.2004 have inter-alia held that "the words 'public servants' used in Rule 23 (b) of the NFDC Service Rules and Regulations, 1982 mean exactly what they say, namely, that the person appointed as an Inquiring Officer must be a servant of the public and not a person who was a servant of the public. Therefore, a retired officer would not come within the definition of 'public servant' for the purpose of Rule 23(b)".

3. Rule 14(2) of the CCS (CCA) Rules, 1965 provides that "Whenever the Disciplinary Authority is of the opinion that there are grounds for inquiring into the truth of any imputation of misconduct or misbehaviour against a Government Servant, it may itself inquire into, or appoint under this rule or under the provisions of the Public Servants (Inquiries) Act, 1850, as the case may be, an authority to inquire into the truth thereof".

4. CVOs of organisations (other than those, which follow CCS (CCA) Rules, 1965) may review the service rules and regulations of their organisations and take necessary measures to amend the provisions relating to appointment of Inquiring Authorities, if they are inconsistent with the provisions under Rule 14(2) of the CCS (CCA) Rules, 1965. If any Service/Departmental Rules are in conflict with appointment of retired persons as Inquiring Authorities, they should be suitably amended before any such appointments are made.

Sd/-
(Anjana Dube)
Deputy Secretary

No. 000/VGL/18
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023
Date the 10th August, 2004

Office Order No.51/08/2004

Subject:- Adherence to time-limits in processing of disciplinary cases.

It has been observed that the schedule of time limits in conducting investigations and departmental inquiries laid down in Commission's letter of even number dated the 23rd May 2000 are not being strictly adhered to. In this context, attention is invited to Department of personnel & Training O.M. No. 11013/2/2004- Estt.(A) dated the 16th February 2004 regarding accountability for delay in decision making (copy enclose for ready reference).

2. Delay in decision-making by authorities in processing of vigilance cases would also be construed as misconduct under the relevant Conduct Rules and would be liable to attract penal action. All administrative authorities are requested to take not and strictly adhere to the prescribed schedule of time-limits in dealing with disciplinary cases.

Sd/-
(Anjana Dube)
Deputy Secretary

To,
All Secretaries to the Government of India,
All Chief Vigilance Officers of Ministries/Departments of Government of India.

Copy to:-

1. Comptroller and Auditor General of India, New Delhi.
2. Union Public Service Commission, New Delhi.
3. Central Bureau of Investigation, New Delhi.
4. All Union Territory Administrations.
5. Lok Sabha/Rajya Sabha Secretariat.

No. 000/VGL/18
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023
Date the 9th August, 2004

Office Order No.50/08/2004

Subject:- Adherence to time-limits in processing of disciplinary cases.

The Commission is concerned that the schedule of time limits in conducting investigations and departmental inquiries laid down in its letter of even number dated the 23rd May 2000 are not being strictly adhered to and more often than not, delays have been noticed on the part of decision-making authorities leading to disciplinary proceedings getting unduly prolonged. The Commission would tend to view such delays seriously, if willful, on the part of administrative authorities and would be constrained to advise penal action against the administrative authorities concerned.

2. All administrative authorities are therefore requested to take note and strictly adhere to the prescribed schedule of time-limits in dealing with disciplinary cases.

Sd/-
(Anjana Dube)
Deputy Secretary

To,
All CMDs of Public Sector Banks/ Insurance Companies/Public Sector Undertakings.
All CVOs of Public Sector Banks/ Insurance Companies/Public Sector Undertakings.

No. 99/VGL/3
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block "A", GPO
Complex, INA, New Delhi
Dated 26th April, 2004

Office Order No 30/4/04

To
All Chief Vigilance Officers

Subject:- Reducing Delays in Departmental Inquiries.

The Commission had issued instruction on reducing delays in departmental inquiries vide No. 8(I)(g)/99(2) dated 19.02.1999. The Commission reiterates the instruction contained therein and direct that there should not be delay in appointing IO and PO. Generally it should not take more than 4 weeks time in appointing IO and PO since it is purely an administrative function.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No. 000/VGL/18
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 27th February 2004

Office Order No. 13/02/04

To
All Chief Vigilance officers of Ministries / Departments / autonomous
organisations and societies.

Sub: Delay in finalising of Vigilance cases.

Sir/Madam,

The Commission has observed that a large number of departmental inquiries remain pending with the disciplinary authorities for long periods. The Commission has laid down the time limits in conducting investigations and departmental inquiries vide instruction No. 000/VGL/18 dt. 23.5.2000 and dated 3.3.2003. However, it is seen that these time limits are not adhered to by various organisations and there is no mechanism to monitor the progress made in the inquiries.

2. It has come to notice of the Commission, that one of the PSUs has formed a vigilance committee consisting of Director (P), Director (OP) and CVO to monitor the progress of the departmental inquiries. This committee reviews the progress of the departmental inquiries quarterly.

3. The Commission suggests that similar type of system should be adopted in other organisations, suited to their requirement, to monitor the progress made in departmental inquiries and check delays in completion of inquiries.

4. Action taken in this regard may be intimated.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No.003/DSP/3
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 26th February 2004

Office Order No.14/02/04

To
All Secretaries to the Government of India
All Chief Vigilance Officers
Deputy Secretary (AVD III), DOPT

Subject:- Role of Disciplinary Authority in decision taken.

Sir/Madam,

The Commission vide its Office Order No. 51/9/03 dated 15.9.2003 stressed the need for self-contained speaking and reasoned orders to be issued by the authorities exercising disciplinary powers. The Commission has however, noticed that at the time of issuing final orders imposing a penalty on the charged officer on the advice of the Commission and/or at the time of deposing affidavits in the courts, some Disciplinary Authorities (DA) mention the Commission's reference. The Commission has observed that this leads to an unwarranted presumption that the DA has acted under the influence/pressure of the Commission.

2. The DAs are again informed that, their orders in the matter of disciplinary cases or affidavits to the courts, should in no case imply that any decision has been taken under the influence of the Commission; as the Commission is only an Advisory Body and it is for the Disciplinary Authority to apply its mind subsequent to obtaining the Commission's advice and take reasoned decisions on each occasion. The Disciplinary Authorities are required to strictly follow the above guidelines of the Commission at all stages.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No.11013/2/2004-Estt.(A)
Government of India
Ministry of Personnel, P.G. & Pensions
(Department of Personnel & Training)

New Delhi, dated the 16th February, 2004

OFFICE MEMORANDUM

Sub:- Accountability for delay in decision making.

A Core Group on Administrative Reforms (CGAR) has been constituted under the chairmanship of Cabinet Secretary in February, 2003 to formulate specific changes in the systems and procedures in consultation with the ministries/departments concerned and to advise strategies for changing attitudes. The Core Group has decided that the existing provisions about accountability mechanism should be reiterated with a view to bring to everyone's notice that these provisions are adequate for initiating disciplinary proceedings when an officer adopts a dilatory attitude leading to delay in decision-making and/or harassment of the public.

2. In view of the above, the following provisions of CCS (Conduct) Rules, 1964 are brought to the notice of all Ministries/Departments for information and necessary action:-

Rule 3. General

(1) Every Government servant shall at all times:-

- (i) maintain absolute integrity;
- (ii) maintain devotion to duty; and
- (iii) do nothing which is unbecoming of a Government servant.

- (2)
- (i) Every Government servant holding a supervisory post shall take all possible steps to ensure the integrity and devotion to duty of all Government servants for the time being under his control and authority;
 - (ii) No Government servant shall, in the performance of his official duties, or in the exercise of powers conferred on him, act otherwise than in his best judgement except when he is acting under the direction of his official superior;

Explanation 1:- A Government servant who habitually fails to perform the task assigned to him within the time set for the purpose and with the quality of performance expected of him shall be deemed to be lacking in devotion to duty within the meaning of clause(ii) of sub-rule (1).

Explanation II:- Nothing in clause (ii) of sub-rule (2) shall be construed as empowering a Government servant to evade his responsibilities by seeking instructions from, or approval of, a superior officer or authority when such instructions are not necessary under the scheme of distribution of powers and responsibilities.

Rule 3A. Promptness and Courtesy

No Government servant shall

- (a) in the performance of his official duties, act in a discourteous manner;
- (b) in his official dealings with the public or otherwise adopt dilatory tactics or willfully cause delays in disposal of the work assigned to him.

3. Rule 11 of the CCS (CCA) Rules, 1965 provides that the penalties (ranging from 'censure' to 'dismissal') mentioned therein may be imposed on a Government servant 'for good and sufficient reasons'. Thus any Government servants violating the provisions of Conduct Rules can be proceeded against as it will form 'good and sufficient reasons' for imposing the penalties prescribed in Rule 11. In other words, disciplinary proceedings could be initiated if an officer adopts a dilatory attitude, leading to delay in decisions making and/or harassment of the public.

4. Ministries/Departments are also requested to bring the above cited provisions of the Conduct Rules and CCA Rules to the notice of all the officers and officials in the Ministries/Departments (proper) and in the organizations/offices under their administrative control to clarify that if they are found responsible for willful delay in disposal of the various types of cases dealt with them, finally leading to delay in decisions making, they shall be liable for disciplinary action in terms of the relevant provisions referred to in para 2 and 3 of this OM.

Sd/-
(Mrs. Pratibha Mohan)
Director

To
All Ministries/Departments of the Government of India.

Copy to:

1. Comptroller and Auditor General of India, New Delhi.
2. Union Public Service Commission, New Delhi.
3. Central Vigilance Commission, New Delhi.
4. Central Bureau of Investigation, New Delhi.
5. All Union Territory Administrations.
6. Lok Sabha/Rajya Sabha Secretariat.
7. All attached and Subordinate Offices of the Ministry of Personnel, Public Grievances and Pensions and Ministry of Home Affairs.
8. All officers and sections in the Ministry of Personnel, Public Grievances and Pensions and Ministry of Home Affairs.

Sd/-
(Smt. Pratibha Mohan)
Director(E-II)

No.98/MS/23
Government of India
Central Vigilance Commission

Satarkata Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated the 1st August, 2003

OFFICE ORDER NO. 34/7/2003

To

All Chief Vigilance Officers

Subject: Utilising the services of outsiders including retired officers for conducting Departmental inquiries.

Sir/Madam,

Please refer to the Commission's letter of even number dated 25th March 2003 on the above subject.

2. The rules applicable to public sector enterprises generally provide that the disciplinary authority may itself inquire into the truth of any imputation of misconduct against an employee, or appoint any public servant (called as inquiring authority) to inquire into the truth thereof. The term "public servant" has been defined in the CDA rules, which means and includes a person as mentioned in section 21 of the IPC. The retired employees of the public sector undertakings do not fall within the definition of public servants as defined in 21 IPC and therefore cannot be appointed as inquiring authority unless the aforesaid provision is suitably amended. Such public sector undertakings as have not amended the aforesaid provision may take expeditious action to provide for appointment of retired public servants as inquiring authorities.

3. Further, the Commission has also decided that keeping Para 2 above in view the departments/public sector undertakings/organisations depending upon their need, and if they so desire, may maintain a panel of retired officers from within or outside the department or organization for appointment as inquiring authorities, in consultation with the Chief Vigilance Officer. In case, there is difference of opinion between the Disciplinary Authority and the Chief Vigilance Officer about the inclusion of any name in the panel or appointment of any one out of the panel as IO in any case, the CVO may report the matter to the next higher authority, or the CMD for the resolution of the difference. If still unresolved, the CVO may refer the matter to the CVC. A case of difference of opinion between the CVO and the CMD, if acting as Disciplinary Authority, may be referred to the Commission for its advice.

4. It however may be ensured that the officer appointed as inquiring authority has no bias or/ and had no occasion to express an opinion at any stage of the preliminary inquiry.

5. CVOs may bring this to the notice of all concerned.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No.98/MSc/23
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi 110 023
Dated the 25th March 2003

To
All Chief Vigilance Officers

Subject:- Utilising the services of outsiders including retired officers for conducting Departmental Inquiries.

Sir/Madam,

Attention is hereby invited to the instructions contained in the Commission's circular letter No.98-MSc-23 dated 29th November, 2002 on the subject cited above.

2. The matter relating to appointment of outsiders including retired officer as Inquiry Officer has been considered further in the Commission and in supersession of all the instructions issued on the subject, it has now been decided that the disciplinary authority may appoint outsiders including retired officer as Inquiry Officer with the approval of the CVO. In case the CVO does not agree to his appointment as Inquiry officer and the DA/management insist on his appointment, only then the approval of the Commission should be sought.

3. However, before doing so, the organizations should lay down clear cut guidelines for appointment of Inquiry Officers.

4. In view of the aforesaid instructions, the Commission does not find the need to maintain a centralized panel.

Yours faithfully,

Sd/-
(MANGE LAL)
Deputy Secretary
Telefax- 24651010

No.002/MSC/15
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 10th February 2003

To
All Chief Vigilance Officers

Subject: Entitlement of TA/DA to the private witnesses and the retired employees appearing before departmental inquiry.

Sir,

It has come to the notice of the Commission that some of the organisations are reluctant to pay TA/DA to their retired employees for appearance in departmental inquiries. It has also been noticed that some of the private persons, summoned to appear as witnesses, had made payment of advance TA/DA a pre-condition for appearance.

2. The position regarding the payment of TA/DA to private persons or retired employees appearing as defence witnesses has been provided in the Ministry of Finance U.O. Note 3221-E IV(B)/61 dated 20.11.1961 and O.M. No. F.5(15) F.IV (B)/68 dated 15.09.1969 which inter-alia lay down that the private persons or retired employees appearing as prosecution or defence witnesses in departmental inquiries including those conducted by the Commissioner of Departmental Inquiries should be paid TA/DA. The Commission reiterates these instructions and expects the organisations/departments to follow these scrupulously.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax- 24651010

No. 98/MSC/23
Government of India
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: The 29th November 2002

To

All Chief Vigilance Officers

Subject: Utilising the services of retired officers for conducting Departmental Inquiries

Sir,

Please refer to the Commission's circular of even number dated 16.09.1999 informing about the maintenance of a panel of retired officers by the Commission for appointment as inquiring authorities in the disciplinary proceedings and the terms and conditions for their appointments.

2. The issue of utilising the services of retired officers for conducting departmental inquiries has been reviewed in the Commission and it has been decided that the Commission would not involve itself in maintaining a panel of retired officers henceforth. However, in case any organization requires the services of a retired/outside inquiry officers including these officers who are on the Commission's panel, they may do so after obtaining the prior concurrence of the Commission for that person.

3. This is for information and necessary action of all concerned.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Tel.No.4651010

Immediate

No. 3S/DSP/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110023
Dated the 14th June 2002

To
All Chief Vigilance Officers

Subject: Promotion of Govt. Servants against whom preliminary inquiries are pending – clarification regarding.

Sir/Madam,

The undersigned has been directed to refer to the Commission's letter of even number dated 28.03.2002, on the above subject, and to say that the instructions contained therein are hereby withdrawn. The Commission, however, desires that in the matter of promotion of public servants, the instructions contained in DOPT's O.M.No.22011/4/91- Estt.(A) dated 14.09.1992 may be followed strictly.

Yours faithfully,

(K.L. Ahuja)
Officer on Special Duty

No.001/VGL/82
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110023.
Dated: 11th February 2002

To
All Chief Vigilance Officers

Sub: Video taping of evidence.

Sir,

It has been brought to the notice of the Commission that in Indian Airlines, departmental proceedings have been initiated and brought to successful completion in a case which emanated from a complaint that an official had demanded illicit gratification from a user. The crucial witness in the proceedings was the complainant who could not be personally present; a videotape of the complaint was utilised in the proceedings and it was considered sufficient to establish the case though preponderance of probability.

2. This is being brought to the notice of all concerned for similar action in such situations.

Yours faithfully,

Sd/-
(C.J. Mathew)
Deputy Secretary

No.: 001/DSP/6
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110023.
Dated the 2nd November, 2001.

To
The All Chief Vigilance Officers

Sub: Ensuring attendance by private witnesses in Departmental Inquiries.

Sir,

It has been observed that in many cases warranting initiation of major penalty proceedings, the main impediment is the distinct possibility that private witnesses, who are required to provide crucial evidence, are likely to evade appearance before the Inquiry Authority.

2. The provisions of Departmental Inquiries (Enforcement of Attendance of witnesses and Production of Documents) Act, 1972 can be taken recourse to in such cases. This Act is applicable to all inquiry proceedings where lack of integrity is a charge or part of a charge. The inquiry authority authorised under the Act is conferred with the powers of a trial court to summon witnesses/documents and such summons shall be served through a District Judge. The authorisation to summon under the Act can be issued only by the Central Govt. Therefore, wherever lack of integrity is a charge and witnesses have to be compelled to attend, a proposal will have to be made to the Central Govt. by the concerned inquiry authority for issue of a notification conferring the power under the Act.

3. This may be resorted to when considered necessary.

4. This issues with the approval of the Commission.

Yours faithfully,
Sd/-
(C.J. Mathew)
Deputy Secretary

No. 98/MSC/23
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block "A",
GPO Complex, INA,
New Delhi.
Dated: 10th September 2001.

To
All Chief Vigilance Officer,
Public Sector Undertakings/Public Sector Banks.

Subject: **Utilising the services of Retired Government Officer as Inquiry Officer in the disciplinary proceedings against the employees of Banks/PSUs.**

Sir,

This has reference to the CVC's instructions vide No. 8(1)(h)/98(1) dated 18.11.98 regarding review of the cases pending for departmental inquiries and utilizing the services of retired Government officers as Inquiry Officer for completing the inquiry in time.

2. The Commission is reviewing the position. The following information is required in this regard:-

- (i) Whether PSUs/Banks have taken steps to amend the Conduct, Discipline and Appeal Rules, so as to provide for appointment of retired officers as Inquiry Officers.
- (ii) If the answer to (i) above is in the affirmative whether they have operated the panel prepared by the CVC.

3. It is requested the above mentioned information may be furnished to the Commission on priority basis.

Yours faithfully,

Sd/-
(C.J. Mathew)
Deputy Secretary

000/VGL/57
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block "A",
GPO Complex, INA,
New Delhi.

Dated: 28th November, 2000.

To

All Chief Vigilance Officers of Ministries / Departments of Government of India / Nationalised Banks/ PSUs/Autonomous Bodies, Societies etc.

Subject : Status of CDIs vis-a-vis the charged employee in departmental proceedings.

It has been brought to the notice of the Commission that in a case, on an appeal filed by the delinquent officials, UPSC had advised setting aside the penalty imposed upon him on the ground that there was a serious procedural infirmity in the inquiry in as much as, the Inquiry Officer appointed in his case i.e. Commissioner for Departmental Inquiries was junior to the charged employee. The UPSC had observed that the appointment of a officer junior to the charged employee was in contradiction of the DOPTs instructions contained in their Office Memorandum dated 06.01.1971. These instructions provide that the inquiries should be conducted by an officer who is sufficiently senior to the officer whose conduct is being inquired into. The matter was examined in the Commission and in order to obtain a comprehensive view the matter was referred to the Department of Personnel & Training with the above observations for examination in consultation with the Ministry of Law.

1. The Department of Personnel & Training have since examined the matter in consultation with Ministry of Law. It has been clarified that instructions dated 06.01.1971 had been issued in the light of recommendation of the Committee on Subordinate Legislation (Fourth Lok-Sabha) and not on the basis of any legal requirement in the matter. Further the Committee's recommendations were in the context of the inquiries held in the Department against non-gazetted officers. The Law Ministry has, therefore, agreed with the view that when Inquiry Officer is a Commissioner for Departmental Inquiries of Central Vigilance Commission, he can be regarded as a "disinterested officer" and his being junior to the charged officer does not bear much significance as he cannot be suspected of having any bias in the case. Moreover, the CDIs being from an independent organization outside the Department of the charged officer, the question of Junior/Senior need not be raised.

2. This may please be brought to the notice of all concerned for information and necessary action.

Yours faithfully,
Sd/-
(C.J. Mathew)
Deputy Secretary

No.000/VGL/70
Government of India
Central Vigilance Commission

Satarkata Bhavan, Block "A",
GPO Complex, I.N.A.,
New Delhi - 110 023.
Dated 25th September 2000

Subject: - Suspension of public servants involved in criminal/departmental proceedings.

Suspension is an effective tool for checking corruption. There have been many instances where senior officials, who had been trapped or were alleged to have disproportionate wealth or who were facing charge sheets on other serious charges, had not been suspended. It has also come to notice that officers charged of corruption, if not suspended, manage to get their inquiries delayed because delay in criminal/departmental proceedings enables them to continue in service even though the charges against them are grave enough to deserve the punishment of dismissal from service. Such officials can also use the opportunity of continuance in service for earning money through illegal/corrupt means. The Commission, therefore, is of the view that officers facing criminal/ departmental proceedings on serious charges of corruption should be placed under suspension as early as possible and their suspension should not be revoked in a routine manner.

2. It has been provided in para 2.4, Chapter V of the Vigilance Manual, Volume-I, that public interest should be the guiding factor in deciding whether, or not, a public servant should be placed under suspension; or whether such action should be taken even while the matter is under investigation and before a prima-facie case has been established. The instructions provide that it would be appropriate to place a person under suspension if: -

- (i) the continuance of the public servant in office is likely to prejudice investigation, trial or inquiry [apprehending tampering with documents or witness]; or
- (ii) where the continuance in office of the public servant is likely to seriously subvert discipline in the office in which he is working;
- (iii) where the continuance in office of the public servant will be against the wider public interest, e.g., if there is a public scandal and it is considered necessary to place the public servant under suspension to demonstrate the policy of the Government to deal strictly with officers involved in such scandals, particularly corruption;
- (iv) where the investigation has revealed a prima-facie case justifying criminal/departmental proceedings which are likely to lead to his conviction and/or dismissal, removal or compulsory retirement from service; or
- (v) where the public servant is suspected to have engaged himself in activities prejudicial to the interest of the security of the State.

3. Para 2.5, Chapter V of the Vigilance Manual, Volume-I also lays down that it may be considered desirable to suspend a public servant for misdemeanor of the following types:

- (i) an offence or conduct involving moral turpitude;
- (ii) corruption, embezzlement or misappropriation of Government money, possession of disproportionate assets, misuse of official powers for personal gains;
- (iii) serious negligence and dereliction of duty resulting in considerable loss to Government;
- (iv) desertion of duty; and
- (v) refusal or deliberate failure to carry out written orders of superior officers.
- (vi)

[In case of types (iii), (iv) and (v) discretion should be exercised with care].

4. It has also been provided in para 17 of the "Directive on investigation of cases by the Special Police Establishment Division of the CBI" that the CBI would recommend suspension of the concerned employees in appropriate cases.

5. The Central Vigilance Commission has been empowered, vide para 3 (v) of the Government of India's Resolution No.371/20/99-AVD.III dated 4th April 1999, to exercise superintendence over the 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 that Government. Since the suspension of a public servant on serious charges, like corruption, is directly related to the vigilance administration, the Commission hereby desires that all disciplinary authorities should follow the instructions enumerated in paras 2, 3 and 4 supra strictly. It also desires that if the CBI recommends suspension of a public servant and the competent authority does not propose to accept the CBI's recommendation in that regard, it may be treated as a case of difference of opinion between the CBI and the administrative authority and the matter may be referred to the Commission for its advice. It also directs that if a person had been suspended on the recommendations of the CBI, the CBI may be consulted if the administrative authority proposes to revoke the suspension order.

6. These instructions are available on the CVC's web-site <http://cvc.nic.in>

Sd/-

(N. Vittal)

Central Vigilance Commissioner

To

1. The Secretaries of all Ministries/Departments of Government of India.
2. The Chief Secretaries to All Union Territories.
3. The Comptroller & Auditor General of India.
4. The Chairman, Union Public Service Commission.
5. The Chief Executives of All PSEs/Public Sector Banks/ Insurance Companies/Autonomous Organisations/ Societies.
6. The Chief Vigilance Officers in the Ministries/ Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies.
7. President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO.
8. Director, CBI.
9. Department of Personnel & Training, North Block, New Delhi.

Immediate

No.98/MS/23
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi - 110 023
Dated the 16th September, 1999

To
All Chief Vigilance Officers

Subject: Utilising the services of retired officers for conducting Departmental
Inquiries.

Sir,

As you are aware the Commission, in order to ensure that the departmental inquiries are completed in time, had advised all Departments/Organisations vide its instruction No. 8(1)(h)/98(1) dated 18.11.98 to immediately review all pending cases and appoint IOs from among retired Government Officers. In the said instruction, the Commission had interalia stated that it would build a panel of officers for this purpose.

2. Accordingly, after verifying the antecedents of Retired Officers, the Commission has built a database. The details of retired officers who have been empanelled by the Commission as on date is enclosed. The terms and conditions formulated by the Commission for appointing these officers is also enclosed.

3. This is brought to the notice of all concerned in order to utilise the services of the empanelled retired officers of IOs.

4. This instruction as well as the panel of retired officers and the terms and conditions are available on the web site of CVC as **<http://cvc.nic.in>**. The panel will be updated from time to time in the web site, which can be downloaded. Those Departments/Organisations who do not have Internet facility may approach the Commission for the updated panel.

Yours faithfully,

Sd/-
(P.S. Fatehullah)
Director

NO.3(v)/99/7
Central Vigilance Commission

Satarkta Bhavan, Block "A

GPO Complex, I.N.A.

New Delhi -110023

Dated the 6th September 1999

Subject:- Improving vigilance administration- Reducing delays in Departmental Inquiries.

Prolonged departmental inquiries not only delay justice to the honest persons but also help the guilty to breath freely. The Central Vigilance Commission issued an instruction in this regard vide No.8 (1)(g)/99(3) dated the 3rd March, 1999 thereby stipulating a model time schedule for conducting departmental inquiries. In order to eliminate the delays in the departmental inquiries, by virtue of the powers vested in the CVC under para 3(v) of the Ministry of Personnel, Public Grievances & Pension, Department of Personnel and Training Resolution No.371/20/99-AVD.III dated the 4th April, 1999, the Commission issues the following guidelines after having identified some of the reasons for delay in the departmental inquiries:-

1.1 Certified photocopies of documents

As per the extant instructions, while the CBI can pursue the prosecution cases in the Courts, simultaneously departmental inquiries can also be held. In order to ensure that the critical documents needed in the departmental inquiries are made available, the responsibility has been put on the CBI to make photocopies of seized documents within four days so that the departmental proceedings can be proceeded with. A large number of cases are pending for more than two years because of non-availability of documents for inspection, which are already before the Court. It has therefore, been decided with immediate effect that the CBI should make legible certified photocopies of all the documents, which they seize, for launching the prosecution against the charged officer to concerned departments. It is also the responsibility of the CVOs to ensure that these certified legible photocopies of documents are made available when the CBI seizes the documents in any Government organisation. This is applicable to all Government organisations Public Sector Undertakings and Banks.

1.2 Availability of documents to CDIs/IOs

In many cases the concerned departments do not make the documents available during the departmental inquiries conducted by the Commissioner for Departmental Inquiries (CDIs). This may be either due to inefficiency or collusion. There have been a lot of cases where important/critical files have disappeared. As failure to safeguard documents is an offence it has been decided that henceforth the following practice will be adopted by all concerned:-

The inquiry officer/CDI will ask the concerned departments to produce the documents within a time limit fixed by the IO/CDI. While doing so it will be indicated that if within the stipulated time frame the concerned department is not able to produce the documents the disciplinary authority will fix responsibility for the loss of the documents and compliance reported to the Commission within a period of 3 months. These documents would cover not only those listed in the charge-sheet but also additional documents as sought out by the charged officer and permitted by the Inquiring Authority.

2. All CVOs must ensure that strict compliance of the above guidelines of the Commission.

3. This order is also available on web site of the CVC at <http://cvc.nic.in>

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to All Union Territories
- (iii) The Chief Executives of PSUs/Banks/Organisations
- (iv) The Comptroller & Auditor General of India
- (v) The Chairman, Union Public Service Commission.
- (v) The Director, CBI
- (vii) All Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies.
- (viii) President's Secretariat/Vic-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO.

No-8(1)(g)/99(2)
CENTRAL. VIGILANCE COMMISSION

SATARKTA BHAWAN
GPO COMPLEX, BLOCK-"A"
INA, NEW DELHI-110023
DATED 19th February, 1999.

Subject:- Reducing Delays in Departmental Inquiries.

One of the causes for delay in departmental inquiries is appointment of Presenting Officer. To avoid such delays, the Commission, in exercise of its powers conferred on it under Section 8(1)(g) of the CVC Ordinance 1999, directs all Departments/Organisations within its jurisdiction to indicate, henceforth, the names of the Presenting Officer to be appointed while referring the cases to the Commission for 1st Stage advice and where the Disciplinary Authority proposes to initiate major penalty action. After the Commission endorses the proposed action, the Departments/ Organisations will ensure that the Inquiry Officer and Presenting Officer are appointed simultaneously after service of charge-sheet and immediately on denial of charges by the Charged Officer. The Departments/organisations should also indicate appropriate disciplinary authority in each case while referring the case to the Commission for first stage advice. The Commission in turn will communicate its advice to the Disciplinary Authority/Secretary of the Ministries with a copy to the CVO for follow up action.

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to All Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) All Chief Executives of PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies

No. 99/DSP/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block CA'
GPO Complex, INA,
New Delhi- 110023
Dated the 3rd March, 2010

Office Order No. 11/03/10

Subject: Definition of term stiff/severe penalty- reg.

Reference: (i) Commission's circular No. 99/DSP/1 dated 05.02.1999
(ii) Commission's circular No. 99/DSP/1 dated 20.06.2003

The Commission has reviewed its earlier instructions referred above on the term stiff/severe minor/major penalty and has decided to withdraw the same. Accordingly, circulars dated 05.02.1999 and 20.06.2003 are hereby withdrawn/cancelled with immediate effect.

Sd/-
(Vineet Mathur)
Director

To
All Chief Vigilance Officers.

NO.99/DSP/1
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.
New Delhi-110023
Dtd. The 20th June, 2003

To
All Chief Vigilance Officers.

Subject:- Definition of term stiff/severe minor penalty.

Sir/Madam,

The Commission had clarified the term "stiff/severe minor penalty" vide its circular of even No. dtd. 11.8.1999.

2. The Commission has received a number of references from various organizations and the Commission has again reviewed the issue. The Commission has decided that henceforth the Commission will advise two kinds of minor penalties (1) suitable minor penalty which would include 'censure' or (2) minor penalty other than 'censure'.

3. This supersedes the earlier circular of the Commission dated 11.8.1999.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax No.24651010

Immediate

No.99/DSP/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 11th August 1999

To
All Chief Vigilance Officers

Subject: Definition of the term Stiff/Severe minor penalty.

Sir,

The Central Vigilance Commission has clarified the term "stiff/severe major penalty" vide its circular of even number dated the 5th February 1999.

2. In order to standardise the interpretation of the term stiff/severe minor penalty, it is hereby clarified that "Stiff/Severe minor penalty" means:

(a) reduction to a lower stage in the time-scale of pay for a period not exceeding 3 years, without cumulative effect and not adversely affecting his pension.

(b) withholding of increments of pay. No other interpretation of the given term is intended by the Commission. The Ministries/Departments/Organisations may, therefore, adhere to the said interpretation strictly and bring this to the notice of all concerned.

3. This issues with the approval of the Central Vigilance Commissioner.

Yours faithfully,

Sd/-
(P.S. Fatehullah)
Director

Leveraging of Technology Initiatives

Sl. No.	Subject	Office Order/ Circular No.	File ref. No.	Date of Issue	Page No.
1	Leveraging of Technology for improving vigilance administration in the National E-Governance Plan	23/06/2010	No. 010/VGL/035	23.06.2010	
2	Posting of details on award of tenders/contracts on websites	17/07/09	No.005/VGL/4	14.07.2009	
3	Improving Vigilance administration by leveraging technology: Increasing transparency through effective use of website.	13/04/07	No. 006/VGL/117	18.04.2007	
4	Improving vigilance administration by leveraging technology: Increasing transparency through effective use of websites in discharge of regulatory, enforcement and other functions of Govt. organisations.	40/11/06	No.006/VGL/117	22.11.2006	
5	Details on award of tenders/contracts publishing on Websites/Bulletins-Reminder regarding.	57/9/05	No.005/VGL/4	20.09.2005	
6	Details on award of tenders/contracts publishing on Websites/Bulletins - Reminder regarding.	46/07/05	No.005/VGL/4	28.07.2005	
7	Details on award of tenders/contracts publishing on Websites/ Bulletins	13/3/05	No.005/VGL/4	16.03.2005	
8	Leveraging Technology – e-payment & e-receipt	68/10/04	No.98/ORD/1	20.10.2004	
9	Central Vigilance Commission's Directives on Use of Website in Public Tenders.	47/7/04	No.98/ORD/1	13.07.2004	

10	Improving Vigilance Administration: Increasing Transparency in procurement/sale etc. – Use of website regarding.	43/7/04	No.98/ORD/1	02.07.2004	
11	Improving Vigilance Administration: Increasing Transparency and cutting delays by e-payments and e receipt by Govt. Organisations etc.	20/04/04	No.98/ORD/1	06.04.2004	
12	Improving Vigilance Administration – Increasing transparency in procurement/tender Process – use of website- regarding	10/02/04	No.98/ORD/1	11.02.2004	
13	Improving Vigilance Administration – Increasing transparency in procurement/sale – use of web-site regarding	9/2/04	No.98/ORD/1	09.02.2004	
14	Improving Vigilance Administration: Increasing Transparency in Procurement/Sale etc.		No.98/ORD/1	18.12 2003	
15	Use of web-site in Government procurement or tender process		No.98/ORD/1(Pt.IV)	12.03.2003	

No. 010/VGL/035
Government of India
CENTRAL VIGILANCE COMMISSION

Satarkta Bhawan, G.P.O. Complex,
INA, New Delhi
Dated – 23 June'2010

Circular No. 23/06/2010

Sub: Leveraging of Technology for improving vigilance administration in the National E-Governance Plan.

The Commission observes that e-procurement software, security and implementation is a new area and needs improvement. E-procurement provides a platform for the collaborative procurement of goods, works and services using electronic methods at every stage of the procurement process. The e-procurement platform transacts confidential procurement data and is exposed to several security threats. Department of Information Technology could be best placed to address issues relating to e-procurement. In order to ensure proper security of the e-procurement system all Departments/Organizations are advised to get their system certified by Department of Information Technology.

Sd/-
(Shalini Darbari)
Director

To

All Secretaries of Deptts / Ministries.
All CMD's / Chief Executives of CPSUs / Banks / Insurance Companies etc.
All Chief Vigilance Officers.

No.005/VGL/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 14th July, 2009

CIRCULAR No. 17/7/09

Subject: Posting of details on award of tenders/contracts on websites.

The Commission vide circulars dated 16.03.2005, 28.07.2005 and 18.04.2007 had directed all organisations to post on their web-sites a summary, every month, containing details of all the contracts/purchases made above a threshold value (to be fixed by the organisations) covering at least 60% of the value of the transactions every month to start with on a continuous basis. CVOs were required to monitor the progress and ensure that the requisite details were posted regularly on respective websites, and also to incorporate compliance status in their monthly report to the Commission.

2. On a review of the status of implementation by the organisations, it is observed that some organisations have not adhered to the instructions and implemented the same. Further, such information being posted on the websites are not being regularly updated on a continuous basis by certain organisations and, in some cases, the information published is disjointed and not as per the prescribed format laid down by the Commission. It is also seen that a few organisations have placed such information on restricted access through passwords to registered vendors/suppliers etc. which defeats the basic purpose of increasing transparency in administration.

3. The Commission, therefore, while reiterating its aforementioned instructions would direct all organisations/departments to strictly adhere and post summary of details of contracts/purchases awarded so as to cover 75% of the value of the transactions without any further delay. Any failure on the part of the organisations on this account would be viewed seriously by the Commission.

4. All Chief Vigilance Officers should reflect the compliance status in their monthly reports to the Commission after personally verifying the same.

Sd/-
(Shalini Darbari)
Director

To
All Secretaries of Ministries/Departments
All CEOs /Heads of Organisations
All Chief Vigilance Officers

No. 006/VGL/117
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block- 'A'
GPO Complex, INA,
New Delhi-110023:
Dated the,18th April 2007

CIRCULAR No. 13/4/07

Subject:- Improving Vigilance administration by leveraging technology: Increasing transparency through effective use of website.

Please refer to Commission's Circular no. 40/11/06 dated 22/11/2006 on the aforementioned subject & also Circular No. 13/3/05 dated 16/03/2005 & Circular No. 46/7/05 dated 28/7/2005 regarding details of award of tenders/contracts publishing on Websites/Bulletin.

2. The Commission vide circulars dated 16/3/05 & 28/7/05 had directed all organizations to post on their web-sites a summary, every month, of all the contracts/purchases made above the threshold value covering atleast 60% of the transactions every month. A compliance report in this regard was to be submitted to the Commission by the CVOs through their monthly report to the Commission. However, it is seen that some of the departments have neither intimated the Commission about the threshold value decided for posting the details of tenders awarded on the web-sites, nor a compliance report is being sent through the monthly reports.

3. Further, vide circular dated 22/11/06, the Commission while emphasizing the need to leverage technology, as an effective tool in vigilance administration, in discharge of regulatory, enforcement and other functions had directed the organizations to upload on their websites, information in respect of the rules and procedures governing the issue of licenses/permissions etc. and to make available all the application forms on the websites in a downloadable form besides, making available the status of individual application on the organization's website. The Commission had directed the organizations to implement its guidelines in two phases. The first phase relating to the posting of all application forms on the website was to be implemented by 1/1/2007 and the second phase, by 1/4/2007. Although, the date for implementation of second phase has passed by, the departments are yet to intimate the Commission about the status of implementation of the two phases.

4. The Commission, therefore, while reiterating its aforementioned instructions directs the CVOs to convey to the Commission the following information latest by 30/4/07:-

- a) The threshold value decided by the organization for publishing on their web-site, details of award of tenders/contracts;
- b) The extent to which the details of awarded tenders are being posted on the web-site and whether the web-sites are being updated regularly or not;
- c) Whether first/second phase of the Commission's circular dated 22/11/06 has been implemented or not;
- d) If not, the reasons thereof: steps being taken by the organization to ensure implementation of the Commission's circular and the exact date by which both the phases as mentioned in the Commission's circular would be fully implemented;.

5. Any failure on the part of organization to implement the directions contained in the Commissions circulars as mentioned above would be viewed seriously by the Commission.

Sd/-
(Vineet Mathur)
Deputy Secretary

All Chief Vigilance Officers

No.006/VGL/117
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023
Dated the 22nd November, 2006

Circular no.40/11/06

Sub: Improving vigilance administration by leveraging technology: Increasing transparency through effective use of websites in discharge of regulatory, enforcement and other functions of Govt. organisations.

The Commission has been receiving a large number of complaints about inordinate delays and arbitrariness in the processing and issue of licenses, permissions, recognitions, various types of clearances, no objection certificates, etc., by various Govt. organisations. Majority of these complaints pertain to delays and non-adherence to the 'first-come-first-served' principle. In a number of cases, there are complaints of ambiguities regarding the documents and information sought for the grant of such licenses, permissions, clearances, etc. There is also a tendency in some organisations to raise piecemeal/questionable queries on applications, often leading to the allegations of corruption. In order to reduce the scope for corruption, there is a need to bring about greater transparency and accountability in the discharge of regulatory, enforcement and other public dealings of the Govt. organisations.

2. Improvement in vigilance administration can be possible only when systems improvements are made to prevent the possibilities of corruption. In order to achieve the desired transparency and curb the malpractices mentioned above, the Central Vigilance Commission, in exercise of the powers conferred on it under Section 8(1)(h) of the CVC Act, 2003, issues the following instructions for compliance by all Govt. departments/organisations/agencies over which the Commission has jurisdiction:-

- i) All Govt. organisations discharging regulatory/enforcement functions or service delivery of any kind, which cause interface with the general public/private businesses, etc., shall provide complete information on their websites regarding the laws, rules and procedures governing the issue of licenses, permissions, clearances, etc. An illustrative list is given in the annexure. Each Ministry should prepare an exhaustive list of such applications/matters and submit a copy of same to the Commission for record and web-monitoring.
- ii) All application forms/proformas should be made available on the websites in a downloadable form. If the organisation concerned wishes to charge for the application form downloaded from the computer, the same may be done at the time of the submission of the application forms.

- iii) All documents to be enclosed or information to be provided by the applicant should be clearly explained on the websites and should also form part of the application forms.
- iv) As far as possible, arrangements should be put in place so that immediately after the receipt of the application, the applicant is informed about the deficiencies, if any, in the documents/information submitted.
- v) Repeated queries in a piece-meal manner should be viewed as a misconduct having vigilance angle.
- vi) All organisations concerned should give adequate publicity about these facilities in the newspapers and such advertisements must give the website addresses of the organisations concerned.

3. In the second stage, the status of individual applications/matters should be made available on the organisation's website and should be updated from time-to-time so that the applicants remain duly informed about the status of their applications.

4. In addition to the manual receipt of applications, all organisations should examine the feasibility of online receipt of applications and, wherever feasible, a timeframe for introducing the facility should be worked out. As a large number of Govt. organisations are opting for e-governance, they may consider integrating the above mentioned measures into their business processes so that duplication is avoided.

5. Instructions at para-2 above shall take effect from 1st January, 2007, and instructions at para-3 shall become effective from 1st April, 2007. All Heads of Organisations/ Deptts. are advised to get personally involved in the implementation of these important preventive vigilance measures. They should arrange close monitoring of the progress in order to ensure that the required information is placed on the website in a user-friendly manner before the expiry of the abovementioned deadlines. They should later ensure that the information is updated regularly.

6. This issues with the approval of the Commission.

Sd/-
(Balwinder Singh)
Addl. Secretary

To,

1. The Secretaries of all Ministries/Departments of Govt. of India.
2. The Chief Secretaries to all Union Territories.
3. The Comptroller & Auditor General of India.
4. The Chairman, Union Public Service Commission.
5. The Chief Executives of all PSEs/PSBs/Insurance Companies/Autonomous Organisations/Societies.
6. The Chief Vigilance Officers in the Ministries/Departments/PSEs/PSBs/Insurance Companies/Autonomous Organisations/Societies.
7. President's Secretariat/Vice President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO.

Annexure**Illustrative list****1. Land & Building Related Issues**

- (i) Applications for mutation; conversion from leasehold to freehold of lands & buildings; approval of building plans by municipal authorities and landowning/ regulating agencies like MCD; DDA; NDMC; L&DO and similar agencies in other UTs.
- (ii) Application for registration deeds by Sub-Registrars/Registrars and other applications connected with land record management.
- (iii) Application for allotment of land/flats, etc., by urban development agencies like Delhi Development Authority.

2. Contracts & Procurement.

- (i) Applications for registration of contractors/suppliers/ consultants/ vendors, etc.
- (ii) Status of all bill payments to contractors/suppliers, etc.

3. Transport Sector

Issue of driving licenses, registration of vehicles, fitness certificates, release of impounded vehicles etc. by RTAs.

4. Environment & Pollution Related Matters

Issue of environment and pollution clearances for setting up industries and other projects by Min. of Environment & Forests; Pollution Control Organisations, etc.

5. Food & Hotel Industry

Applications connected with clearances, licenses for food industry/hotels/restaurants, etc.

6. Ministry of Labour/Ministry of Overseas Indian Affairs.

- (i) Applications by beneficiaries and employers in connection with EPFO; ESI etc.
- (ii) Applications by recruiting/placement agencies and individuals submitted to Protectorate General of Emigrants and the concerned Ministry.
- (iii) Other applications connected with regulatory/enforcement systems of Labour Ministry.

7. CBDT & Income Tax Deptt.

- (i) Application for PAN.
- (ii) Applications submitted by NGOs for exemption from Income Tax.
- (iii) Applications submitted for issue of certificates/income tax clearance for immigration/public contracts or any other purposes.
- (iv) Application for appointment of legal counsels/any other professionals.

8. Customs & Central Excise & DGFT

Applications/cases of Duty Drawback & other export incentives.

9. Telecom (BSNL & MTNL)

Applications for establishing STD booths, etc.

10. Petroleum Sector

Applications for allotment of petrol pumps/gas stations.

11. Ministry of External Affairs

(i) Applications for issue of passports.

(ii) Applications for issue of visas by Indian Embassies abroad.

12. Ministry of Home Affairs

(i) Applications submitted to FRRO.

(ii) Applications connected with FCRA.

13. Ministry of Health

Applications for recognition by Medical Council of India and similar other regulatory bodies.

14. Education

(i) Applications for accreditation handled by bodies like AICTE & others.

(ii) Applications for recognition of schools by Director of Education etc.

(iii) Grant of E.C. by Director of Education.

15. Agriculture, Dairying & Fisheries

(i) Various clearances/licenses, eg. clearance for operating fishing vessels.

(ii) Quarantine related applications.

16. Ministry of Social Justice/Tribal Affairs.

Applications for sanction of funds to NGOs.

No.005/VGL/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 20th September 2005

Office Order No.57/9/05

Subject: Details on award of tenders/contracts publishing on Websites/Bulletins-Reminder regarding.

It has been observed that despite Commission's directions vide its circulars dated 16/3/05 and 28/7/05, a number of organisations are yet to give details of the tenders finalized on the website of their organisations. Some of the Organisations have informed that this is due to the delay in receipt of information from their Regional/Subordinate Offices.

2. In this regard it is clarified that placing of such information on the website will be a continuous process. The CVOs should ensure publishing of the details of the tenders awarded immediately with available information and subsequently update it. The threshold limits as proposed by the CVOs in consultation with CEOs can be taken as the starting point which could be revised subsequently to cover 60% of the transactions in a year and further 100% on stabilization.

Sd/-
(Mitter Sain)
Deputy Secretary

All Chief Vigilance Officers

No.005/VGL/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 28th July 2005

Office Order No.46/07/05

**Subject: Details on award of tenders/contracts publishing on Websites/Bulletins -
Reminder regarding.**

Reference is invited to Commission's **Office Order No.13/3/05 dated 16.3.2005** regarding above mentioned subject directing the organisations to publish every month the summary of contracts / purchases made above a threshold value on the website. **In this regard it is specified that the proposed threshold limit is acceptable to the Commission as long as it covers more than 60% of the value of the transactions every month.** This limit can be raised subsequently once the process stabilizes.

2. CVOs may, therefore, ensure that such details are posted on the website of the organisation immediately and compliance report in this regard should be sent by CVOs in their monthly report to the Commission.

Sd/-
(Anjana Dube)
Deputy secretary

To
All Chief Vigilance Officers

No.005/VGL/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 16th March 2005

Office Order No.13/3/05

Subject: Details on award of tenders/contracts publishing on Websites/Bulletins.

The Commission vide its Circular No.8(1)(h)/98(1) dated 18.11.1998 had directed that a practice must be adopted with immediate effect by all organisations within the purview of the CVC that they will publish on the notice board and in the organisation's regular publication(s), the details of all such cases regarding tenders or out of turn allotments or discretion exercised in favour of an employee/party. However, it has been observed by the Commission that some of the organisations are either not following the above mentioned practice or publishing the information with a lot of delay thereby defeating the purpose of this exercise, viz. increasing transparency in administration and check on corruption induced decisions in such matters.

2. The Commission has desired that as follow up of its directive on use of "website in public tenders", all organisations must post a summary every month of all the contracts/purchases made above a certain threshold value to be decided by the CVO in consultation with the head of organisation i.e. CEO/CMD etc. as per Annexure-I. The threshold value may be reported to the Commission for concurrence.

3. Subsequently, the website should give the details on the following:

- a) actual date of start of work
- b) actual date of completion
- c) reasons for delays if any

4. A compliance report in this regard should be sent by the CVOs along with their monthly report to CVC.

Sd/-
(Anjana Dube)
Deputy Secretary

To
All Chief Vigilance Officers

Details of contracts concluded during the Month

Tender No.	Item/ Nature of work	Mode of Tender Enquiry	Date of Publication of NIT	Type of Bidding (Single/ Two Bid System)	Last date of receipt of tender	Nos. of tenders recd	Nos. and names of parties qualified after technical evaluation	Nos. and names of parties not qualified after technical evaluation
1	2	3	4	5	6	7	8	9

Whether contract awarded to lowest tenderer/ Evaluated L1		Contract No. & Date	Name of Contractor	Value of Contract	Scheduled date of completion of supplies
10		11	12	13	14

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 20th October 2004

Office Order No. 68/10/04

Subject: Leveraging Technology – e-payment & e-receipt.

Reference is invited to the Commission's Office Order No. 20/4/04 dated 6.4.2004 regarding the above mentioned subject.

2. The Commission had directed that by July 2004, 50% of the payment transactions both in value terms as well as in lieu of number of transactions shall be made through ECS/EFT mechanism instead of payments through Cheques; and urged all Banks, PSUs and Departments to provide an enabling environment and facilities so that such an initiative is successful. It has been informed that some of the organisations are yet to initiate the process in this regard. The organisations are, therefore, requested to forward the details regarding the implementation of epayment mechanism, as per the enclosed format by November 15, 2004 positively.

Sd/-
(Anjana Dube)
Deputy Secretary

To
All Chief Vigilance Officers

FORMAT

Leveraging Technology – e-payments & e-receipts

(A) Details regarding payments of salary etc. to employees.

(1) Total No. of employees –

(2) No. of employees whose Bank A/c details including MICR have been received-

(3) %in terms of numbers of employees to whom salary & other dues are being paid through e payments-

(B) Details regarding payments of dues to contractors/suppliers etc.

(1) Number of contractors/suppliers/agents/assessee etc. dealt with regularly during the period July 2004 - September 2004.

(2) Number of contractors/suppliers/agents/assessee etc. whose Bank A/c details including MICR have been received.

(3) Total payments made to all contractors/suppliers/assessee/CHA's during the period July 2004 – September 2004 (Amount in Rupees in lakhs). [Payments should include refunds of earnest money/income tax etc.]

(4) Total payments made through e-payments during the above period (Amount in Rupees in lakhs).

(5) % of Bills (in terms of number of payments) in which e-payment is made.

(6) % of value of payments made through e-payments.

(7) List of nodal officers who have been entrusted with the responsibility of managing charge to e payment system.

(C) E-receipts

Separate details as per (1)-(7) above may also be provided in respect of e-receipts by organisations getting regular payments in terms of license fee/income tax receipts/custom duty/sales tax/property tax/freight charges/consultancy fees etc. (The organisations can give the type of payments received).

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 13th July, 2004

Office Order No. 47/7/04

Subject: Central Vigilance Commission's Directives on Use of Website in Public Tenders.

A copy of the guidelines on the above mentioned subject and further clarification in this regard are enclosed herewith for information and necessary action.

Sd/-
(Anjana Dube)
Deputy Secretary

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to All Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) The Executives of All PSEs/ Public Sector Banks/Insurance Companies/
Autonomous Organisations/ Societies
- (vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector
Banks/Insurance Companies/Autonomous Organisations/Societies
- (vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/
Rajya Sabha Secretariat/PMO

No.98/ORD/1
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 2nd July 2004

Office Order No.43/7/04

Subject: Improving Vigilance Administration: Increasing Transparency in procurement/ sale etc. – Use of website regarding.

The Central Vigilance Commission has issued a directive on the above subject vide its Order No.98/ORD/1 dated 18th Dec. 2003 making it mandatory to use web-site in all cases where open tender system is resorted to. These instructions have been further extended vide Office Order No.10/2/04 dated 11.2.2004 to tenders of short-term nature (by whatever name it is called in different organizations). Various organizations have been corresponding with the Commission seeking certain clarifications with regard to the above directives. The main issues pointed out by organizations are as follows:

Issue 1 Size of Tender Documents In cases of works/procurement of highly technical nature, tender documents run into several volumes with large number of drawings and specifications sheets, etc. It may not be possible to place these documents on website.

Clarification: These issues have been discussed with the technical experts and in their opinion, there is no technical and even practical difficulty in doing the same. These days almost all the organizations do their typing work on computers and not on manual typewriters. There is no significant additional effort involved in uploading the material typed on MS Word or any other word processing softwares on the website irrespective of the number of pages. The scanning of drawings is also a routine activity. Moreover if the volume and size of tender document is so large as to make it inconvenient for an intending tendering party to download it, they always have the option of obtaining the tender documents from the organization through traditional channels. The Commission has asked for putting tender documents on web-site in addition to whatever methods are being presently used.

Issue 2 Issues Connected with Data Security, Legality and Authenticity of Bid Documents.

Certain organizations have expressed apprehensions regarding security of data, hacking of websites etc. They have also pointed out that certain bidding parties may alter the downloaded documents and submit their bids in such altered tender documents which may lead to legal complications.

Clarification: This issue has been examined both from technical and legal angles. Technically a high level of data security can be provided in the websites. The provisions of digital signatures through Certifying Authority can be used to ensure that in case of any forgery or alteration in downloaded documents it is technically feasible to prove what the original document was. There are sufficient legal provisions under IT Act to ensure that e-business can be conducted using the website. A copy of the remarks given by NIC on this issue are enclosed herewith.

Issue 3 Some organizations have sought clarification whether web site is also to be used for proprietary items or items which are sourced from OEMs (Original Equipment Manufacturers) and OESs (Original Equipment Suppliers).

Clarification: It is clarified that Commission's instructions are with regard to goods, services and works procured through open tender system, so these instruction do not apply to proprietary items and items which necessarily need to be procured through OEMs and OESs.

Issue 4 Do the instructions regarding 'short term tenders' given in the CVC Order No.98/ORD/1 dated 11th Feb., 2004 apply to limited tenders also?

Clarification: In many organizations goods, services and works which as per laid down norms are to be procured/executed through open tender system many times due to urgency are done through short term tenders without resorting to wide publicity in newspapers because of time constraint. In all such cases short term tenders (by whatever name it is called) etc. should also be put on the website of the dept. as it does not involve any additional time or cost. Regarding applicability of these instructions to limited tenders where the number of suppliers/contractors is known to be small and as per the laid down norms limited tender system is to be resorted to through a system of approved/registered vendors/contractors, the clarification is given below.

Issue 5 Some organizations have pointed out that they make their procurement or execute their work through a system of approved/registered vendors and contractors and have sought clarification about the implications of CVC's instructions in such procurements/contracts.

Clarification: The Commission desires that in all such cases there should be wide publicity through the web site as well as through the other traditional channels at regular intervals for registration of contractors/suppliers. All the required proforma for registration, the pre-qualification criteria etc. should be always available on the web-site of the organization and it should be possible to download the same and apply to the organization. There should not be any entry barriers or long gaps in the registration of suppliers/contractors. The intervals on which publicity is to be given through website and traditional means can be decided by each organization based on their own requirements and developments in the market conditions. It is expected that it should be done at least once in a year for upgrading the list of registered vendors/contractors. The concerned organisation should give web based publicity for limited tenders also except for items of minor value. If the organization desires to limit the access of the limited tender documents to only registered contractors/suppliers they can limit the access

by issuing passwords to all registered contractors/suppliers. But it should be ensured that password access is given to all the registered contractors/suppliers and not denied to any of the registered suppliers. Any denial of password to a registered supplier/contractor will lead to presumption of malafide intention on the part of the tendering authority.

Sd/-
(Balwinder Singh)
Addl. Secretary

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to all Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) The Director, Central Bureau of Investigation
- (vi) The Chief Executives of all PSEs/Public Sector Banks/Insurance Companies/
Autonomous Organisations/Societies
- (vii) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector
Banks/Insurance Companies/Autonomous Organisations/Societies
- (viii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/
Rajya Sabha Secretariat/PMO

CENTRAL VIGILANCE COMMISSION

Technical note from National Informatics Center Solution for Hosting of Signed Documents

1. Integrity of Document:

The documents should be digitally signed by the person submitting them. The web server to which the documents are submitted for hosting, should verify the signature before hosting each.

2. Secure Hosting:

'HTTPS' should be used for both uploading and downloading of documents to avoid alteration of documents over the network.

3. Digital Signing and submission:

The documents submitted for hosting may be in PDF or MS-WORD format. The document is digitally signed at the document submission end by a digital signing tool and by using a private key stored in a smart card. The detached (PKCS#7) signature file is generated. The document and the signature are uploaded to the server. The uploading procedure may be automated through a program. This involves development effort. The web server can verify the digital signatures programmatically when the files are uploaded. The files and their verified signatures are hosted for downloading by end users. This procedure will ensure that the signer is confident of what he/she is signing. The person involved in web hosting is sure that the documents are properly signed. The end users benefit that the document they are downloading is authentic and that the integrity of the document is maintained.

4. Download procedure:

- a. The user verifies the digital signature of the document on the web site.
- b. User downloads both the documents and the signature.
- c. User can verify the signature of the documents by using any standards Compliant Document Signing Tool which can verify a PKCS#7 detached signature.

5. Certificate for Digital Signature:

- a. The signature should be generated using a certificate issued by a Certification Authority(CA) trusted under Controller of Certifying Authorities (CCA). This is mandatory for legal validity of the digital signature.
- b. The end user should ensure that the certificate used for signing the document is issued by a trusted CA.

No.98/ORD/1
Government of India
CENTRAL VIGILANCE COMMISSION

Satarkta Bhavan, Block 'A',
G.P.O. Complex, I.N.A.,
New Delhi – 110 023
Dated the 6th April, 2004

Office Order No. 20/4/04

Sub: Improving Vigilance Administration: Increasing Transparency and cutting delays by e-payments and e-receipt by Govt. Organisations etc.

The Commission has been receiving complaints about inordinate delays in making payments to the vendors and other suppliers to the Govt. organisations, Public Sector Undertakings etc. Similarly complaints are received about delays in getting refunds from taxation dept. and other departments. Apart from increasing the cost of procurement, the delays lead to opportunities for corruption. A number of measures are required to cut down on delays in making payments. One such step is resorting to mechanism of e-payments and e-receipts wherever such banking facilities exist. In the last few years tremendous progress has been made by the banking sector in computerization including net-working of branches, making it possible to do e-banking by making use of facilities like electronic clearing system (ECS) and electronic fund transfer (EFT) etc. These facilities are available in most of the banks including the State Bank of India as well as in private banks. A large number of corporates including public sector undertakings are already making e-payments to vendors and employees instead of making payments by issue of cheques. The Commission has been receiving complaints that delay is intentionally caused with ulterior motives in the issue and dispatch of cheques in the accounts and finance wings of a large number of Govt. Organisations. As the e-payment facility is already available in the metros as well as practically in all the main urban centres of the country, in order to curb the above mentioned malpractices, the CVC in the exercise of powers conferred on it under Section 8(1) (h) issues following instructions for compliance by all govt. departments, PSUs, banks and other agencies over which the Commission has jurisdiction.

1. The payment to all suppliers/vendors, refunds of various nature, and other payments which the organisations routinely make shall be made through electronic payment mechanism at all centres where such facilities are available in the banks.

2. Salary and other payments to the employees of the concerned organizations at such centres shall also be made through electronic clearing system (ECS) wherever such facilities exist. As the organisations will have to collect bank account numbers from the vendor, suppliers, employees and others who have interface of this nature with the Govt. organisations, the concerned organisations may plan to switch over to e-payment system in a phased manner starting with transactions with the major suppliers in the beginning or in whatever manner is found more convenient. It is expected that in three months i.e. by 1st July, 2004, 50% of the payment transactions both in value terms as well as in terms of number of transactions shall be made through ECS/EFT mechanism instead of payment through cheques. The remaining 50% payment transactions at all centres where such facilities exist shall be made by 31st Dec., 2004. These instructions are applicable to all the metro cities and other urban centres where the banks provide ECS/EFT and similar other facilities. The departments, PSUs, Banks etc. should also provide an enabling environment and facilities so that businessmen and other citizens can make payment of Govt. dues and payments to PSUs etc. electronically. In addition to significantly reducing processing costs in preparation and dispatch of cheques, the above measures also reduce the risk of frauds by providing speed, efficiency and easier reconciliation of accounts.

Sd/-
(ANJANA DUBE)
DEPUTY SECRETARY

To

- i) The Secretaries of All Ministries/Departments of Government of India.
- ii) The Chief Secretaries to all Union Territories.
- iii) The Comptroller & Auditor General of India.
- iv) The Chairman, Union Public Service Commission.
- v) The Chief Executives of all PSEs / Public Sector Banks / Insurance Companies / Autonomous Organisations / Societies.
- vi) All Chief Vigilance Officers in the Ministries / Departments / PSEs Public Sector Banks / Insurance Companies / Autonomous Organisations / Societies.
- .vii) President's Secretariat / Vice-President's Secretariat / Lok Sabha Secretariat / Rajya Sabha Secretariat / PMO.

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 11th February 2004

Office Order No. 10/2/04

To
All Chief Vigilance Officers

Subject: Improving Vigilance Administration – Increasing transparency in procurement/ tender Process – use of website- regarding.

In CPWD, MCD, Civil Construction Division of Post & Telecom departments and in many other departments/organizations, there is system of short term tenders (by whatever name it is called in different organizations), wherein works below a particular value are undertaken without resorting to publicity as is required in the open tenders. This practice is understandable because of cost and time involved in organizing publicity through newspapers. In all such cases, notice can be put on the web-site of the department as it does not take any time compared to giving advertisements in the newspapers and it practically does not cost anything. This will benefit the department by bringing in transparency and reducing opportunities for abuse of power. This will also help the organizations by bringing in more competition.

2. In view of the reasons given above, the Commission has decided that instructions given in the Commission's circular (No. 98/ORD/1 dated 18.12.2003) for the use of web-site will also apply to all such works awarded by the department/PSEs/other organizations over which the Commission has jurisdiction.

Sd/-
(Balwinder Singh)
Additional Secretary

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 9th February 2004

Office Order No. 9/2/04

To
All Chief Vigilance Officers

Subject: Improving Vigilance Administration – Increasing transparency in procurement/sale-use of web-site regarding.

The Commission has issued a directive vide No. 98/ORD/1 dated 18th December 2003 wherein detailed instructions are issued regarding the use of website for tendering process. The objective is to improve vigilance administration by increasing transparency. The instructions were to take effect from 1st January 2004. It is noticed that many organisations whose web-sites are functional are still not putting their tenders on the web-site. The Commission has desired that CVOs should ensure compliance of the above directive. They should regularly pursue the Newspaper advertisements, the web-site of their organisation and in general keep track to ensure that the directives of the Commission on this subject are complied with. Further, the Commission has desired that the CVOs should indicate in their monthly report in the column pertaining to tender notices whether all the tenders have been put on the web-site, and if not, the reasons for non-compliance. The explanation of the concerned officers who are not complying with these directions should be called and further necessary action taken.

Sd/-
(Balwinder Singh)
Additional Secretary

No.98/ORD/1
CENTRAL VIGILANCE COMMISSION

Satarkta Bhavan, Block 'A'

G.P.O. Complex, I.N.A.,

New Delhi- 110 023

Dated the 18th December, 2003

Subject:- Improving Vigilance Administration: Increasing Transparency in Procurement/ Sale etc.

The Commission is of the opinion that in order to bring about greater transparency in the procurement and tendering processes there is need for widest possible publicity. There are many instances in which allegations have been made regarding inadequate or no publicity and procurement officials not making available bid documents, application forms etc. in order to restrict competition.

2. Improving vigilance administration is possible only when system improvements are made to prevent the possibilities of corruption. In order to bring about greater transparency and curb the mal-practices mentioned above the Central Vigilance Commission in the exercise of the powers conferred on it under Section 8(1)(h) issues following instructions for compliance by all govt. departments, PSUs, Banks and other agencies over which the Commission has jurisdiction. These instructions are with regard to all cases where open tender system is resorted to for procurement of goods and services or for auction/sale etc. of goods and services.

- (i) In addition to the existing rules and practices regarding giving publicity of tenders through newspapers, trade journals and providing tender documents manually and through post etc. the complete bid documents alongwith application form shall be published on the web site of the organization. It shall be ensured by the concerned organization that the parties making use of this facility of web site are not asked to again obtain some other related documents from the department manually for purpose of participating in the tender process i.e. all documents upto date should remain available and shall be equally legally valid for participation in the tender process as manual documents obtained from the department through manual process.
- (ii) The complete application form should be available on the web site for purposes of downloading and application made on such a form shall be considered valid for participating in the tender process.
- (iii) The concerned organization must give its web site address in the advertisement/NIT published in the newspapers.
- (iv) If the concerned organization wishes to charge for the application form downloaded from the computer then they may ask the bidding party to pay the amount by draft/cheques etc. at the time of submission of the application form and bid documents.

3. While the above directions must be fully complied with, efforts should be made by organizations to eventually switch over to the process of e-procurement/e-sale wherever it is found to be feasible and practical.

4. The above directions are issued in supersession of all previous instructions issued by the CVC on the subject of use of web-site for tendering purposes. These instructions shall take effect from 1st January, 2004 for all such organizations whose web-sites are already functional. All other organizations must ensure that this facility is provided before 1st April, 2004.

Sd/-
(P. Shankar)
Central Vigilance Commissioner

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to all Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) The Chief Executives of all PSEs/ Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies.
- (vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- (vii) President's Secretariat / Vice-President's Secretariat / Lok Sabha Secretariat / Rajya Sabha Secretariat / PMO

No.98/ORD/1(Pt.IV)
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 12.03.2003.

To
All Chief Vigilance Officers

Subject:- Use of web-site in Government procurement or tender process.

Sir,

Attention is invited to the instructions issued by the Commission vide communication No. 98/ORD/1 dated 28.03.2002 regarding publishing of tender documents on the web-site.

2. The Commission has received a number of references from various departments/organisations expressing reservations in implementation the said instructions in toto The matter has been reviewed in the Commission and it is observed that it is a fact that use of web-site for accessing the information has so far not picked up in the country and it would not be possible for the vendors to access the web-site of every organisation to know the tender details. There is also no centralised web-site for the tenders.

3. Therefore, it has been decided by the Commission that till such time the penetration of Information Technology is adequate and a dedicated web-site for Government tenderers is available, Departments/ Organisations may continue with publishing of NIT in newspapers in concise format and put the detailed information in their respective web-sites.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
T.No. 24651010

Procurement

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32	Banning of business dealings with firms/contractors-clarification regarding.	18/3/05	F.No. 000/VGL/161	24.03.2005	
33	Participation of consultants in tender – guidelines regarding	75/12/04	No.98/DSP/3	24.12.2004	
34	Transparency in tendering system- Guidelines regarding	72/12/04	No.004/ORD/9	10.12.2004	
35	Turnkey contracts for net-working of computer systems	69/11/04	004/ORD/8	03.11.2004	
36	Receipt and Opening of Tenders.		No. 05-04-1-CTE-8	08.06.2004	
37	Pre-qualification Criteria (PQ).		No. 12-02-1-CTE-6	07.05.2004	
38	Consideration of Indian Agents	25/04/04	No.12-02-6-CTE-SP(i)-2	21.04.2004	
39	Back to back tie up by PSUs-instructions regarding		No. 06-03-02-CTE-34	20.10.2003	
40	Tender Sample Clause		No. 2EE-1-CTE-3	15.10.2003	
41	E-procurement/Reverse Auction	46/9/03	No.98/ORD/1	11.09.2003	
42	Irregularities in the award of contracts	44/9/03	No. 98/ORD/1	04.09.2003	
43	Short-comings in bid documents	33/7/03	No.98/ORD/1	09.07.2003	
44	Consideration of Indian Agents	--	12-02-6-CTE/SPI (I)-2	07.01.2003	
45	Prequalification criteria (PQ).		No. 12-02-1-CTE-6	17.12.2002	
46	Appointment of Consultants.		No.OFF-1-CTE -1	25.11.2002	
47	Appointment of Consultants		No.3L-PRC 1	12.11.1982	
48	Appointment of Consultants		No. 3L – IRC 1	10.01.1983	
49	Improving Vigilance Administration - Tenders		No.98/ORD/1	03.08.2001	
50	Improving Vigilance Administration-Tenders		No.98/ORD/1	24.08.2000	
51	Improving vigilance administration-Tenders.		No.98/ORD/1	15.03.1999	
52	Purchase of computer systems by Govt. departments/organisation.		No.98/ORD/1	05.05.2003	
53	Purchase of Computer Systems by Government Departments		No.8(4)-E.II(A)/98	17.12.1998	
54	Improving vigilance administration		No. 8(I)(h)/98/(I)	18.11.1998	

No. 12-02-6-CTE/SPI(I)2/161730
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: 13.01.2012

Circular No.03/01/12

Sub: Consideration of Indian Agents

Ref: Commission's Circular Nos.12-02-6-CTE/SPI(I)-2 dated 07.01.2003 and 21.04.2004

The Commission has been stressing on the need for observing transparency and determination of prices in a fair market competition while dealing with the tenders relating to procurement. The above OMs were issued to reduce the possibility of collusion and cartelization among the bidders so that competitive fair market price of the items of procurement can be determined.

2. A number of references have been received in the Commission citing certain specific situations and difficulties being faced in dealing with tenders. Therefore, the matter has been again examined by the Commission.

3. In supersession to the earlier OMs dated 07.01.2003 and 21.04.2004, Commission has decided that in all cases of procurement, the following guidelines may be followed:

- a) In a tender, either the Indian agent on behalf of the Principal/OEM or Principal/OEM itself can bid but both cannot bid simultaneously for the same item/product in the same tender.
- b) If an agent submits bid on behalf of the Principal/OEM, the same agent shall not submit a bid on behalf of another Principal/OEM in the same tender for the same item/product.

4. The tender conditions may be carefully prepared keeping in view the above guidelines.

5. The receipt of these guidelines may please be acknowledged and circulated amongst the concerned officials for their information and guidance.

Sd/-
(J Vinod Kumar)
Officer on Special Duty

To

All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Autonomous Organizations/
Societies/UTs

No. 010/VGL/035/161731
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: 12.01.2012

Circular No.01/01/12

Sub: Guidelines for compliance to Quality Requirements of e-procurement systems

Ref: Commission's Circular Nos.23/06/010 dated 23/06/2010

Commission has been advocating leveraging of technology for activities prone to corruption since 2006 and one of the prominent initiatives was adoption of e-procurement for goods, works and services by all Ministries/Departments/Organizations. Commission advised all Organizations to ensure security of the e-procurement systems and to get their system certified by Department of Information Technology (DIT).

2. DIT in turn requested its attached office STQC (Standardization, Testing and Quality Certificate) Directorate to establish necessary processes and systems to enable certification of e-Procurement systems. Accordingly, the guidelines prepared by STQC in this regard approved and notified by the DIT is available on egovstandards website [www.egovstandards.gov.in]. The guidelines are also available on Commission's website www.cvc.nic.in (link-circular/instructions). All the Ministries/Departments/Organisations are advised to use these guidelines for compliance to Quality Requirements for certifying the e-Procurement systems.

Sd/-
(J Vinod Kumar)
Officer on Special Duty

To

CVOs of all Ministries/Departments
CVOs of all Public Sector Enterprises
CVOs of all Public Sector Banks/Insurance Companies and Organizations.

No. 98/ORD/001
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: 28th October, 2011

Circular No.12/10/11

Subject: Applicability of CVC's guidelines on post tender negotiations with regard to projects funded by World Bank and other international funding agencies like IMF, ADB etc.

References have been received seeking clarification whether the Commission's guidelines contained in Circular No.3(V)/99/9 dated 1st October 1999 are binding even for the projects which are funded by international funding agencies like World Bank, ADB etc.

2. Para 2 of the Commission's Circular dated 1st October 1999 is reproduced as under:

"It has been decided after due consideration, that in so far as the World Bank Projects and other international funding agencies such as World Bank, ADB etc. are concerned, the department/organizations have no other alternative but to go by the criteria prescribed by the World Bank/concerned agencies and the Commissions' instructions would not be applicable specifically to those projects. However, the instructions of the CVC will be binding on purchase/sales made by the departments within the country. The CVC's instructions of 18/11/98 will apply even if they are made with source outside the country and if they are within the budget provisions and normal operations of the Department/Organization."

3. It is clarified that the Commission's guidelines would not be applicable in projects funded by the World Bank, ADB etc., if found to be in conflict with the applicable procurement rules of the funding agencies.

This may be brought to the notice of all concerned.

Sd/-
(J Vinod Kumar)
Officer on Special Duty

All Chief Vigilance Officers

No. 011/VGL/063
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: 24th June 2011

Circular No.08/06/11

Subject: Selection and employment of Consultants

The issue of role and professional liability of consultants in government contracts has been under consideration in the Commission for quite some time. The Commission has decided that following guidelines, be kept in view while finalizing the contracts for engaging consultants.

1. **Conflict of Interest.** The consultant shall not receive any remuneration in connection with the assignment except as provided in the contract. The consultant and its affiliates shall not engage in consulting or other activities that conflict with the interest of the employer under the contract.

The contract shall include provisions limiting future engagement of the consultant for other services resulting from or directed related to the firm's consulting services with following requirements:

(a) The consultants shall provide professional, objective, and impartial advice and at all times hold the employer's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other employers, or that may place them in a position of being unable to carry out the assignment in the best interest of the employer. Without limitation on the generality of the foregoing, consultants shall not be hired under the circumstances set forth below:

Conflict between consulting activities and procurement of goods, works or non-consulting services (i.e. services other than consulting services covered by these Guidelines) – A firm that has been engaged by the employer to provide goods, works, or non-consulting services for a project, or any affiliate that directly or the indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from subsequently providing goods, works, or services (other than consulting services covered by these Guidelines) resulting from or directly related to the consulting services for such preparation or implementation. This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the Contractor's obligations under a turnkey or design and build contract.

(ii) **Conflict amount consulting assignments** – Neither consultants (including their personnel and sub-consultants), nor any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants assisting an employer in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.

Relationship with Employer's staff – Consultants (including their experts and other personnel, and sub-consultants) that have a close business or family relationship with a professional staff of the Employer (or of the project implementing agency) who are directly or indirectly involved in any part of: (i) the preparation of the TOR for the assignment, (ii) the selection process for the contract, or (iii) the supervision of such contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Employer throughout the selection process and the execution of the contract.

(iv) **A Consultant shall submit only one proposal**, either individually or as a joint venture partner in another proposal. If a consultant, including a joint venture partner, submits or participates in more than one proposal, all such proposals shall be disqualified. This does not, however, preclude a consulting firm to participate as sub-consultant, or an individual to participate as a team member, in more than one proposal when circumstances justify and if permitted by the RFP.

(b) **Unfair Competitive Advantage** – Fairness and transparency in the selection process require that consultants or their affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to then assignment in question. To that end, the Employer shall make available to all the short listed consultants, together with the request for proposals, an information that would in that respect give a consultant a competitive advantage.

2. **Professional Liability** – The consultant is expected to carry out its assignment with due diligence and in accordance with prevailing standards of the profession. As the consultant's liability to the Employer will be governed by the applicable law, the contract need not deal with this matter. The client (purchaser) may, however, prescribe other liabilities depending on the requirement in each case without any restriction on the Consultant's liability as per the applicable law.

The Commission desires that the above guidelines be brought into the notice of all concerned.

Sd/-
(J Vinod Kumar)
Officer on Special Duty

To
All Chief Vigilance Officers of Ministries/Departments/PSUs/Banks/Insurance Companies/Autonomous Organizations/Societies/UTs
All Secretaries to the Government of India
All CEOs/Heads of Organizations of PSUs/Banks/Insurance Companies etc.

No. 01-11-CTE-SH-100
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, I.N.A.,
New Delhi-110023
Dated the 17th Feb,2011

Circular No. 02/02/11

Sub: Mobilization Advance

Commission had earlier issued guidelines on granting of 'Mobilisation Advance' vide OM No. UU/POL/18 dated 08.12.1997, OM No. 4CC-1-CTE-2 dated 08.06.2004 and OM No. 4CC-1-CTE-2 dated 10.04.2007.

The matter has been further reviewed and it has decided by the Commission that following additional guidelines may be followed in case of grant of Mobilisation Advance.

The Bank Guarantee etc. taken towards security of 'Mobilisation Advance' should be at least 110% of the advance so as to enable recovery of not only principal amount but also the interest portion, if so required.

The mobilization advance should not be paid in less than two installments except in special circumstances for the reasons to be recorded. This will keep check on contractor misutilizing the full utilization advance when the work is delayed considerably.

A clause in the tender enquiry and the contract of cases providing for interest free mobilization advances may be stipulated that if the contract is terminated due to default of the contractor, the 'Mobilisation Advance' would be deemed as interest bearing advance at an interest rate of-----% (to be stipulated depending on the prevailing rate at the time of issue of NIT) to be compounded quarterly.

(Anil Singhal)
Chief Technical Examiner

To

All Chief Vigilance Officers.

No.4CC-1-CTE-2
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, I.N.A.,
New Delhi-110023
Dated the 5th February, 2008.

Corrigendum
Circular No. 5/2/08

Subject: Mobilization Advance.

The Commission has reviewed the existing guidelines on 'Mobilisation Advance' circular No.10/4/07 (issued vide OM No.4CC-1-CTE-2 dated 10.4.2007). Para 1 of the above circular may be read as under :-

“Decision to stipulate interest free mobilization advance in the tender document should rest at the level of Board (with concurrence of finance) in the organizations. However, in case of interest bearing mobilization advance, organizations may delegate powers at appropriate levels such as the CMD or Functional Directors.”

Sd/-
(Vineet Mathur)
Deputy Secretary

All Chief Vigilance Officers.

No.4CC-1-CTE-2
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A
4th Floor, GPO Complex, I.N.A.,
New Delhi-110023
Dated the 10th April, 2007.

OFFICE MEMORANDUM/Circular No. 10/4/07

Subject: Mobilization Advance.

Commission has reviewed the existing guidelines on 'Mobilisation Advance' issued vide OM No.UU/POL/18 dated 08.12.97 and OM No.4CC-1-CTE-2, dated 08.06.2004.

The following guidelines are issued in supercession of earlier guidelines issued by the Commission on 'Mobilisation Advance'.

1. Provision of mobilization advance should essentially be need-based. Decision to provide such advance should rest at the level of Board (with concurrence of Finance) in the organization.
2. Though the Commission does not encourage interest free mobilization advance, but if the Management feels its necessity in specific cases, then it should be clearly stipulated in the tender document and its recovery should be time-based and not linked with progress of work. This would ensure that even if the contractor is not executing the work or executing it at a slow pace, the recovery of advance could commence and scope for misuse of such advance could be reduced.
3. Part 'Bank Guarantees' (BGs) against the mobilization advance should be taken in as many numbers as the proposed recovery instalments and should be equivalent to the amount of each instalment. This would ensure that at any point of time even if the contractor's money on account of work done is not available with the organization, recovery of such advance could be ensured by encashing the BG for the work supposed to be completed within a particular period of time.
4. There should be a clear stipulation of interest to be charged on delayed recoveries either due to the late submission of bill by the contractor or any other reason besides the reason giving rise to the encashment of BG, as stated above.
5. The amount of mobilization advance; interest to be charged, if any; its recovery schedule and any other relevant detail should be explicitly stipulated in the tendered document upfront.

6. Relevant format for BG should be provided in the tender document, which should be enforced strictly and authenticity of such BGs should also be invariably verified from the issuing bank, confidentially and independently by the organization.
7. In case of 'Machinery and Equipment advance', insurance and hypothecation to the employer should be ensured.
8. Utilization certificate from the contractor for the mobilization advance should be obtained. Preferably, mobilization advance should be given in instalments and subsequent instalments should be released after getting satisfactory utilization certificate from the contractor for the earlier instalment.

Sd/-
(P. Varma)
Chief Technical Examiner

Copy to :

All CVOs: Ministries / Departments / PSUs / Banks / Uts.

No. 4CC-1-CTE-2
Government of India
Central Vigilance Commission

(CTEs Organisation)
Satarkta Bhawan,
INA Colony,
New Delhi- 110023
Dated: 8.6.2004

OFFICE MEMORANDUM

Sub: Mobilization Advance

In order to address the problem of misuse of mobilization advance provision in the civil and other works, the Commission had issued an O.M. dt. 8.12.1997 for grant of interest bearing 'Mobilization Advance' in selected works. In view of references from certain organizations on this issue, the Commission has reviewed the issue and it has been decided to modify and add the following provisions in the existing O.M. This may be read as addendum to the Commission's O.M. dt. 8.12.1997.

- (i) If the advance is to be given, it should be expressly stated in the NIT/Bid Documents, indicating the amount, rate of interest and submission of BG of equivalent amount.
- (ii) The advance payment may be released in stages depending upon the progress of the work and mobilization of required equipments etc.
- (iii) There should be a provision in the contract for adjustment of advance progressively even as the bills are cleared for payment.

Sd/-
(Gyaneshwar Tyagi)
Technical Examiner

Copy to: -
All CVOs: Ministries/Departments/PSUs/Banks/UTs

No.UU/POL/19
Government of India
Central Vigilance Commission

Bikaner House, 1st Floor,
New Delhi, 8 Oct., 1997

OFFICE MEMORANDUM

To
All Chief Vigilance Officers/PSUs

Sub: Grant of interest free mobilization advance.

Sir,

It has come to the notice of this Commission that PSUs are stipulating payment of interest free mobilization advance in their tenders. Many times mobilization advance is allowed after acceptance of tender also. The amount of mobilization advance thus paid to the contractor is prone to be used by him for building his own capital or for the purpose other than the one for which it is disbursed. For big projects mobilization advance of 5 to 10% stipulated in the contract works out to a huge amount and the contractor is likely to be benefited with interest free amount to a very big extent. Normally while preparing justification, elements of gain in terms of interest on capital investment by way of mobilization advance is also not considered and thus the contractor gets higher rates than that may be justified. In case there is a delay in commencement of work the contractor is likely to get undue benefit by way of retention of huge money.

2. It is, therefore, desired that adequate steps may be taken to ensure stipulation of mobilization advance only for selected works and advance should be interest bearing so that contractor does not draw undue benefit. Timely execution/completion of all projects is an essential requirement and the contractor would like to draw interest bearing mobilization advance only when he needs to maintain his cash flow.

Sd/-
(P.K.Gopinath)
Director

No. 02-07-1-CTE-30
Govt of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A'
GPO Complex, INA
New Delhi-110023

OFFICE MEMORANDUM

Circular No. 01/01/08

Dated: 31 December 2007

Sub : Acceptance of Bank Guarantees.

A number of instances have come to the notice of the Commission where forged/fake bank guarantees have been submitted by the contractors/suppliers. Organizations concerned have also not made any effective attempt to verify the genuineness/authenticity of these bank guarantees at the time of submissions.

2. In this background, all organizations are advised to streamline the system of acceptance of bank guarantees from contractors/suppliers to eliminate the possibility of acceptance of any forged/fake guarantees.

3. The guidelines on this subject issued by Canara Bank provides for an elaborate procedure, which may be found helpful for the organization in eliminating the possibility of acceptance of forged/fake bank guarantees. The guidelines issued by Canara Bank provides that-

“ The original guarantee should be sent to the beneficiary directly under Registered Post(AD). However, in exceptional cases, where the guarantee is handed over to the customer for any genuine reasons, the branch should immediately send by Registered Post (AD) an unstamped duplicate copy of the guarantee directly to the beneficiary with a covering letter requesting them to compare with the original received from their customer and confirm that it is in order. The A.D. Card should be kept with loan papers of the relevant guarantee.

At times, branches may receive letters from beneficiary, viz., Central/State Governments public sector undertakings, requiring bank's confirmation for having issued the guarantee. Branches must send the confirmation letter to the concerned authorities promptly without fail”.

4. Therefore, all organizations are advised to evolve the procedure for acceptance of BGs, which is compatible with the guidelines of Banks/Reserve Bank of India. The steps to be ensured should include-

- i) Copy of proper prescribed format on which BGs are accepted from the contractors should be enclosed with the tender document and it should be verified verbatim on receipt with original document.
- ii) It should be insisted upon the contractors, suppliers etc, that BGs to be submitted by them should be sent to the organization directly by the issuing bank under Registered Post (AD).
- iii) In exceptional cases, where the BGs are received through the contractors, suppliers etc., the issuing branch should be requested to immediately send by Registered Post (AD) an unstamped duplicate copy of the guarantee directly to the organization with a covering letter to compare with the original BGs and confirm that it is in order.
- iv) As an additional measure of abundant precaution all BGs should be independently verified by the organizations.
- v) In the organization/unit, one officer should be specifically designated with responsibility for verification, timely renewal and timely encashment of BGs.

5. Keeping above in view, the organization may frame their own detailed guidelines to ensure that BGs are genuine and encashable.

6. Receipt of the above guidelines should be acknowledged.

Sd/-

**(Smt. Padmaja Varma)
Chief Technical Examiner**

To

All Chief Vigilance officers

No. 011/VGL/014
Central Vigilance Commission

Satarkta Bhawan, GPO Complex,
Block A, INA, New Delhi – 110023
Dated 11th February, 2011

CIRCULAR NO. 01/02/11

Sub: Transparency in Tendering System

There have been instances where the equipment/plant to be procured is of complex nature and the procuring organization may not possess the full knowledge of the various technical solutions available in the market to meet the desired objectives of a transparent procurement that ensures value for money spent simultaneously ensuring upgradation of technology & capacity building.

2. The Commission advises that in such procurement cases where technical specifications need to be iterated more than once, it would be prudent to invite expression of interest and proceed to finalise specifications based on technical discussions/presentations with the experienced manufacturers/suppliers in a transparent manner. In such cases, two stage tendering process may be useful and be preferred. During the first stage of tendering, acceptable technical solutions can be evaluated after calling for the Expression of Interest (EOI) from the leading experienced and knowledgeable manufacturers/suppliers in the field of the proposed procurement. The broad objectives, constraints etc, could be published while calling for EOI. On receipt of the Expressions of interest, technical discussions/presentations may be held with the short-listed manufacturers, who are prima facie considered technically and financially capable of supplying the material or executing the proposed work. During these technical discussions stage the procurement agency may also add those other stake holders in the discussions who could add value to the decision making on the various technical aspects and evaluation criteria. Based on the discussions/presentations so held one or more acceptable technical solutions could be decided upon laying down detailed technical specifications for each acceptable technical solution, quality bench marks, warranty requirements, delivery milestones etc., in a manner that is consistent with the objectives of the transparent procurement. At the same time care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidder, Proper record of discussions/presentations and the process of decision making should be kept.

3. Once the technical specifications and evaluation criteria are finalized, the second stage of tendering could consist of calling for techno commercial bids as per the usual tendering system under single bid or two bid system, as per the requirement of each case. Final selection at this stage would depend upon the quoted financial bids and the evaluation matrix decided upon.
4. Commission desires that organizations formulate specific guidelines and circulate the same to all concerned before going ahead with such procurements.

Sd/-
(Anil Singhal)
Chief Technical Examiner

To

All Secretaries of Ministries/Departments
All CEOs/Heads of Organisation
All Chief Vigilance Officers.

F. No. 010/VGL/066
Government of India
CENTRAL VIGILANCE COMMISSION

Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi 110023
Dated – 07.10.2010

Circular No. 34/10/10

Subject: Design Mix Concrete

During inspection of works of many organizations, it has been observed that provisions of IS 456:2000 are neither being followed for designing the concrete mix nor for acceptance criteria. Instances of acceptance of concrete on basis of false certification and without actually testing the cubes for 28 days strength have also been observed. The following deficiencies are brought to the notice of all organizations for immediate corrective action:

Minimum cement content, maximum water cement ratio and minimum grade of concrete for different exposures are not adopted as per the details given in Table 5 of above code. Value of standard deviation is not being established on the basis of results of 30 samples as provided in Table 11 of the above code even for works where more than 30 samples have been tested. For acceptance criteria mean of a group of 4 non overlapping consecutive test results is not being calculated. The samples where individual variations are more than + 15% of average of three specimens are not declared invalid as per the provisions of clause 15.4 of the Code. The concrete is being declared meeting the acceptance criteria which is not in conformity of code provisions.

Most of the organizations are not even aware about the amendment No. 3 of 2007 modifying clause 15.1.1 of IS 456:2000. All organizations are directed to ensure that provisions of IS 456:2000 read with amendment No. 3 should be followed scrupulously for cement concrete and reinforced cement concrete. Non-compliance of the provisions shall be viewed seriously.

Sd/-
(V.K.Gupta)
Chief Technical Examiner

All CVOs

No. 005/CRD/19 (part)
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi 110023
Dated – 19th May'2010

OFFICE ORDER No. 19/05/10

Sub: Transparency in Works/Purchase/Consultancy contracts awarded on Nomination basis.

Commission vide Circular No. 15/5/06 dated 09/05/2006 had prescribed certain measures to be followed on works/purchase/consultancy contracts awarded on nomination basis by PSUs. These instructions have since been reviewed in the Commission and the Commission is of the view that the Board of the PSU is not required to scrutinize or post facto vet the actions of the operational managers and their decisions to award work on nomination basis.

Therefore, the following amendment is being made in sub-para (i) of Para 2 of Commission's above circular:-

“All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto”

Read as

“All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for information”.

Sd/-
(Vineet Mathur)
Director

All Chief Vigilance Officers of CPSUs.

Copy to :

All Secretaries of Govt. of India

All CEOs/Heads of Organizations

No. 009/VGL/002
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi 110023
Dated – 26th April'2010

Circular No 18/04/2010

Subject : - Implementation of e-tendering solutions - check list.

Guidelines were prescribed in this office OM of even number, dated 17.09.2009, on the above-cited subject, advising organizations to take due care to see that effective security provisions are made in the system to prevent any misuse. It has been observed during security audit carried by CTEO that e-procurement solutions being used by some of the organizations lack security considerations as envisaged in the Commission's guidelines dated 17.09.2009. Some of the shortcomings / deficiencies are of repetitive nature.

A check list to achieve security considerations in e-Procurement solutions is enclosed for information. Organisations concerned may follow the same while implementing e-tendering solutions to address the security related concerns.

Sd/-
(V. Ramachandran)
Chief Technical Examiner

To

All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/
Autonomous Organisations/Societies/UTs.

**CHECK POINTS TO ACHIEVE SECURITY CONSIDERATIONS
IN E-PROCUREMENT SOLUTIONS**

S.N	SECURITY CONSIDERATIONS	Please Tick	
1	Whether the application is secure from making any temporary distortion in the electronic posting of tender notice, just to mislead certain vendors ?	Yes	No
2	If yes at 2 above, then whether any automatic systems alert is provided in the form of daily exception report in the application in this regard?	Yes	No
3	Whether application ensures that the tender documents issued to / downloaded by bidders are complete in shape as per the approved tender documents including all its corrigendum?	Yes	No
4	Is there any check available in the application to detect & alert about the missing pages to the tenderer, if any?	Yes	No
5	Whether application ensures that all the corrigendum issued by the Competent Authority are being fully communicated improper fashion to all bidders including those who had already purchased / downloaded the bid documents well ahead of the due date & before uploading the corrigendum?	Yes	No
6	Whether system is safe from sending discriminatory communication to different bidders about the same e-tendering process?	Yes	No
7	Whether e-procurement solution has also been customized to process all type of tenders viz Limited / Open / Global Tenders?	Yes	No
8	Whether online Public Tender opening events feature are available in the application?	Yes	No
9	Whether facilities for evaluation / loading of bids, strictly in terms of criteria laid down in bid documents are available in the application?	Yes	No
10	Whether sufficient safeguards have been provided in the application to deal with failed attempt blocking?	Yes	No
11	Whether application is safe from submission of fake bids?	Yes	No
12	Whether encryptions of bids are done at clients end?	Yes	No
13	Whether safety against tampering and stealing information of submitted bid, during storage before its opening, is ensured?	Yes	No
14	Whether application is safe from siphoning off and decrypting the clandestine copy of a bid encrypted with Public key of tender opening officer?	Yes	No
15	Whether application is safe from mutilation / sabotage or otherwise rendering the encrypted bid in the e-tender box during storage, to make it unreadable /invalid in any form, before opening of the bids.	Yes	No
16	Whether introduction of special characters / executable files etc. by users are restricted in the applications?	Yes	No
17	Whether validity check of DSC is being done at server end?	Yes	No
18	Whether system supports the feature that even though if a published tender is being deleted from the application, system does not allow permanent deletion of the published tender from the Database?	Yes	No

19	Whether sufficient security features are provided in the application for authentication procedure of the system administrator like ID, password, digital signature, biometric etc.?	Yes	No
20	Whether audit trails are being captured in the application on media not prone to tampering, such as optical write once?	Yes	No
21	Whether log shipping feature is available, where a separate dedicated server receives the logs from the application over a web service in real time?	Yes	No
22	Whether integrity and non-tampering is ensured in maintaining the server clock synchronization & time stamping?	Yes	No
23	Whether application generates any exception report / system alerts etc. to indicate the resetting of the clock, in case the application for time stamping is killed at the server level and time is manipulated?	Yes	No
24	Whether application ensures that the quotes from various bidders with their name are not being displayed to any one including to the Organisation during carrying out of the e-reverse auctioning process?	Yes	No
25	Whether application is fit for usage complying with the requirements of tender processing viz. Authenticity of tenderer, non-repudiation and secrecy of information till the actual opening of tenders.	Yes	No
26	Whether any comprehensive third party audit [as per statutory requirement and also as per the requirements of e-tender processing (compliance to IT Act 2000)] was got conducted before first putting it to public use?	Yes	No
27	Whether application complies with the Commission's Guidelines dated 17.09.2009 on Security considerations for e-procurement Systems.	Yes	No

No. 005/CRD/12
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi 110023
Dated – 20th January' 2010

The Secretaries of all Ministries/Departments of Government of India
The chief Secretaries to All Union Territories
The Comptroller & Auditor General of India
The Chairman, Union Public Service commission
The Chief Executives of all PSEs/Public Sector Banks/ Insurance Companies/Autonomous Organisations / Societies.
The Chief vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations. Societies.
President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO.

CIRCULAR No. 01/01/10

Attention is invited to the Commission's Circular No. 4.3.07 dated 3.3.07 on the issue of **“Tendering Process Negotiations with L1”**.

In the said circular it has, among other things, been stated “As post tender negotiations could often be a source of corruption, it is directed that there should be no post tender negotiations with L1, except in certain exceptional situations”. It has come to Commission's notice that this has been interpreted to mean that there is a ban on post tender negotiations with L-1 only and there could be post tender negotiations with other than L1 i.e. L2, L3 etc. This is not correct.

It is clarified to all concerned that – there should normally be no post tender negotiations. If at all negotiations are warranted under exceptional circumstances, then it can be with L1 (Lowest tenderer) only if the tender pertains to the award of work/supply orders etc. where the Government or the Government company has to make payment. However, if the tender is for sale of material by the Government or the Govt. company, the post tender negotiations are not to be held except with HI (i.e. Highest tenderer) if required.

2. All other instructions as contained in the circular of 3.3.2007 remain unchanged.
These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

Sd/-
(V. Ramachandran)
Chief Technical Examiner

No. 009/VGL/055
Government of India
Central Vigilance Commission

Satarkta Bhawan, GPO Complex,
Block A, INA, New Delhi – 110023
The 9th Nov. 2009.

CIRCULAR NO. 31/10/09

Subject : Review of Purchase Preference Policy for Products and Services of central Public Sector Enterprises (CPSEs) in view of the judgement of the Supreme Court of India in the matter of M/s Caterpillar India Pvt. Ltd. v/s Western Coalfields Ltd. And ors. Dated 18.5.2007.

The Department of Public Enterprises has issued guidelines vide OM No. DPE/13(15)/2007-Fin dated 21.11.2007 on the subject cited above which reiterates DPEs earlier guidelines dated 18.7.2005 to the affect that the Purchase Preference Policy would stand terminated w.e.f. 31.3.2008. Further, it also provides that Preferential Policy framed for the specific sectors by the concerned Ministry/department within relevant Act of Parliament or otherwise don't come within the purview of these guidelines. However, the DPE OM dated 21.11.2007, lays down that the concerned Ministry/ Department may independently evolve /review preferential policies for the sectors of their concern as per their requirement. A copy of DPEs OM dated 21.11.2007 is enclosed for reference.

2. The Commission has desired that if any Ministry/Department has evolved a Purchase Preference Policy pursuant to the DPE Guidelines, the same may be brought to the notice of the Commission.

Sd/-
(Shalini Darbari)
Director

Encl : as above.
All CVOs of Ministries/Departments

CHAPTER VI

PRICE/PURCHASE PREFERENCE

12. DPE/Guidelines/VI/2

Review of Purchase Preference Policy for Products and Services of central Public Sector Enterprises (CPSEs) in view of the judgement of the Supreme Court of India in the matter of M/s Caterpillar India Pvt. Ltd. v/s Western Coalfields Ltd. And ors. Dated 18.5.2007.

The undersigned is directed to refer to this Department's OM No. DPE/13(12)/2003-Fin. Vol II dated 18.8.2005 regarding extension of Purchase preference Policy for Products and Services of CPSEs for a further period of three years beyond 31.3.2005 with certain modifications.

2. The Supreme Court of India in its judgement in the transferred Civil Petitions of 2004 from the different High Courts in the matter of M/s. Caterpillar India Pvt. Limited V/s Western Coalfields Limited and Ors, Observed that imposing a condition like purchase preference no option is left and a monopoly is being created. Any increase in the effectiveness of PSEs cannot be done on a uniform basis without examination as to whether such protection is necessary for a particular PSE. Further, it has to be examined on a case to case basis as to whether any differential treatment is called for. There may not be any competition left if 10% margin is allowed. It was also contended that the preference should be given PSE specific and the margin to be allowed should be examined rationally. Because of the substitution of the word 'may by will' there is essentially a reversal of the policy. While giving its judgement, the Supreme Court also expressed its views which inter-alia includes the following :

- (a) Industry-wise assessment to be done by the concerned Ministries and in case of cost effectiveness is achieved by any PSEs there may not be any need for extending preference to such PSEs. Such examination should be done on the line as to whether any preference is at all called for and the extent of margin of preference to be allowed , which would also ensure level playing fields for others. Further, while splitting the tenders, the minimum quantity/amount should be so fixed as to ensure that it is rational and there is no element of uncertainty . In other words, there should not be any rigid/inflexible purchase preference policy without examination as to whether such protection is necessary for a particular PSE.
- (b) Present practice of allowing uniform margin of 10% over the L-1 bidder, as purchase preference to CPSEs has to be reviewed and margin should be fixed PSE specific by the concerned Ministry on a rational basis;
- (c) The overall impact of such preference to be allowed on foreign direct investment has also to be assessed/considered.

The Supreme Court through its judgement dated 18.5.2007 inter alia directed that the exercise, as noted above shall be undertaken by the concerned Ministry of the Central Government within a period of 4 months from the date of the judgement.

3. In view of the above mentioned judgement of the Supreme Court of India, the Government again reviewed the Purchase Preference Policy for Products and services of Central Public Sector Enterprises on 25.10.2007 and decided to reiterate its decision dated 30.6.05 that the purchase preference policy with effect from 31.3.2008. The Government also decided that the preferential purchase policies framed for the specific sectors by the concerned Ministries/Departments within relevant Act of Parliament or otherwise do not come within the purview of this decision. The concerned Ministry/Department may independently evolve/review preferential policies for the sectors of their concern, as per their requirement.

4. All the administrative Ministries/Departments are requested to take note of the above mentioned decision of the Government and also bring it to the notice of the CPSEs under their administrative control for information and necessary compliance.

(DPE OM NO. DPE/13(15)2007/2007-Fin dated 21st November, 2007)

No. 009/VGL/002
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkta Bhawan, GPO Complex,
Block A, INA, New Delhi – 110023
Dated 17th September, 2009

CIRCULAR NO. 29/09/09

Subject : Implementation of e-tendering solutions

Guidelines were prescribed in this office OM of even number, dated 13/01/2009, on the above cited subject, advising organisations to follow a fair, transparent and open tendering procedure, to select the application service provider for implementing their e- tendering solutions.

2. It is clarified that while ensuring fair play, transparency and open tendering procedure for e-tendering solutions, the organisations must take due care to see that effective security provisions are made in the system to prevent any misuse. In this regard, the guidelines on security related issues in e-tendering systems are enclosed for information. Organisations concerned may follow these guidelines while implementing e-tendering solutions to contain the security related loop holes.

Sd/-

(V Ramachandran)
Chief Technical Examiner

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Autonomous Organisations/
Societies/UTs.

Guidelines on Security considerations for e-procurement System.

E-procurement Systems .

E-procurement provides a platform for the collaborative procurement of goods, works and services using electronic methods at every stage of the procurement process. The e-procurement platform transacts confidential procurement data and is exposed to several security threats. Agencies worldwide face threats to their online e-procurement platforms and the same are addressed by employing a combination of security features and security best practices which result in reduced threat of data loss, leakage or manipulation.

2.Security of e-Procurement system.

Security of e-procurement system is essentially an amalgamated output of Security of Infrastructure, Application and Management. Assuming the management issues are taken care of the following aspects of Infrastructure and Application are essential to have a fairly secure e-Procurement.

2.2 Security Infrastructure level :

Issues	Best Practices to achieve security considerations
Perimeter Defence	Deployment of routers , Firewalls, IPS/IDS, Remote Access and network segmentation.
Authentication	Network authentication through deployment of password policy for accessing the network resources. To minimize unauthorized access to the e-procurement system at system level
Monitoring	Deployment of logging at 03/ network level and monitoring the same.
Secure configuration of network host.	The security of individual servers & workstations is a critical factor in the defence of any environment, especially when remote access is allowed Workstations should have safeguards in place to resist common attacks.
System patching	As the vulnerability of the system are discovered almost regularly and the system vendors are also releasing the patches. It is expected the host are patched with latest security updates released by the vendors
Control of malware	Suitable control like anti-virus, anti-spyware ext. should be deployed on the host associated with e-procurement system. However, option for running the services at non privileged user profile may be looked for otherwise, suitable operating system which is immune to virus, Trojan and malware may be deployed.
Structured cabling	The availability of the network services is critically dependent on the quality of interconnection between the hosts through structured including termination and marking. It is expected the e-procurement system has implemented structured cabling and other controls related with network and interconnection.

2.3 Security at Application level.

2.3.1 Security during design

Issues	Best Practices to achieve security considerations
Authentication	The authentication mechanism of the e-procurement application should ensure that the credentials are submitted on the pages that are server under SSL
Access	The application shall enforce proper access control model to ensure that the parameter available to the user cannot be used for launching any attack
Session management	The design should ensure that the session tokens are adequately protected from guessing during an authenticated session.
Error handling	The design should ensure that the application does not present user error messages to the outside world which can be used for attacking the application.
Input validation	The application may accept input at multiple points from external sources, such as users, client applications, and data feeds. It should perform validation checks of the syntactic and semantic validity of the input. It should also check that input data does not violate limitations of underlying or dependent components, particularly string length and character set. All user-supplied fields should be validated at the server side.
Application logging and monitoring	Logging should be enabled across all applications in the environment. Log file data is important for incident and trend analysis as well as for auditing purposes. The application should log failed and successful authentication attempts, changes to application data including user accounts, server application errors and failed and successful access to resources. When writing log data, the application should avoid writing sensitive data to log files.

2.3.2. Security during application deployment and use.

Availability Clustering, Loading balance	Depending on the number of expected hits and access the options for clustering of servers and load balancing of the web application shall be implemented.
Application and data recovery	Suitable management procedure shall be deployed for regular back up of application and data. The regularity of data backup shall be in commensurate with the nature of transaction/business translated into the e-procurement system.

2.3.3. Security in Data storage and communication.

Issues	Best Practices to achieve security consideration
Encryption for data storage.	Sensitive data should be encrypted or hashed in the database and file system. The application should be differentiate between data that is sensitive to disclosure and must be encrypted, data that is sensitive only to tampering and for which a keyed hash valued(HMAC) must be generated, and data that can be irre- versibly transformed (hashed) without loss of functionality (such as passwords). The application should sore keys used for decryption separately from the encrypted data. Examples of widely accepted strong ciphers are 3DES, AES, RSA, RCA and Blowfish,. Use 128 bit keys (1024 bits for RSA) at a minimum.
Data transfer security	Sensitive data should be encrypted prior to transmission to other components. Verify that intermediate components that handle the data in clear text form, prior to transmission or subsequent to receipt, do not present an undue threat to the data. The application should take advantage of authentication features available within the transport security mechanism.
Access control	Applications should enforce an authorisation mechanism that provides access to sensitive data and functionality only to suitably permitted users or clients. Role-based access controls should be enforced at the database level as well as at the application interface. This will protect the database in the event that the client application is exploited Authorisation checks should require prior successful authentication to have occurred. All attempts to obtain access, without proper authorization should be logged. Conduct regular testing of key applications that process sensitive data and of the interfaces available to users from the internet include both “black box” informed” testing against that application. Determine if users can gain access to data from other accounts.

2.0 Some of the other good practices for implementers of e-procurement to achieve security considerations are as follows :-

3.1 Common unified platform for all department.

A single platform to be used by all departments across a State/Department/Organisations reduces the threat to security of data. With a centralized implementation, where in the procurement data is preferably hosted and maintained by the State/Department/Organisations itself, concerns of security and ownership of data are well addressed. A common platform further facilitates demand aggregation of common items across State/Department/Organisations, and result in economics of scale.

3.2 Public key Infrastructure (PKI) Implementation

This is one of the most critical security features that are required to be implemented in order to establish non-repudiation and to ensure the security of the online system. Under the system, participating contractors and suppliers, as well as the departmental users, are issued a Digital Signature Certificate (DSC) by a licensed Certification Authority.

3.3 Third Party Audit.

It is recommended that the implemented solution be audited by a competent third party at least once a year.

Through the above mentioned steps, the complete security of the system and the transacted data can be ensured and may be communicated to all concerned agencies.

No. 009/VGL/002
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block –A
GPO Complex, INA
New Delhi-110023
Dated 13/01/09

CIRCULAR NO.01/01/09

Subject : Implementation of e- tendering solutions

Reference are being received by the Commission regarding the methodology for selection of sole application service provider for the implementation on of e- tendering solutions in various organizations. The Commission has examined the matter and is of the view that all organizations should invariably follow a fair, transparent and open tendering procedure to select the application service e provider for implementing their e-tendering solutions. The standard guidelines on tendering procedure should hold good for the procurement of these services as well.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers.

No.008/VGL/083
Government of India
Central Vigilance Commission

Satarkta Shawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 6th November 2008

Circular No.31/11/08

Subject: Time bound processing of procurement.

The Commission has observed that at times the processing of tenders is inordinately delayed which may result in time and cost overruns and also invite criticism from the Trade Sector. It is, therefore, essential that tenders are finalized and contracts are awarded in a time bound manner within original validity of the tender, without seeking further extension of validity. While a short validity period calls for prompt finalization by observing specific time-line for processing, a longer validity period has the disadvantage of vendors loading their offers in anticipation of likely increase in costs during the period. Hence, it is important to fix the period of validity with utmost care.

2. The Commission would, therefore, advise the organizations concerned to fix a reasonable time for the bids to remain valid while issuing tender enquiries, keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the Competent Authority, etc., and to ensure the finalization of tender within the stipulated original validity. Any delay, which is not due to unforeseen circumstances, should be viewed seriously and prompt action should be initiated against those found responsible for non-performance.

3. Cases requiring extension of validity should be rare. And in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time, **valid and logical grounds**, justifying extension of the said validity.

4. These instructions may please be noted for immediate compliance.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

No.008 /CRD/008
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 24th July 2008

Circular No. 22/07/08

Sub: – Referring cases of Procurement to the Commission.

The Commission has noted a significant rise in the number of references made to it involving procurement at different stages. These relate to specific cases and are not generic in nature. Essentially they belong to the domain of managerial decision making and the matter needs to be decided at that level.

The Central Vigilance Commission and its Chief Vigilance Officers, as a matter of policy do not interfere in the process of decision making, which is a management function of the respective organization.

The Commission has issued various circulars/guidelines /instructions in order to promote transparency, improve competition and ensure equity among participants. However, if any organization faces difficulty in the application of any of the circulars/guidelines/instructions issued by the Commission, then it may approach the Commission bringing out the difficulties along with a proposed generic solution listing out the ingredients of the special circumstances for examination and review by the Commission. References of a general nature having elements of managerial decision making and concerning a particular procurement should be avoided.

Sd/-
(V. Ramachandran)
Chief Technical Examiner
Central Vigilance Commission

All Chief Vigilance Officers in the Ministries/Departments/PSEs/ Public Sector Banks/Insurance Companies/Autonomous Organisations/ Societies

No.007/CRD/008
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 15th February 2008

Circular No. 07/02/08

Subject: – Measures to curb the menace of counterfeit and refurbished IT products - regarding.

With the increasing use of IT to leverage technology, a large number of Government organizations are either upgrading or in the process of procurement of new computer hardware and software. It is often difficult to know the difference between PC made of ‘**Genuine Parts**’ and that made of ‘**Counterfeit Parts**’. It may also be the case often that while various organisations order and pay for brand new equipment, they end up getting an inferior PC with counterfeit and second and/refurbished parts disguised as new in new/ original cabinets to various customers designated as consignees by the ordering agencies at the headquarters of these organizations who are ignorant or have little or no technical knowledge in the matter. In effect, this amounts to the organisation not getting what they actually ordered and paid for. The supplies of such PC in the long run would defeat the very purpose of going for a new system. COUNTERFEITING is designed to cheat naive consumers/organizations. This current circular is intended to help/ inform and enable due diligence as well as curbing the menace of counterfeit and refurbished IT products disguised as new. As a first step, there is a need for all buyers in the Government Departments/ PSU to insist on a signed undertaking (sample format enclosed) from some authority not lower than the Company Secretary of the system OEM that would certify that all the components/parts/assembly/software used in the Desktops and Servers like Hard disk, Monitors, Memory etc were original/new components/parts/assembly/software, and that no refurbished/duplicate/ second hand components /parts / assembly /software were being used or would be used, so that the buying organizations were not cheated and get the original equipments as ordered by them. Also one could ask for ‘Factory Sealed Boxes’ with System OEM seal to ensure that the contents have not been changed en route. Following advisory checkpoints it is hoped shall help identify the fraudulent practices that have come to notice and help guard against spurious and refurbished/duplicate/second hand components/parts/ assembly / software being received by purchasers and consignees who receive such goods and may not have much technical knowledge.

1. **CPU.** Buyers are cautioned against buying IT Hardware with remarked CPUs that are freely / readily available in the market today. Entry Level processors get **Remarked / Over clocked** and sold as high end processors. These CPUs, come disguised as higher clock speed processors (e.g. a Celeron CPU can be remarked as a P4 CPU) while their real clock speed may be lower. Since Operating System is loaded from CD bundled with Motherboard, the CD contains image of configured OS. Hence information as seen in **My Computer** – **System Properties** shall give deceptive information. In other words, a Celeron CPU remarked as a P4 CPU, shall be seen as a P4 CPU only. Buyers should therefore, use various tool / utilities like the **'CPU-Z'** Utility or the **'sSpecNo.'** for ascertaining the real parameters of the CPU. Utility like CPU-Z (approx. 1.3 MB size) are available free on the web.

2. **Hard Disk** IT Hardware with refurbished Hard Disks that are actually 2nd hand / repaired hard disks are readily available at low cost. In hard disk drives, the factory repaired hard disk drives, which are mainly used in the warranty replacements are substituted in the new machines. Same is the case observed with floppy drive and Optical disk drives many times. Most of the competent hard disk makers use a sticker on such hard disks sold by them that clearly distinguishes such hard disks from the fresh ones. For example, manufacturer **Seagate** marks **Green Border** and label of **“Certified Repaired HDD”** to distinguish such disk drives from **New Genuine HDD**. There is **No border** or **Refurbished** label on genuine new HDD. In addition to this, buyers may also use **HDTUNE_210** Utility. This utility shall return Hard Disk Manufacturers' Serial no. and Date of manufacturing of the Hard Disk. These parameters can be used to cross-verify with the hard disk vendor. Various Hard Disk vendors also put a date code on the hard disk. A mismatch between this date and the one returned by HDTUNE_210 Utility can also be viewed as tampering with the actual information of the hard disk.

3. **Monitors.** IT Hardware with refurbished Monitors that are actually 2nd hand /repaired monitors are given a “new look” by changing the body, with internal components remaining “old / repaired”. These CRT monitors are usually discarded from developed countries like US and Europe. There are also B Grade (New but Low Quality) CRT Monitors used in place of new monitors. Many times these can be distinguished by opening the cabinet body and noticing that the label on the tube does not carry various certifications and there are scratch marks on the tube. While ‘Genuine’ Picture Tubes have all mandatory Certifications, ‘Counterfeit’ Picture Tubes would not have these certifications. Certification gives an assurance of Reliability. Further many such cathode ray tubes (Picture Tubes) are found to need extra magnets to achieve focusing and earthing also is missing. Genuine Monitors rely on ‘Yoke Coil’ alone to focus electronic beam. Counterfeit Monitors typically require Numerous Magnetic Strips in addition to Yoke Coil to focus electronic beam. Further, **‘Earthing’** and **‘Shielding’** provide **ESD** (Electro Static Discharge) protection. **Genuine Picture Tubes** have proper **“Earthing and Shielding”**. Earthing and Shielding is compromised in counterfeit Picture Tubes to reduce cost. In ‘B’ Grade LCD Monitors, panels used are B grade in which the number of spots may be higher, response time & brightness of lower specs than what is stated. Above monitors are all available at low cost. The **“Signed Undertaking”** as suggested shall serve as a deterrent and as a safeguard to ensure that bidders are not fleecing them by supplying such monitors.

4. **Operating System.** Purchasers should check the IT Hardware supplied randomly selected IT Hardware) for Certificate of Authenticity (COA) pasted on the PC for product serial number and OEM's / Supplier's name to be printed on it. In Operating systems, pirated OS software with fake Certificates of Authenticity are used by some suppliers to cut costs. They look as good as the real ones. In PCs, counterfeiters buy legitimate software and copy the box design and packaging. Using sophisticated and expensive copiers, many copies of illegal CDs are created in a day. Purchasers should guard against buying IT Hardware with pirated copies of Operating Systems. Such Operating Systems, though, available at low prices, do not have the updated patches and security features that help safeguarding the PC and also improve its lifespan. Purchasers, therefore, may use the standard testing procedures (randomly on randomly selected IT Hardware) available on the following URL for ascertaining the in authenticity of the operating system installed on their PC : <http://www.microsoft.com/resources/howtotell/ww/windows/default.aspx> . Microsoft provides an inbuilt tool to diagnose the "Genuineness of its Operating System". One could go to 'My Documents', and 'Help', from where one shall get step by step instructions to find out whether the windows installed is genuine. <http://www.microsoft.com/resources/howtotell/ww/windows/default.aspx>

5. **Mechanical Keyboards** : Fake mechanical keyboards that are partially mechanical, with only the key plunger being that of a real mechanical keyboard and rest of the keyboard features remaining the same as those of membrane keyboard are being passed on as true mechanical keyboards. While these keyboards are available at low prices, they do not offer the robustness and long key-stroke life expected of a real mechanical keyboard. Real Mechanical Keyboards are expected to have Keystroke life of 50 Million as against 10 million for Membrane and Semi- Mechanical Keyboards. In case of bulk orders, it is recommended to physically examine a few keyboards for their construct to ascertain the genuineness of their being real mechanical keyboards.

6. **Low Quality Memory Module** – Memory chips are remarked or downgraded wafers are plastic packed under unknown brands or remarked with names of well known brands. Such memory modules have lower performance levels. It is better to go in for proven reputed brands such as Kingston, Transcend, Corsair, Samsung and Hynix to name a few available in the market.

7. **Fraudulently Marked SMPS** – In power supplies, wrong marking of the wattage is done. The power supplies do not carry all required certifications. While 'Genuine' Power supplies carry all mandatory certifications, in counterfeit Power supplies these certifications shall be found missing. Further Short circuit & over voltage protection circuitry could be missing in counterfeit Power Supply to reduce cost.

8. **Counterfeited Consumables** – Counterfeited consumables such as printer cartridges etc are used which are refilled with ink of poor quality leading to poor performance and clogging, smudging in printers etc. It is advisable to buy such consumables from OEM authorized suppliers or distributors to ensure quality and longevity of the printer equipment.

Sd/-

(V. Ramachandran)

Chief Technical Examiner
Central Vigilance Commission

All Chief Vigilance Officers in the Ministries/Departments/PSEs/ Public
Sector Banks/Insurance Companies/ Autonomous
Organisations/Societies

Annexure: Model Undertaking of Authenticity form**Sub: Undertaking of Authenticity for Desktops and Server Supplies****Sub: Supply of IT Hardware/Software -- Desktops and Servers****Ref :** 1. Your Purchase Order No. -----dated-----.

2. Our invoice no/Quotation no. -----dated-----.

With reference to the Desktops and Servers being supplied /quoted to you vide our invoice no/quotation no/order no. Cited above,---- We hereby undertake that all the components/parts/assembly/software used in the Desktops and Servers under the above like Hard disk, Monitors, Memory etc shall be original new components/parts/ assembly /software only, from respective OEMs of the products and that no refurbished/duplicate/ second hand components/parts/ assembly / software are being used or shall be used. We also undertake that in respect of licensed operating system if asked for by you in the purchase order, the same shall be supplied along with the authorised license certificate (eg Product Keys on Certification of Authenticity in case of Microsoft Windows Operating System) and also that it shall be sourced from the authorised source (eg Authorised Microsoft Channel in case of Microsoft Operating System). Should you require, we hereby undertake to produce the certificate from our OEM supplier in support of above undertaking at the time of delivery/installation. It will be our responsibility to produce such letters from our OEM supplier's at the time of delivery or within a reasonable time. In case of default and we are unable to comply with above at the time of delivery or during installation, for the IT Hardware/Software already billed, we agree to take back the Desktops and Servers without demur, if already supplied and return the money if any paid to us by you in this regard.

We (*system OEM name*) also take full responsibility of both Parts & Service SLA as per the content even if there is any defect by our authorized Service Centre/ Reseller/SI etc.

Authorised Signatory

Name:

Designation

Place /Date

No.005/CRD/19
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 5th July 2007

Office Order No.23/7/07

Subject:- **Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.**

Reference is invited to the Commission's circular No.15/5/06 (issued vide letter No.005/CRD/19 dated 9.5.2006), wherein the need for award of contracts in a transparent and open manner has been emphasized.

2. A perusal of the queries and references pertaining to this circular, received from various organizations, indicates that several of them believe that mere post-facto approval of the Board is sufficient to award a contracts on nomination basis rather than the inevitability of the situation, as emphasized in the circular.

3. It is needless to state that tendering process or public auction is a basic requirements for the award of contract by any Government agency as any other method, especially award of contract on nomination basis, would amount to a breach of Article 14 of the Constitution guaranteeing right to equality, which implies right to equality to all interested parties.

4. A relevant extract from the recent Supreme Court of India judgement in the case of Nagar Nigam, Meerut Vs A1 Faheem Meat Export Pvt. Ltd. [arising out of SLP(civil) No.10174 of 2006] is reproduced below to reinforce this point. "The law is well-settled that contracts by the State, its corporations, instrumentalities and agencies must be normally granted through public auction/public tender by inviting tenders from eligible persons and the notifications of the public-auction or inviting tenders should be advertised in well known dailies having wide circulation in the locality with all relevant details such as date, time and place of auction, subject matter of auction, technical specifications, estimated cost, earnest money deposit, etc. The award of Government contracts through public-auction/public tender is to ensure transparency in the public procurement, to maximize economy and efficiency in Government procurement, to promote healthy competition among the tenderers, to provide for fair and equitable treatment of all tenderers, and to eliminate irregularities, interference and corrupt practices by the authorities concerned. This is required by Article 14 of the Constitution. However, in rare and exceptional cases, for instance, during natural calamities and emergencies declared by the Government; where the procurement is possible from a single source only; where the supplier or contractor has exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists; where the auction was held on several dates but there were no bidders or the bids offered were too low, etc., this normal rule may be departed from and such contracts may be awarded through 'private negotiations'." (Copy of the full judgement is available on the web-site of the Hon'ble Supreme Court of India, i.e., www.supremecourtfindia.nic.in)

5. The Commission advises all CVOs to formally apprise their respective Boards/managements of the above observations as well as the full judgement of the Hon'ble Supreme Court for necessary observance. A confirmation of the action taken in this regard may be reflected in the CVO's monthly report.

6. Further, all nomination/single tender contracts be posted on the website ex post-facto.

**Sd/-
(Rajiv Verma)
Under Secretary**

To
All Chief Vigilance Officers

No.98-VGL-25
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 26.04.2007

OFFICE MEMORANDUM
Circular No.23/7/07

Sub : Use of Products with standard specification

A case has come to the notice of the Commission that the user department one organization requisitioned an item of non-standard size. Requisitioning of item with non-standard size resulted in issue of 'Non-availability certificate' by the stores keeper although the same item of standard size was already available in the stock. Citing urgency, the item was procured by the user department at 10 times the cost of the standard item by inviting limited quotations.

2. In order to avoid such occurrences, it is reiterated that the items with standard specifications only should be stipulated in the bid documents. In case, items with non-standard specifications are to be procured, reasoning for procuring such items may be recorded and reasonability of rates must be checked before placing order.

Sd/-
(Smt. Padmaja Varma)
Chief Technical Examiner.

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Autonomous
Organisations/Societies/Uts.

No.005/CRD/012
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 3rd March, 2007

Circular No. 4/3/07

Sub:- Tendering process - negotiations with L-1.

Reference is invited to the Commission's circulars of even number, dated 25.10.2005 and 3.10.2006, on the above cited subject. In supersession of the instructions contained therein, the following consolidated instructions are issued with immediate effect:-

- (i) As post tender negotiations could often be a source of corruption, it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations. Such exceptional situations would include, procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
- (ii) In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process.
- (iii) Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In cases where the proposal is to be approved at higher levels, a maximum of 15 days should be assigned for clearance at each level. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalised within their validity period.

- (iv) As regards the splitting of quantities, some organisations have expressed apprehension that pre-disclosing the distribution of quantities in the bid document may not be feasible, as the capacity of the L-1 firm may not be known in advance. It may be stated that if, after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable. It is essentially in cases where the organisations decide in advance to have more than one source of supply (due to critical or vital nature of the item) that the Commission insists on pre-disclosing the ratio of splitting the supply in the tender itself. This must be followed scrupulously.
- (v) Counter-offers to L-1, in order to arrive at an acceptable price, shall amount to negotiations. However, any counter-offer thereafter to L-2, L-3, etc., (at the rates accepted by L-1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.

2. It is reiterated that in case L-1 backs-out, there should be a re-tender.

3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

Sd/-
(Vineet Mathur)
Deputy Secretary

All Chief Vigilance Officers

No.005/CRD/12
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 3rd October, 2006

Circular No. 37/10/06

Subject: Tendering process – negotiation with L1.

Reference is invited to Commission's instructions of even number dated 25.10.2005 on the above subject. A number of references have been received in the Commission, asking for clarification on issues pertaining to specific situations.

2. The Commission's guidelines were framed with a view to ensuring fair and transparent purchase procedure in the organizations. The guidelines are quite clear and it is for the organizations to take appropriate decision, keeping these guidelines in view. In case they want to take action in deviation or modification of the guidelines, to suit their requirements, it is for them to do so by recording the reasons and obtaining the approval of the competent authority for the same. However, in no case, should there be any compromise to transparency, equity or fair treatment to all the participants in a tender.

3. The above instructions may be noted for strict compliance.

Sd/-
(V. Kannan)
Director

All Chief Vigilance Officers

No.005/CRD/19
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 9th May 2006

CIRCULAR No.15/5/06

Subject:- Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.

The Commission had, in its OM No. 06-03-02-CTE-34 dated 20.10.2003 on back to back tie up by PSUs, desired that the practice of award of works to PSUs on nomination basis by Govt. of India/PSUs needed to be reviewed forthwith. It is observed that in a number of cases, Works/Purchase/Consultancy contracts are awarded on nomination basis. There is a need to bring greater transparency and accountability in award of such contracts. While open tendering is the most preferred mode of tendering, even in the case of limited tendering, the Commission has been insisting upon transparency in the preparation of panel.

2. In the circumstances, if sometimes award of contract on nomination basis by the PSUs become inevitable, the Commission strongly feels that the following points should be strictly observed.

- (i) All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto.
- (ii) The reports relating to such awards will be submitted to the Board every quarter.
- (iii) The audit committee may be required to check at least 10% of such cases.

3. This may be noted for strict compliance.

Sd/-
(V. Kannan)
Director

All Chief Vigilance Officers

Copy to:

- (i) All Secretaries of Govt. of India
- (ii) All CEOs/Head of the organisation

F.No.006/VGL/29
Government of India
Central Vigilance Commission

Satarkata Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated, the 1st May, 2006

Circular No.21/05/06

Subject: Examination of Public Procurement (Works/Purchases/Services) Contracts by CVOs.

The Commission has been emphasising the need for close scrutiny by the CVO, of the Public Procurement (Works/ Purchases/Services) Contracts of his department/organisation concerned, to ensure that the laid down systems and procedures are followed, there is total transparency in the award of contracts, and there is no misuse of power in decision making.

2. A number of booklets have been issued by the Chief Technical Examiner Organisation of the Commission, bringing out the common irregularities/ lapses noticed in different contracts. A Manual for Intensive Examination of Works/ Purchase Contracts and guidelines on tendering have also been issued. These are available in the Commission's website.

3. The need for CTE type examinations by the CVOs has been emphasised in the Zonal meetings. The CVOs are required to reflect their examinations in the monthly reports. The Commission reiterates the importance of such examinations by the CVOs, as an effective preventive vigilance measure.

4. For this purpose, the CVOs are required to be well conversant with their organisation's works/purchase manual. Wherever works/purchase manuals are non-existent, they should be got prepared, particularly, in those organisations which have substantial procurement activities. CVOs should also ensure that the manuals are updated from time to time. They should check and ensure that the field staff is well conversant with the extant provisions of the manuals, and the guidelines issued by the Commission/CVOs from time to time. CVOs should have a full and active participation during the CTE inspections to know about the problem areas in the organisation's procurement process.

5. CVOs must also familiarise themselves with the earlier CTE examination reports and ensure that the lapses previously noticed are not repeated. If lessons are not learnt from the past, there would be need to take a serious view of the repetition of lapses and initiate disciplinary proceedings against the officials found responsible for repetition of the lapses committed previously.

6. On the basis of the lapses noticed by the Chief Technical Examiner's Organisation over the years, a checklist has been prepared which could be used by the CVO while examining procurements contracts. The checklist may be seen in Annexure –1. If certain procurement contracts require an intensive examination by the CTEO, a reference may be made to them with adequate justification.

7. This may please be noted for strict compliance.

**Sd/-
(V.Kannan)
Director**

All Chief Vigilance Officers.

Annexure-1

Check list for examination of Procurement (Works/ Purchases/ Services) Contracts by CVOs

I. Pre-Award Stage

1. Financial and Technical sanction of competent authority is available.
2. Adequate and wide publicity is given. Advertisement is posted on website and tender documents are available for downloading.
3. Convenient tender receiving/opening time and address of the tender receiving officials/tender box are properly notified.
4. In the case of limited tender, panel is prepared in a transparent manner clearly publishing the eligibility criteria. The panel is updated regularly.
5. Pre-qualification criteria are properly defined/ notified.
6. Short listed firms/consultants are fulfilling the eligibility criteria. There is no deviation from notified criteria during evaluation.
7. Experience certificates submitted have been duly verified.
8. Tenders/bids are opened in the presence of bidders.
9. Corrections/omissions/additions etc., in price bid are properly numbered and attested and accounted page –wise. Tender summary note/ Tender opening register is scrupulously maintained.
10. Conditions having financial implications are not altered after opening of the price bids.
11. In case of consultancy contracts (a)Upper ceiling limit is fixed for consultancy fee and (b) Separate rates for repetitive works are fixed.

B. Post-award stage**(a) General**

1. Agreement is complete with all relevant papers such as pre-bid conference minutes, etc.
2. Agreement is page-numbered, signed and sealed properly.
3. Bank Guarantee is verified from issuing bank.
4. Insurance policies, labour licence, performance guarantee are taken as per contract.
5. Technical personnel are deployed as per contract.
6. Plant and equipment are deployed as per contract.
7. Action for levy of liquidated damages is taken in case of delay/default.

(b) Payments to contractors

1. Price escalation is paid only as per contract.
2. Retention Money/Security Deposit is deducted as per contract.
3. Recovery of Mobilisation & Equipment advance is made as per the provisions in the contract.
4. Recovery of I.Tax & Works Contract tax is made as per provisions in the contract.
5. Glaring deviations are supported with adequate justification and are not advantageous to the contractor.

(c) Site Records

1. Proper system of recording and compliance of the instructions issued to the contractors is maintained.
2. Proper record of hindrances is maintained for the purpose of timely removal of the hindrance and action for levy of liquidated damages.
3. Mandatory tests are carried out as per the frequency prescribed in the Agreement.

005/VGL/66
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 9/12/2005

Office Order No. 71/12/05

Subject: Undertaking by the Members of Tender Committee/Agency.

In continuation of the Commission's directions vide Order 005/VGL/4 dated 16/3/2005 regarding transparency in the tender process, the Commission would advise that the members of the Tender Committee should give an undertaking at the appropriate time, that none of them has any personal interest in the Companies/Agencies participating in the tender process. Any Member having interest in any Company should refrain from participating in the Tender Committee.

2. CVOs should bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary
All Chief Vigilance Officers

No.005/CRD/12
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, I.N.A,
New Delhi-110 023.
Dated : 25/10/2005

Office order No.68/10/05
Sub:- Tendering Process – Negotiation with L-1.

A workshop was organised on 27th July 2005 at SCOPE New Delhi, by the Central Vigilance Commission, to discuss issues relating to tendering process including negotiation with L-1. Following the deliberations in the above mentioned Work Shop, the following issues are clarified with reference to para 2.4 of Circular No. 8(1) (h)/98(1) dated 18th November, 1998 on negotiation with L-1, which reflect the broad consensus arrived at in the workshop.

- (i) There should not be any negotiations. Negotiations if at all shall be an exception and only in the case of proprietary items or in the case of items with limited source of supply. Negotiations shall be held with L-1 only. Counter offers tantamount to negotiations and should be treated at par with negotiation.
- (ii) Negotiations can be recommended in exceptional circumstances only after due application of mind and recording valid, logical reasons justifying negotiations. In case of inability to obtain the desired results by way of reduction in rates and negotiations prove infructuous, satisfactory explanations are required to be recorded by the Committee who recommended the negotiations. The Committee shall be responsible for lack of application of mind in case its negotiations have only unnecessarily delayed the award of work/contract.

2. Further, it has been observed by the Commission that at times the Competent Authority takes unduly long time to exercise the power of accepting the tender or negotiate or re-tender. Accordingly, the model time frame for according such approval to completion of the entire process of Award of tenders should not exceed one month from the date of submission of recommendations. In case the file has to be approved at the next higher level a maximum of 15 days may be added for clearance at each level. The overall time frame should be within the validity period of the tender/contract.

3. In case of L-1 backing out there should be re-tendering as per extant instructions.

4. The above instructions may be circulated to all concerned for compliance.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers.

**No.2EE-1-CTE-3
Government of India
Central Vigilance Commission
(CTEs Organization)**

Satarkta Bhawan, Block-A
4th Floor, GPO Complex
INA ,New Delhi-110023
Dated: 12.04.2005

OFFICE MEMORANDUM

Sub : Issues pertaining to Negotiation with L1 (i.e. Lowest tenderer).

During the recent Zonal Conference, some of the organisations have expressed some difficulties in implementation of the subject order and requested the Commission for a review.

2. The Commission in its efforts to look at some of its own guidelines & instructions and fine tune them with the organization's requirement to make the system cost effective and more competitive, proposes to hold a workshop in the 3rd week of May with select CVOs. The Commission would, therefore, welcome the reasoned views of your organization for an against the banning of post-tender negotiations with other than L1 (lowest tenderer). Your views on the subject matter of negotiations, circulated vide letter No.8(1)(h)/98(I), dated 18.11.98 with justification of your stand and suggestion for modification, if any, may please be arranged to be sent to this organization addressed to the undersigned immediately, latest by 30.4.2005.

3. The date, time and venue of the workshop shall be intimated shortly.

**Sd/-
(V.Ramachandran)
Chief Technical Examiner**

To
All CVOs of Ministries/ Departments/PSUs/Banks/Insurance Companies/Autonomous
Organizations/Societies/UTs.

**No. OFF-1-CTE-1(Pt) V
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 24th March 2005

Office Order No. 15/3/05

Subject: Notice inviting tenders – regarding.

The Commission has observed that some of the Notice Inviting Tenders (NITs) have a clause that the tender applications could be rejected without assigning any reason. This clause is apparently incorporated in tender enquiries to safeguard the interest of the organisation in exceptional circumstance and to avoid any legal dispute, in such cases.

2. The Commission has discussed the issue and it is emphasized that the above clause in the bid document does not mean that the tender accepting authority is free to take decision in an arbitrary manner. He is bound to record clear, logical reasons for any such action of rejection/recall of tenders on the file.

3. This should be noted for compliance by all tender accepting authorities.

**Sd/-
(Anjana Dube)
Deputy Secretary**

All Chief Vigilance Officers

**F.No. 000/VGL/161
Government of India
Central Vigilance Commission**

Satarkta Bhawan, GPO Complex,
Block- 'A', I.N.A,
New Delhi-110023.
Dated, the 24th March, 2005

Office Order No. 18/3/05

Sub:- Banning of business dealings with firms/contractors -clarification regarding.

Para 31 of Chapter XIII, Vigilance Manual Part-I provides that business dealings with the firms/contractors may be banned wherever necessary. It was also suggested that for banning of the business with such firms/contractors or for withdrawal of banning orders, advice of the Central Vigilance Commission need not be sought.

2. It is however observed by the Commission that some of the departments/organizations cite the Commission as the authority behind the decision in their orders while banning of the firms/contractors. This is not appropriate. **The Commission once again reiterates its instructions that banning of business is an administrative matter to be decided by the management of the organization and the Central Vigilance Commission does not give its advice in such matters.** This may please be noted for strict compliance.

**Sd/-
(Anjana Dube)
Deputy Secretary**

All Chief Vigilance Officers

No.98/DSP/3
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated the 24th December, 2004

Office Order No.75/12/04

Sub: Participation of consultants in tender – guidelines regarding.

Consultants are appointed by the organisation for preparation of project report. These appointment are made for any new projects, expansions, modernization/modification of the existing projects etc. The selection is made with maximum attention to the suitability, competence and proven track record.

2. Further, during the CVO's Conference convened by the Commission in Sept.1997, the Central Vigilance Commissioner had constituted a Committee of CVOs to go into the system of contracts prevalent in PSUs and to suggest, wherever required, methods of streamlining the contracting provisions. The Committee after going through the contract system of various organisations had made recommendations on consultants as under:-

Consultants:-A firm which has been engaged by the PSU to provide goods or works for a project and any of its affiliates will be disqualified from providing consulting services for the same project. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, will be disqualified from subsequently providing goods or works or services related to the initial assignment for the same project. Consultants or any or their affiliates will not be hired for any assignment, which by its nature, may be in conflict with another assignment of the consultants.

3. It has come to the notice of the Commission that in a tendering process of a PSU, the consultant was also permitted to quote for work for which they had themselves estimated the rates and the consultant quoted 20% above their own estimated rates as against the awarded rates which were 20% below the estimated cost. Such over dependence on the consultant can lead to wasteful and infructuous expenditure which the organisation regrets in the long run. Meticulous and intelligent examination of the consultants proposal is therefore essential for successful and viable completion of the project.

4. The Commission reiterates the recommendations made by the Committee that the consultants/firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, will be disqualified from subsequently providing goods or works or services related to the initial assignment for the same project.

Sd/-
(Anjana Dube)
Deputy Secretary

To
All Chief Vigilance Officers

No.004/ORD/9
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 10th December, 2004

Office Order No. 72/12/04

Subject:- Transparency in tendering system- Guidelines regarding.

In order to maintain transparency and fairness, it would be appropriate that organisations should evolve a practice of finalizing the acceptability of the bidding firms in respect of the qualifying criteria before or during holding technical negotiations with him. Obtaining revised price bids from the firms, which do not meet the qualification criteria, would be incorrect. Therefore the exercise of shortlisting of the qualifying firms must be completed prior to seeking the revised price bids. Moreover, the intimation of rejection to the firms whose bids have been evaluated but found not to meet the qualification criteria, along with the return of the un-opened price bid, will enhance transparency and plug the loop-holes in the tendering system. All organisations/ departments are advised to frame a policy accordingly.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

004/ORD/8
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110023
Dated, the 3rd Nov., 2004

Office Order No. 69/11/04

Subject:- Turnkey contracts for net-working of computer systems.

The Commission has been receiving complaints that in turnkey contracts for net-working of computer systems a lot of unrelated products are being included in the contracts which are either not required or which are stand alone in nature and can be procured separately at much lower cost. Inclusion of these unrelated items creates opportunities for malpractices. The Commission is of the view that wherever possible it will be advisable to take an independent third party view about the scope of turnkey projects so that the tendency to include unrelated products as part of the turnkey project is avoided.

Sd/-
(Balwinder Singh)
Additional Secretary

To,
All CMDs & CVOs of All Public Sector Banks.

No. 05-04-1-CTE-8
Government of India
Central Vigilance Commission

(CTEs Organisation)
Satarkta Bhawan,
INA Colony,
New Delhi- 110023
Dated: 8.6.2004

OFFICE MEMORANDUM

Sub: Receipt and Opening of Tenders.

In the various booklets issued by the CTE Organisation of the Commission, the need to maintain transparency in receipt and opening of the tenders has been emphasized and it has been suggested therein that suitable arrangements for receipt of sealed tenders at the scheduled date and time through conspicuously located tender boxes need to be ensured. A case has come to the notice of the Commission, where due to the bulky size of tender documents the bid conditions envisaged submission of tenders by hand to a designated officer. However, it seems that one of the bidders while trying to locate the exact place of submission of tenders, got delayed by few minutes and the tender was not accepted leading to a complaint. In general, the receipt of tenders should be through tender boxes as suggested in our booklets. However, in cases where the tenders are required to be submitted by hand, it may be ensured that the names and designation of at least two officers are mentioned in the bid documents. The information about these officers should also be displayed at the entrance/reception of the premises where tenders are to be deposited so as to ensure convenient approach for the bidders. The tenders after receipt should be opened on the stipulated date and time in presence of the intending bidders.

Sd/-
(Gyaneshwar Tyagi)
Technical Examiner

Copy to: -
All CVOs: Ministries/Departments/PSUs/Banks/UTs

No. 12-02-1-CTE-6
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkata Bhavan, Block A,
4th Floor, GPO Complex,
INA, New Delhi – 110 023.
Dated: 7th May, 2004

OFFICE MEMORANDUM

Subject : - Pre-qualification Criteria (PQ).

Guidelines were prescribed in this office OM of even number dated 17/12/2002, on the above-cited subject to ensure that the pre-qualification criteria specified in the tender document should neither be made very stringent nor very lax to restrict/facilitate the entry of bidders. It is clarified that the guidelines issued are illustrative and the organizations may suitably modify these guidelines for specialized jobs/works, if considered necessary. However, it should be ensured that the PQ criteria are exhaustive, yet specific and there is fair competition. It should also be ensured that the PQ criteria is clearly stipulated in unambiguous terms in the bid documents.

Sd/-
(M.P. Juneja)
Chief Technical Examiner

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/
Autonomous Organisations/Societies/UTs.

No.12-02-6-CTE-SP(i)-2
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkta Bhawan,
Block – A, GPO Complex,
INA, New Delhi-110023
Dated the 21st April, 2004.

Office Order No. 25/04/04

Sub : Consideration of Indian Agents.

The Commission has received a complaint alleging that in Government tenders an agent participates by representing a company officially and another bid is submitted as a 'direct offer' from the manufacturer. At times, the agent represents a foreign company in one particular tender and in another tender the said foreign company participates directly and the agent represents another foreign company. There is a possibility of cartelization in such cases and thus award of contract at higher prices.

2. The issue has been deliberated in the Commission. In order to maintain the sanctity of tendering system, it is advised that the purchases should preferably be made directly from the manufacturers. Either the Indian Agent on behalf of the foreign principal or the foreign principal directly could bid in a tender but not both. Further, in cases where an agent participates in a tender on behalf of one manufacturer, he should not be allowed to quote on behalf of another manufacturer along with the first manufacturer in a subsequent/ parallel tender for the same item.

3. It is suggested that these guidelines may be circulated amongst the concerned officials of your organization for guideline.

Sd/-
(A.K. Jain)
Technical Examiner
For Chief Technical Examiner

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance
Companies/Autonomous Organizations/UTs.

No. 06-03-02-CTE-34
Government of India
Central Vigilance Commission

(CTE's Organisation)
Satarkta bhavan, Block-A,
GPO Complex, INA,
New Delhi-110023
Dated: 20.10.2003

OFFICE MEMORANDUM

Sub: Back to back tie up by PSUs- instructions regarding.

It has been observed during intensive examination of various works/contracts awarded by construction PSUs on back to back basis that the works are being awarded in an ad-hoc and arbitrary manner without inviting tenders and ascertaining the performance, capability and experience of the tenderers. In some cases, the works were awarded on single tender basis/limited tender basis though sufficient time was available with the Organisation to invite open tenders.

2. Some of the common irregularities/lapses observed during the examination of works were as under:

- a) No transparency in selection of contractor for the back to back tie up which is the main source of corruption.
- b) Collusion among the contractors was observed where more than one contractors were involved at various stages.
- c) Ineligible contractor obtains the contract through the PSUs.
- d) Purchase preference misused by the PSUs.
- e) PSUs sublet the complete work to a private contractor without obtaining permission from the client which invariably put a condition insisting such permission since the client is generally not interested in such back to back sublet of the work.
- f) Infructuous work (to the exchequer) due to the involvement of intermediary PSUs and cost of project goes up ultimately.
- g) No supervision by the PSU as they put the staff mainly for coordination work.
- h) Quality ultimately suffers due to lack of supervision by the PSUs.

3. Commission is of the view that the practice of award of works to PSUs on nomination basis by Govt. of India/PSUs needs to be reviewed forthwith.

4. The irregularities observed during intensive examination of work and difficulties being faced by the PSUs in inviting tenders were considered and it has been decided that the procedure to be followed for award of work by Construction PSUs shall be finalised taking into account the following points:

- a) PSUs (when bag the contract from the client Department) as a contractor, has to execute the work by functioning like a contractor instead of sub-letting the 100% work on back to back basis.
- b) Open tenders to be invited for selection of sub-contractors as far as possible.
- c) In case, it is not possible to invite open tenders, selection should be carried out by inviting limited tenders from the panel approved in the following manner. Panel of contractors are to be prepared for different categories monetary limits, regions, in a transparent manner clearly publishing the eligibility criteria etc. The above panel is to be updated every year.
- d) Tenders to be opened confidentially by a high level committee to maintain the secrecy of rates, if required. Tender opening register should be maintained in this regard duly signed by the officers opening the tender and kept confidentially. This should be available for perusal when required by audit/vigilance.
- e) The terms and conditions of the contract of the client especially those pertaining to subletting of works should be strictly adhered to by the PSUs.
- f) Adequate staff to be deployed by the PSUs to ensure quality in construction etc.
- g) The record of enlistment/updation of contractor and tender opening register shall be produced to the CTEO as well as audit officials when demanded for scrutiny.

5. It is, therefore, suggested that the procedure for award of work on back to back basis be finalised keeping in view the above points and circulated amongst the concerned officials of your organisation for strict compliance in future works.

Sd/-
(R.A. Arumugam)
Chief Technical Examiner

To All CVOs of Ministries/Departments/PSUs etc.

No. 2EE-1-CTE-3
Government of India
Central Vigilance Commission

(CTE's Organization)
Satarkta Bhavan, Block-A,
GPO Complex, INA,
New Delhi-110023
Dated - 15.10.2003

OFFICE MEMORANDUM

Sub: Tender Sample Clause

The Commission has received complaints that some organizations, while procuring clothing and other textile items insist on submission of a tender sample by the bidders though detailed specifications for such items exist. The offers are rejected on the basis of tender samples not conforming to the requirements of feel, finish and workmanship as per the 'master sample' though the bidders confirm in their bids that supply shall be made as per the tender specifications, stipulated in the bid documents.

2. While it is recognized that samples may be required to be approved to provide a basis in respect of indeterminable parameters such as shade, feel, finish & workmanship for supplies of such items but system of approving/rejecting tender samples at the time of decision making is too subjective and is not considered suitable, especially for items which have detailed specifications. The lack of competition in such cases is also likely to result in award of contracts at high rates.

3. It is thus advised that Government Departments/Organizations should consider procurement of such items on the basis of detailed specifications. If required, provision for submission of an advance sample by successful bidder(s) may be stipulated for indeterminable parameters such as, shade/tone, size, make-up, feel, finish and workmanship, before giving clearance for bulk production of the supply. Such a system would not only avoid subjectivity at the tender decision stage but would also ensure healthy competition among bidders and thus take care of quality aspect as well as reasonableness of prices.

4. It is requested that these guidelines may be circulated amongst the concerned officials of your organization for guidance. These are also available on the CVC's website, <http://cvc.nic.in>.

Sd/-
(A.K. Jain)
Technical Examiner
for Chief Technical Examiner

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Autonomous
Organizations/Societies/UTs.

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block 'A',
G.P.O. Complex, I.N.A.,
New Delhi- 110 023
Dated the 11th September 2003

OFFICE ORDER NO. 46/9/03

To
All Chief Vigilance Officers

Subject: E-procurement/Reverse Auction.

Sir/Madam,

The Commission has been receiving a number of references from different departments/organisations asking for a uniform policy in this matter. The departments/organisations may themselves decide on e-procurement/reverse auction for purchases or sales and work out the detailed procedure in this regard. It has, however, to be ensured that the entire process is conducted in a transparent and fair manner.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax- 24651010

No. 98/ORD/1
Government of India
Central Vigilance Commission

Satarkata Bhavan, Block - 'A',
GPO Complex, INA,
New Delhi - 110 023
Dated 04.09.2003

Office Order No.44/9/03

To
All Chief Vigilance Officers

Sub: Irregularities in the award of contracts.

Sir/Madam,

While dealing with the case of a PSU, the Commission has observed that the qualification criteria incorporated in the bid documents was vague and no evaluation criterion was incorporated therein. It is also seen that the category-wise anticipated TEUs were not specified in the bid documents and the same was left for assumptions by Tender Evaluation Committee for comparative evaluation of financial bids, which led to comparative evaluation of bids on surmises and conjectures. Further, it was also provided as a condition in the tender bid that the tenderer should have previous experience in undertaking handling of similar work and/or transportation works preferably of ISO containers, however, no definition of 'similar works' was, indicated in the bid documents.

2. It should be ensured that **pre-qualification criteria, performance criteria and evaluation criteria are incorporated in the bid documents in clear and unambiguous terms as these criterion very important to evaluate bids in a transparent manner. Whenever required the departments/organisations should have follow two-bid system, i.e. technical bid and price bid. The price bids should be opened only of those vendors who were technically qualified by the Deptt./ Organisation.** The Commission would therefore advise that the Deptt./ Organisation may issue necessary guidelines in this regard for future tenders.

3. It has also observed that the orders were allegedly split in order to bring it within the powers of junior officers and that the proper records of machine breakdown were not being kept. It is therefore, decided that in the matters of petty purchase in emergency items all departments/organisations must keep proper records of all machine breakdown etc.

4. All CVOs may bring this to the notice of all concerned.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No.98/ORD/1
Government of India
Central Vigilance Commission

(CTE's Organization)
Satarkta Bhavan, Block 'A'
G.P.O. Complex, I.N.A.,
New Delhi- 110 023
Dated the 9th July, 2003

Office Order No. 33/7/03

To
All the Chief Vigilance Officers

Subject:- Short-comings in bid documents.

Sir/Madam,

The Commission has observed that in the award of contracts for goods and services, the detailed evaluation/exclusion criteria are not being stipulated in the bid document and at times is decided after the tender opening. This system is prone to criticism and complaints as it not only leads to a non-transparent and subjective system of evaluation of tenders but also vitiates the sanctity of the tender system.

2. The Commission would reiterate that whatever pre-qualification, evaluation/exclusion criteria, etc. which the organization wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are satisfied. The acceptance/rejection of any bid should not be arbitrary but on justified grounds as per the laid down specifications, evaluation/exclusion criteria leaving no room for complaints as after all, the bidders spend a lot of time and energy besides financial cost initially in preparing the bids and, thereafter, in following up with the organizations for submitting various clarifications and presentations.

3. This is issued for strict compliance by all concerned.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax No.24651010

**No. 12-2-6-CTE/SPI(I)-2
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION**

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: The 7th January, 2003

OFFICE MEMORANDUM

Subject: Consideration of Indian Agents

The Commission has received a complaint alleging that in Government tenders at times an Indian Agent participates on behalf of two different foreign suppliers and in the event of only offers of those two suppliers getting short-listed, then the Indian representative knowing the prices of two foreign suppliers/manufacturers may take an undue advantage.

2. The issue has been deliberated in the Commission. In order to maintain sanctity of the tender system, it is advised that one Agent cannot represent two suppliers or quote on their behalf in a particular tender.

3. It is suggested that these instructions may be circulated amongst the concerned officials of your organization for guidance.

**Sd/
(NIRANJAN SINGH)
UNDER SECRETARY**

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Autonomous Organizations/
Societies/UTs

No. 12-02-1-CTE-6
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkata Bhavan,
Block A, GPO Complex,
INA, New Delhi – 110 023.
Dated the 17th December 2002.

OFFICE MEMORANDUM

Subject : - Prequalification criteria (PQ).

The Commission has received complaints regarding discriminatory prequalification criteria incorporated in the tender documents by various Deptts./Organisations. It has also been observed during intensive examination of

various works/contracts by CTEO that the prequalification criteria is either not clearly specified or made very stringent/very lax to restrict/facilitate the entry of bidders.

2. The prequalification criteria is a yardstick to allow or disallow the firms to participate in the bids. A vaguely defined PQ criteria results in stalling the process of finalizing the contract or award of the contract in a non-transparent manner. It has been noticed that organizations, at times pick up the PQ criteria from some similar work executed in the past, without appropriately amending the different parameters according to the requirements of the present work. Very often it is seen that only contractors known to the officials of the organization and to the Architects are placed on the select list. This system gives considerable scope for malpractices, favouritism and corruption. It is, therefore, necessary to fix in advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.

3. Some of the common irregularities/lapses observed in this regard are highlighted as under: -

- i) For a work with an estimated cost of Rs.15 crores to be completed in two years, the criteria for average turnover in the last 5 years was kept as Rs.15 crores although the amount of work to be executed in one year was only Rs.7.5 crores. The above resulted in prequalification of a single firm.
- ii) One organization for purchase of Computer hardware kept the criteria for financial annual turnover of Rs.100 crores although the value of purchase was less than Rs.10 crores, resulting in disqualification of reputed computer firms.

- iii) In one case of purchase of Computer hardware, the prequalification criteria stipulated was that the firms should have made profit in the last two years and should possess ISO Certification. It resulted in disqualification of reputed vendors including a PSU.
- iv) In a work for supply and installation of A.C. Plant, retendering was resorted to with diluted prequalification criteria without adequate justification, to favour selection of a particular firm.
- v) An organization invited tenders for hiring of D.G. Sets with eligibility of having 3 years experience in supplying D.G. Sets. The cut off dates regarding work experience were not clearly indicated. The above resulted in qualification of firms which had conducted such business for 3 years, some 20 years back. On account of this vague condition, some firms that were currently not even in the business were also qualified.
- vi) In many cases, “Similar works” is not clearly defined in the tender documents. In one such case, the supply and installation of A.C. ducting and the work of installation of false ceiling were combined together. Such works are normally not executed together as A.C. ducting work is normally executed as a part of A.C. work while false ceiling work is a part of civil construction or interior design works. Therefore, no firm can possibly qualify for such work with experience of similar work. The above resulted in qualification of A.C. Contractors without having any experience of false ceiling work although the major portion of the work constituted false ceiling work.

4. The above list is illustrative and not exhaustive. While framing the prequalification criteria, the end purpose of doing so should be kept in view. The purpose of any selection procedure is to attract the participation of reputed and capable firms with proper track records. The PQ conditions should be exhaustive, yet specific. The factors that may be kept in view while framing the PQ Criteria includes the scope and nature of work, experience of firms in the same field and financial soundness of firms.

5. The following points must be kept in view while fixing the eligibility criteria:-

A) For Civil/Electrical Works

- i) Average Annual financial turnover during the last 3 years, ending 31st March of the previous financial year, should be at least 30% of the estimated cost.
- ii) Experience of having successfully completed similar works during last 7 years ending last day of month previous to the one in which applications are invited should be either of the following: -

a. Three similar completed works costing not less than the amount equal to 40% of the estimated cost.

or

b. Two similar completed works costing not less than the amount equal to 50% of the estimated cost.

or

c. One similar completed work costing not less than the amount equal to 80% of the estimated cost.

- iii) Definition of “similar work” should be clearly defined. In addition to above, the criteria regarding satisfactory performance of works, personnel, establishment, plant, equipment etc. may be incorporated according to the requirement of the Project.

B) For Store/Purchase Contracts

Prequalification/Post Qualification shall be based entirely upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their (i) experience and past performance on similar contracts for last 2 years (ii) capabilities with respect to personnel, equipment and manufacturing facilities (iii) financial standing through latest I.T.C.C., Annual report (balance sheet and Profit & Loss Account) of last 3 years. The quantity, delivery and value requirement shall be kept in view, while fixing the PQ criteria. No bidder should be denied prequalification/post qualification for reasons unrelated to its capability and resources to successfully perform the contract.

6. It is suggested that these instructions may be circulated amongst the concerned officials of your organization for guidance in fixing prequalification criteria. These instructions are also available on CVC's website, <http://cvc.nic.in>.

Sd/-
(M.P. Juneja)
Chief Technical Examiner

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance Companies/Autonomous
Organisations/Societies/UTs.

No.OFF 1 CTE 1
Government of India
Central Vigilance Commission

(CTE's Organization)
Satkarkta Bhawan, Block A,
GPO Complex, INA
New Delhi-110023
Dt. the 25th November 2002

OFFICE MEMORANDUM

Subject: Appointment of Consultants.

While highlighting the common lapses/ irregularities observed in the Construction works undertaken by the PSUs/Banks, under the guidance of Consultants, the Commission had issued certain guidelines vide letter No. 3L PRC 1 dated 12.11.1982 [copy enclosed-Annexure-1] so as to avoid recurrence of such lapses. These were further emphasized vide letter No. 3L-IRC-1 dated 10.1.1983 [copy enclosed-Annexure-II], inter-alia, bringing out the guidelines circulated by the Bureau of Public Enterprises in their letter no. DPE/GL-025/78/Prodn./PCR/2/77/BPE/Prodn. dated 15.07.1978 and it was reiterated that the appointment of Consultants should be made in a transparent manner.

2. However, it has been observed during intensive examination of various works/contracts by the CTEO that these instructions are not being followed by a large number of organizations. The consultants are still appointed in an ad-hoc and arbitrary manner without inviting tenders and without collecting adequate data about their performance, capability and experience. In some cases, the consultants were appointed after holding direct discussions with only one firm without clearly indicating the job content and consultation fee payable to them. Often the scope of work entrusted to the consultants is either not defined properly or the consultants are given a free hand to handle the case due to which they experiment with impractical, fanciful and exotic ideas resulting in unwarranted costs. The organizations display an over-dependence on consultants and invariably abdicate their responsibility completely to the latter. The officials do not oversee the working of the consultants resulting in the latter exploiting the circumstances and at times, in collusion with the contractors, give biased recommendations in favour of a particular firm. It has also been noticed that the consultants recommend acceptance of inferior items/equipments / payment for inadmissible items and also give undue benefit to the contractors like non-recovery of penalties for the delayed completion. The position in respect of projects with multiple consultants is still worse as the self-interest of so many outside agencies takes precedence over the loyalty towards the organization. These agencies tend to collude or collide with each other, and both the situations are detrimental to the smooth implementation of the project.

3. Some of the common irregularities/lapses observed during the last four years or so in this regard are highlighted as under:-

- i) One organization engaged architect from a very old panel, prepared about 15 years back.
- ii) An organization invited and short-listed 5 consultants but awarded the contract to the highest bidder on the plea that the bidder had done a very good job in some other project with the organization. Extra amount of account of travel expenses, boarding and lodging was also sanctioned beyond contractual terms.
- iii) A bank for construction of its Head Office in Mumbai, shortlisted three firms after a thorough scrutiny of offers submitted by a large number of bidders. The price bids of these firms were opened, but in a surprising manner, the work of consultancy was awarded to an L-2 firm thus compromising all ethics of tendering.
- iv) The payment terms to the contractors are often allowed quite liberally. In one case, the consultant's fee was paid on quarterly basis without linking the same with the progress of the project. Full payments had been authorized even before the completion of the project. In another work, the consultants were paid substantial amount at an early stage of the project though they had submitted only preliminary drawings. Subsequently, the consultants failed to complete the job and the department took no action against them. In yet another case, the consultant was allowed extra payment for additional documents that he had to generate due to retendering of the case. However, the reasons for re-tendering were found attributable to the consultants and instead of penalizing, they were rewarded with extra payment.
- v) The consultants tend to increase the cost of the work for more fees as generally the fee of the consultants is fixed at a certain percentage of the final cost of project. In an office building work, tender was accepted for Rs.10.00 crores but during execution, specifications were changed and actual cost on completion was twice the tendered cost. Thus, the consultant was unduly benefited as there was no maximum limit fixed for the consultant's fee.
- vi) In the consultancy agreement generally the nature of repetitive type of work is not defined. In one work, 4 similar blocks comprising of 100 hostel rooms each were constructed. The consultants were paid same standard fees for each block. Due to this, the organization suffered loss at the cost of the consultant.
- vii) There is no check on consultant's planning, design and execution. In one work, pile foundation for a workshop building was designed with the capacity of the piles, capable of carrying twice the required load. In the same project, high capacity piles (450 mm dia, 20 m deep) were provided for a single-storeyed ordinary office building, which did not require pile foundation at all.
- viii) In another case, the project was for a design and construction of a training institute on a big plot of land in a very posh and expensive area. The whole construction was two storeyed with no scope for future expansion Ironically all other buildings in the vicinity are multi-storeyed highlighting the fact that space utilization here was very poor. Further, the walls in the reception area and on the outside of the auditorium were provided with acoustic insulation with no rationale. For air-conditioning of the library instead of providing a single AHU of suitable capacity with ducting, etc. 20 plus AHUs had been provided in the room. Such fanciful ideas along with poor planning and supervision resulted in the project suffering heavy cost and time overruns.

- ix) In one of the works for a bank in Mumbai, the substation equipment has been installed in the basement area, jeopardizing the safety aspect, as Mumbai gets its fair share of heavy rains and the area is also in close proximity to the sea.
- x) In many cases, the consultants charge exorbitant traveling expenses. For a work in Punjab, Mumbai based Architects were appointed. The fee payable to them was Rs.6.00 lakhs, but the actual traveling expenses ultimately paid to them were to the tune of Rs.7.5 lakhs.
- i) Sometimes the consultants pass on their responsibility to the contractor. In one work, the consultant was supposed to give design and drawing as per the consultancy agreement. While preparing the tender document for construction work, the responsibility for the preparation of drawings and structural design was entrusted with the construction contractor by adding a condition to that effect. The contractors loaded the quoted rates for the above work and the consultant was benefited at the cost of the organization.
- ii) In case of road projects, it was observed that consultants under different categories like general consultants, planning & design consultants and construction management consultants were appointed for almost all the activities of the projects without competitive bidding. The work done by the consultants is not checked by the departmental engineers who feel their job is mainly to issue cheques to the consultants/contractors.

4. The above list is only illustrative and not exhaustive. The Commission would like to reiterate the instructions regarding appointment of consultants. The appointment of consultants should be absolutely need based and for specialized jobs only. The selection of consultants should be made in a transparent manner through competitive bidding. The scope of work and role of consultants should be clearly defined and the contract should incorporate clauses having adequate provisions for penalizing the consultants in case of defaults by them at any stage of the project including delays attributable to the consultants. As far as possible a Project Implementation Schedule indicating maximum permissible time for each activity should be prepared with a view to arrest time overruns of the projects. There should be no major deviation in the scope of work after the contract is awarded and the consultant should be penalized for poor planning and supervision if the deviations result in excessive cost overruns. Further, the consultant's fee should be pegged based on the original contract value. The role of the consultants should be advisory and recommendatory and final authority and responsibility should be with the departmental officers only. It is suggested that these instructions may be circulated amongst the concerned officials of your organization for guidance in appointment/working of consultants in the engineering works/contracts. These instructions are also available on CVC's web site, <http://cvc.nic.in>

Sd/-
(M.P.Juneja)
Chief Technical Examiner

Encl: As above

To
All CVOs of Ministries/Departments/PSUs/Banks/Insurance
Companies/Autonomous Organizations/Societies/UTs.

ANNEXURE-I

No.3L PRC 1
Government of India
Central Vigilance Commission

No.3,Dr.Rajendera Prasad Road,
New Delhi,dt.12.11.1982

To
All Chief Vigilance Officers of all Public
Enterprises/Nationalised Banks.

Sub: Irregularities/lapses observed in the construction works undertaken by Public sector undertakings/banks.

The Chief Technical Examiner's Organization under the Commission has had occasion to examine and comment upon the works undertaken by Public Sector Undertakings, Banks etc. under the guidance of consultants. Common lapses noticed as a result of these inspections are enumerated below:-

- i) Employment of consultant without verifying his credentials and capacity or capability to do the work assigned to him.
- ii) Inadequate planning of work and incorrect preparation or non-preparation of detailed estimates by consultants.
- i) Non-preparation of justification statement for the rates quoted in tender, resulting in contract being awarded at very high rates.
- ii) Rejection of the lowest tender without adequate justification, on the ground that the contractor is not reliable or lacks capacity to execute the work, even though he was included in the original pre-qualification list.
- iii) Improper evaluation of tenders, leading to allotment of works wrongly with ultimate loss to the public undertaking.
- iv) Allowing upward revision of rates in some cases by contractors on very flimsy grounds during the process of negotiations, so that the lowest tenderer manages to make up the difference of cost between his quotation and the second lowest quotation.
- v) Payment of money to contractors outside the terms of contract. For example, in a large number of cases contract is for fixed price, but substantial payment is made on the ground of escalation of prices.
- vi) Use of inferior material in the construction, while payment is made at full rates on the approval of the consultant without making any financial adjustment.

- vii) Substitution of low-rated items by higher-rated items beneficial to contractor.
- viii) Lack of proper supervisory arrangement by the undertakings placing total reliance on the consultant for even preparation of the bill which leads to incorrect measurement of works and payment for the items of work not done. In view of these factors, it is recommended that while consultants may be engaged for the purposes of original planning and designing, scrutiny of tenders and execution of work should, as far as possible, be done by technical officers directly and fully answerable to the public undertaking/banks etc. concerned. For this purpose, engineers may be taken on deputation from Government departments, such as the CPWD. To the extent a consultant is engaged, it is also necessary to ensure that the relationship between the undertaking and the consultant is correctly defined so that the consultant can be held legally and financially responsible for the work entrusted to him. It is requested that suitable arrangements may be made for properly awarding works and exercising effective supervision and control in their execution with a view to ensure timely and systematic completion. Care may also be taken to guard against the types of irregularities indicated above.

Sd/-
(D.C. Gupta)
Director

ANNEXURE-II

No. 3L – IRC 1
Government of India
Central Vigilance Commission

No. 3, Dr. Rajendera Prasad Road,
New Delhi, dt. 10-1-1983

To,
All Chief Vigilance Officers of all Public
Enterprises/National Banks.

Sub: APPOINTMENT OF CONSULTANT.

Guidelines in connection with the selection of consultants by Public Sector Enterprises for preparation of project reports have been laid down by Bureau of Public Enterprises vide letter No. BPE/GL-025/78/Prod./PCR/2/77/BPE/Prod. dt. 15th July, 1978.

In brief the guidelines laid down are: -

- A. For any new projects, expansions, modernization/modification of the existing projects involving an expenditure of Rs.5 crores and above these guidelines are applicable.
- B. The pre-qualifications public notice should be issued to enlist names of suitable consultants.
- C. The pre-qualification bid should be screened by a scrutinising committee.
- D. The final selection and commissioning of the consultant should be done with the approval of the board of public sector enterprises.
- E. Based on the above guidelines each enterprise should prepare their own instructions and procedure duly approved by the board for the appointment of consultants to ensure that the selection is made with maximum attention to the suitability, competence and proven track record. The Chief Technical Engineer Organisation under the control of the Commission has had occasion to examine and comment upon works undertaken by public sector undertakings. Common irregularities/lapses noticed in the construction works undertaken by the public sector undertakings/banks have already been brought to your notice vide engineering works, it was observed that consultants were appointed on ad-hoc basis without going through proper formalities as suggested by B.P.E. and/or the consultant was chosen from an old panel thereby restricting competition. In most of the cases public sector enterprises have not framed their own instructions and procedures duly approved by the Board. Even though individually such works are less than Rs.5 crores, it is necessary that the appointment of consultant should not be made arbitrary or ad-hoc. It is, therefore, necessary that urgent action is taken to formulate a rational policy for employment of consultants based on the broad outlines given by B.P.E. This may be given priority and progress made in formulation of rules and procedure may be reported by 31-3-1983.

Sd/-
(D.C. Gupta)
Director

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 3rd August 2001

To

- (i) The Secretaries of all Ministries/Departments of Government of India
- (ii) The Chief Secretaries to All Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) The Chief Executives of All PSEs/Public Section Banks/Insurance Companies/Autonomous Organisations/Societies
- (vi) The Chief Vigilance Officers in the Ministries/Departments/ PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/ Societies
- (vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Subject: Improving Vigilance Administration - Tenders.

Sir,

Please refer to the instructions issued by the Commission vide its communication No. 8(1)(h)/98(1) dated 18.11.1998, banning post-tender negotiations except with L-1.

2. It is clarified that the CVC's instructions dated 18.11.1998, banning post-tender negotiations except with L-1 (i.e. the lowest tenderer), pertain to the award of work/supply orders etc., where the Government or the Government company has to make payment. If the tender is for sale of material by the Government or the Government company, the post-tender negotiations are not to be held except with H-1 (i.e. the highest tenderer), if required.

Yours faithfully,

Sd/-
(K.L. Ahuja)
Officer on Special Duty

Immediate

**No.98/ORD/1
Government of India
Central Vigilance Commission**

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated 24th August, 2000

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to All Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- (vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/ Autonomous Organisations/Societies
- (vii) President's Secretariat / Vice- President's Secretariat / Lok Sabha Secretariat/ Rajya Sabha Secretariat/ PMO

Subject: Improving Vigilance Administration-Tenders.

Sir,

Please refer to the instructions issued by Commission vide its communication No. 8 (1) (h)/98(1) dated 18.11.98, banning post tender negotiations except with L-1.

2. The Commission has been getting a number of queries on how to handle the matter if the quantity to be ordered is more than L-1 can supply or about placement of orders on Public Sector Undertakings. It is requested that such matters may be dealt with in accordance with the clarifications issued by the Commission vide its letter of even number dated 15.3.99 (copy enclosed).

3. Some of the organisations have sought clarification as to whether they can consider the L-2 offer or negotiate with that firm if L-1 withdraws his offer before the work order is placed, or before the supply or execution of work order takes place. In this regard, it is clarified that such a situation may be avoided if a two-bid system is followed (techno-commercial) so that proper assessment of the offers is made before the award of work order. Therefore, if L-1 party backs out, there should be retendering in a transparent and fair manner. The authority may in such a situation call for limited or short notice tender if so justified in the interest of work and take a decision on the basis of lowest tender.

4. The Commission has also been getting references for its advice on the procedures being followed in individual cases of tenders. The Commission would not involve itself in the decision making process of individual organisations. It, however, would expect the organisations to implement its instructions dated 18.11.98, in its spirit and to ensure that the decisions of administrative authorities are transparent.

Yours faithfully,
Sd/-
(K.L.Ahuja)
Officer on Special Duty

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block A,
GPO Complex, INA
New Delhi-110023
Dated the 15th March, 1999

To

- (i) The Secretaries of All Ministries/Departments of Govt. of India
- (ii) The Chief Secretaries to all Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) Chief Executives of All PSUs/Banks/Organisations
- (vi) All Chief Vigilance Officers in the Ministries/Departments/ PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/ Societies
- (vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Subject: Improving vigilance administration-Tenders.

Sir,

Please refer to CVC's instructions issued under letter No.8(1)(h)/98(I) dt. 18.11.98 banning post tender negotiations except with L-1 i.e., the lowest tenderer. Some of the organizations have sought clarifications from the Commission as they are facing problems in implementing these instructions. The following clarifications are, therefore, issued with the approval of Central Vigilance Commissioner :

- (i) The Government of India has a purchase preference policy so far as the public sector enterprises are concerned. It is clarified that the ban on the post tender negotiations does not mean that the policy of the Government of India for purchase preference for public sector should not be implemented.
- (ii) Incidentally, some organisations have been using the public sector as a shield or a conduit for getting costly inputs or for improper purchases. This also should be avoided.
- (iii) Another issue that has been raised is that many a time the quantity to be ordered is much more than L1 alone can supply. In such cases the quantity order may be distributed in such a manner that the purchase is done in a fair transparent and equitable manner.

Yours faithfully,

Sd/-
(P.S.Fatehullah)
Director

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 5th May, 2003

To

- (1) Chief Executives of all PSUs/PSBs/Insurance Sector/Organisations
(2) All Chief Vigilance Officers

Subject: Purchase of computer systems by Govt. departments/organisation.

Sir/Madam,

It has come to the notice of the Commission that some departments/organisations are issuing tenders for purchase of computers where they mention and insist on the international brands. This not only encourages the monopolistic practices but also vitiates the guidelines issued by the Ministry of Finance, D/o Expenditure vide its OM No. 8(4)- E.II(A) 98 dated 17.12.1998 (copy enclosed).

2. It is, therefore, advised that departments/organisations may follow the instructions issued by the Department of Expenditure.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

**No.8(4)-E.II(A)/98
Government of India
Ministry of Finance
(Department of Expenditure)**

.....

New Delhi, the 17th December, 1998

OFFICE MEMORANDUM

Subject: Purchase of Computer Systems by Government Departments.

....

The undersigned is directed to invite attention to the provisions of GFR 102(1) and the Annexure to the same according to which "Open Tender" system (that is, invitation totender by public advertisement) should be used as a general rule in all cases in which the estimated value of demand is Rs. 50,000/- and above.

2. It has been brought to the notice of this Ministry by Deptt. of Electronics that certain Ministries/Deptts etc. issue tenders for purchase of personal computers where they specify the international brands like IBM, Compaq, HP, Digital, DELL or Gateway Micron. This vitiates the guidelines for open tender system laid down in GFRs and deprives other brands including domestic manufacturers of an opportunity to participate in the tender. Further Deptt. of Electronics have pointed out that brand names do not have any great advantage since at the broad level there is hardly any difference between the competing products because they predominantly use Intel microprocessors.

3. Separately, DGS&D have informed that generalised specifications for personal computers have been finalised and the process of concluding rate contract is being initiated.

4. It is, therefore advised that Ministries/Departments should follow the open tender system without vitiating it by specifying brand names in accordance with the provisions in GFRs for purchase of personal computers till a rate contract for computers is concluded by DGS&D. Thereafter, computers could be purchased on rate contract basis.

**Sd/-
(Narain Das)**

Under Secretary to the Govt. of India
To
All Ministries/Departments of Govt. of India

IMMEDIATE

No. 8(I)(h)/98/(I)
CENTRAL VIGILANCE COMMISSION

Jaisalmer House, Man Singh Road
New Delhi – 110011
Dated the 18th November, 1998

SUB : Improving vigilance administration

The Central Vigilance Commission Ordinance 1998 under Section 8(I)(h) directs that power and function of the CVC will be the following :

“ exercise superintendence over the vigilance administration of the various Ministries of the Central Government or corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by that Government”.

2. Improving vigilance administration is possible only if system improvements are made to prevent the possibilities of corruption and also encourage a culture of honesty. In exercise of the powers conferred on the CVC by Section 8(I)(h), the following instructions are issued for compliance :

2.1 Creating a culture of honesty

Many organizations have a reputation for corruption. The junior employees and officers who join the organizations hopefully may not be so corruption minded as those who have already been part of the corrupt system. In order to ensure that a culture of honesty is encouraged and the junior officers do not have the excuse that because their seniors are corrupt, that they have to also adopt the corrupt practices, it is decided with immediate effect that junior employees who initiate any proposal relating to vigilance matters which is likely to result in a reference to the CVC can send a copy directly to the CVC by name. This copy will be kept in the office of the CVC and data fed into the computer. If within a reasonable time of say three to six months, the reference does not come to the CVC, the CVC then can verify with the concerned authorities in the department as to what happened to the vigilance case initiated by the junior employee. If there is an attempt to protect the corrupt or dilute the charges, this will also become visible. Above all the junior officers will not have the excuse that they have to fall in line with the corrupt seniors. Incidentally, the seniors also cannot treat the references made directly to the CVC as an act of indiscipline because the junior officers will be complying with the instructions issued under Section 8(I)(h) of the CVC Ordinance 1998. However, if a junior officer makes a false or frivolous complaint it will be viewed adversely.

2.2 Greater transparency in administration

2.2.1 One major sources of corruption arises because of lack of transparency. There is a scope for patronage and corruption especially in matters relating to tenders, cases where exercise of discretion relating to out of turn conferment of facilities/privilege and so on. Each Organisation may identify such items which provide scope for corruption and where greater transparency would be useful. There is a necessity to maintain secrecy even in matters where discretion has to be exercised. But once the discretion has been exercised or as in matters of tenders, once the tender has been finalised, there is no need for secrecy. A practice, therefore, must be adopted with immediate effect by all organisations within the purview of the CVC that they will publish on the notice board and in the organisation's regular publication the details of all such cases regarding tenders or out of turn allotments or discretion exercised in favour of an employee/party. The very process of publications of this information will provide an automatic check for corruption induced decisions or undue favours which go against the principles of healthy vigilance administration.

2.2.2. The CVC will in course of time take up each organisation and review to see whether any additions and alterations have to be made to the list of items which the organization identified in the first instance for the monthly communications for publicity in the interests of greater transparency. This may be implemented with immediate effect.

2.3 Speedy departmental inquiries

2.3.1 One major source of corruption is that the guilty are not punished adequately and more important they are not punished promptly. This is because of the prolonged delays in the departmental inquiry procedures. One of the reasons for the departmental inquiry being delayed is that the inquiry officers have already got their regular burden of work and this inquiry is to be done in addition to their normal work. The same is true for the Presenting Officers also.

2.3.2. Each organization, therefore, may immediately review all the pending cases and the Disciplinary Authority may appoint Inquiry Officers from among retired honest employees for conducting the inquiries. The names of these officers may be got cleared by the CVC. The CVC will also separately issue an advertisement and start building a panel of names all over India who can supplement the inquiry officers work in the department. In fact, it will be a healthy practice to have all the inquiries to be done only through such retired employees because it can then be ensured that the departmental inquiries can be completed in time. If any service/departmental rules are in conflict with the above instructions they must be modified with immediate effect.

2.3.3. In order to ensure that the departmental inquiries are completed in time, the following time limits are prescribed :

- (i) In all cases which are presently pending for appointment of Inquiry Officer and Presenting Officer, such appointment should be made within one month. In all others cases, the Inquiry Officer and the Presenting Officer should be appointed , wherever necessary, immediately after the receipt of the public servant's written statement of defence denying the charges.

- (ii) The Oral inquiry, including the submission of the Inquiry Officer's report, would be completed within a period of 6 months from the date of appointment of the Inquiry Officer. In the preliminary inquiry in the beginning requiring the first appearance of the charged officers and the Presenting Officer, the Inquiry Officer should lay down a definite time-bound programme for inspection of the listed documents, submission of the lists of defence documents and defence witnesses and inspection of defence documents before the regular hearing is taken up. The regular hearing, once started, should be conducted on day-to-day basis until completed and adjournment should not be granted on frivolous grounds.

2.3.4. One of the causes for delay is repeated adjournments. Not more than two adjournments should be given in any case so that the time limit of six months for departmental inquiry can be observed.

2.3.5 The IO/PO, DA and the CVO will be accountable for the strict compliance of the instructions in every case.

2.4 Tenders

Tenders are generally a major source of corruption. In order to avoid corruption, a more transparent and effective system must be introduced. As post tender negotiations are the main source of corruption, post tender negotiations are banned with immediate effect except in the case of negotiations with LI (i.e. Lowest tenderer).

4. Hindi version will follow.

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

- i) The Secretaries of All Ministries/Departments of Government of India
- ii) The Chief Secretaries to All Union Territories
- iii) The Comptroller & Auditor General of India
- iv) The Chairman, Union Public Service Commission
- v) All Chief Vigilance Officers in the Ministries/Departments/ PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vi) President 's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Miscellaneous

Sl. No.	Subject	Office Order/ Circular No.	File ref. No.	Date of Issue	Page No.
1	Revised threshold values for submission of Quarterly Progress Report-QPR	15/07/12	No.98-VGL-25/ 184975	30.07.2012	
2	Deficiencies in QPRs	--	98/VGL/25	29.05.2009	
3	Intensive Examination of works by CTE's Organisation –Submission of quarterly progress report		No.98-VGL-25	10.11.2005	
4	Intensive Examination of works by CTE's Organization- Submission of Quarterly Progress Report.		No. 98/VGL/25	16.05.2005	
5	Information regarding QPR in the CVOs Monthly Report	4/1/05	No.004/RTN/3	01.02.2005	
6	Recoveries arising out of intensive examination conducted by Chief Technical Examiner's Organisation (CTEO) of the commission	11/09/11	No. TE (NH)/2011/ Recoveries/144262	12.09.2011	
7	Disclosure of movement/tour details of the officers/officials working in the vigilance departments of the Govt. Organisations.	26/07/10	CVC/RTI/Misc/10/002	15.07.2010	
8	Forensic Sciences – Capabilities.	34/12/09	009-CRD-025/79249	16.03.2010	
9	Authorization of the Central Government to file an application u/s 3 of the Criminal Law (Amendment) Ordinance, 1944 for attachment of the money or property procured by means of the scheduled offence.	18/07/09	No. 009/VGL/028	24.07.2009	

10	Appointment of CVOs/VOs in Organizations other than Ministries/ Deptts, PSUs, PSBs & Insurances Companies.		No. 6W-CVO-61	15.10.2009	
11	Sensitizing the Public about corruption – display of standard notice board by Departments/Organizations - reg.	14/6/09	No.99/VGL/16	05.06.2009	
12	Authorization of the Central Government to file an application u/s 3 of the Criminal Law (Amendment) Ordinance, 1944 for attachment of the money or property procured by means of the scheduled offence.		No. 219/12/2009-AVD-II	13.05.2009	
13	Issue of internal guidelines/circulars by organizations for vigilance administration.	16/4/08	No.008/VGL/035	28.04.2008	
14	Two day Work shop/ Seminar regarding IT Procurement held in June 2007 at Bank of India, Mumbai.	9/2/08	No.008/VGL/016	18.02.2008	
15	Measures to curb the menace of counterfeit and refurbished IT products - regarding	07/02/08	No.007/CRD/008	15.02.2008	
16	Corporate Governance and Ethics - Challenges and Imperatives, a note by Smt. Ranjana Kumar, Vigilance Commissioner.	38/10/07	No.007/VGL/070	29.10.2007	
17	Absorption of CVOs or appointment against higher posts in the same organisation – regarding.	32/9/06	No.006/VGL/091	12.09.2006	
18	Protection against victimisation of officials of the Vigilance Units of various Ministries/ Departments/ organisations.	16/3/06	No.006/VGL/022	28.03.2006	

19	Action against public servants, serving as witnesses, but turning hostile in trap and other cases of CBI.	73/12/2005	No.000/VGL/154	15.12.2005	
20	Foreign Visits by Government Employees.	16/07/09	No.004/VGL/087	06.07.2009	
21	Foreign Visits by Government Employees.	60/09/05	No. 004/VGL/87	27.09.2005	
22	Foreign visits by the Government employees.	74/12/04	No.004/VGL/87	08.12.2004	
23	Foreign visits by the Government employees.	67/10/04	No.004/VGL/87	25.10.2004	
24	Festival gifts to Government servants by PSU's etc.	No.67/10/05	No.005/MSC/25	13.10.2005	
25	Acceptance of gifts by Government servants.	60/9/04	No.004/MSC/032	22.09.2004	
26	Acceptance of gifts by Government servants	40/8/2003	No.002/MSC/70	27.08.2003	
27	Reporting in ACRs by the officers under investigation of the officers conducting vigilance investigation.	62/9/04	No.004/VGL/79	04.10.2004	
28	Chief Vigilance Officers - status & perquisites in Public Sector Undertakings.	45/9/03	No.003/VGL/18	17.09.2003	
29	Clarifications on Commission's Directions	36/7/03 dated 9.7.2003	No.98/DSP/9	13.08.2003	
30	Exchange of information between PSBs and PSUs		001/VGL/67	10.01.2002	
31	Voluntary Retirement Scheme/Voluntary Separation Scheme for the employees of Public Enterprises.		No.001/DSP/4	10.09.2001	
32	Guidelines to be followed in handling of intimations of acquisition reported by public servants		No.99/VGL/69	26.02.2001	
33	Voluntary Retirement Scheme/Voluntary Separation Scheme for the employees of Public Enterprises		No. 2(32)/97-DPE(WC) GL-XXXV	08.12.2000	

34	Effective punishment of the corrupt through traps		No.3(v)/99/13	28.09.2000	
35	Appointment of consultants in vigilance departments		No.3(V)/99/12	14.08.2000	
36	Improving Vigilance Administration - Sensitising the Public about corruption		No. 8(1)(g)/99(4)	12.03.1999	
37	Encouraging a culture of honesty		No.98/VGL/32	26.10.1998	
38	Rotation of officials working in sensitive posts – reg.	02/01/12	No.004/VGL/90	04.01.2012	
39	Rotation of officials working in sensitive posts.	17/4/08	No.004/VGL/90	01.05.2008	
40	Rotation of officials working in sensitive posts		No. 98/VGL/60	02.11.2001	
41	Rotation of officials working in sensitive posts		No.98/VGL/60	15.04.1999	

No.98-VGL-25/184975
Central Vigilance Commission

SATARKTA BHAVAN,
 Block A, GPO Complex,
 INA, New Delhi - 110023
 Dated the 30.07.2012.

CIRCULAR NO.15/07/12

Sub : Revised threshold values for submission of Quarterly Progress Report -QPR.

In supersession to the Commission's earlier OM's on the subject, the threshold limits for reporting of the contracts in the QPR to the Commission, are revised as under :

Works / Contracts	Revised Value
<u>Category I :</u>	Rs.5 crores & above.
(a) Civil Works	
(b) Turnkey works contracts.	
(c) Stores & Purchase	
(d) PPP – Public Private Partnership (Cost Revenue values)	
(e) Sale of Goods / Scrap / Land.	
<u>Category II :</u>	
(f) Electrical/Mechanical Works/Maintenance/Service contracts including Electronics Instrumentation Telecommunication, Man Power supply etc.	Rs. 1 Crore & above.
(g) Medical Equipment	Rs.50 lakhs & above.
(h) Consultancy contracts	Rs. 1 crore & above.
<u>Category III :</u>	
(i) Horticulture Works	Rs.10 lakhs & above.
(j) Supply of Medicines	4 largest value contracts.

2. QPRs should be submitted both in softcopy (in MS Excel format) through e-mail at qpr.te.general@nic.in as well as hardcopy separately for such sub-category mentioned above. For contracts below the threshold value, CVO may conduct CTE type of inspections and intimate the outcome to the Commission through their regular monthly/quarterly reports.

3. The revised limits would come into effect from July-September 2012 Quarter onwards.
4. The Commission is in the process of 'On-line' submission of QPR. The details instructions on this would follow. Meanwhile, organizations are requested to make necessary arrangement for on-line submission of QPR and also documents (if called for). These facilities may be developed in next two months and confirmed to the Commission.
2. The following explanatory notes are for guideline regarding the QPR.
 - i) Civil works also include marine, mining, excavation and transportation works.
 - ii) Electrical Mechanical works also include air conditioning for fighting for alarm and all other allied works.
 - iii) In case there are no works awarded more than the threshold value mentioned under each sub-category. 2 contracts with highest value in each of such sub-category should be reported. In case no contracts are awarded "Nil" QPR may be sent.
 - iv) . In case the orders are placed in foreign currency the threshold limit would be determined based on conversion of foreign with Indian Rupee at the exchange rate defined in the tender documents. However the currency of payments may also be indicated as per the contract.
 - v) Contracts awarded on Assignment Nomination Single Tender OEM/ OES/PAC (*) basis falling in the above categories shall be reported
(*) OEM Original Equipment Manufacturer
OES Original Equipment Supplier
PAC Proprietary Article Certificate
 - vi) For furnishing the QPR related to Sale Contracts (sub-category-I(e))the QPR may also to indicate the value as per reserve price besides the sale price.
 - vii) The organizations shall report all types of contracts irrespective of their role as Client Owner or Engineer-in-Charge of the Contract or Project Management Supervision Consultant.
 - viii) All works whether in India or outside India in progress, contracts awarded and the works completed during the quarter shall be included in the QPR . In respect of works completed during the relevant quarter, the actual date of completion shall be indicated.
 - ix) CVO to certify on the QPR that the Works/Purchase Consultancies and other contracts required to be reported as per circular have been included in the QPR.
3. In case of any doubt regarding threshold value or the type of contract, the CTE Organization of the Commission may be consulted.
4. The contents of the circular may be brought to the notice of all concerned.

Sd/-

(Ramesh Chandra)

Chief Technical Examiner

Telephone No. 011-24658213

To : All CVOs of Ministries /Departments/PSUs/Banks/Insurance Companies/Automobile Organizations/Societies/ UTs.

No. 98 VGL 25
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION

Satarkata Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023
Dated: 29th May, 2009

OFFICE MEMORANDUM

Subject: Deficiencies in QPRs

From a perusal of the QPRs being received from various organizations, following deficiencies have been observed:

- (i) QPRs are not being submitted in the prescribed format.
- (ii) The required certificate from the CVOs that all the qualifying works have been reported, is not being given in the QPRs.
- (iii) Estimated cost/Tendered Value of work is not being indicated in lacs uniformly. For some works in the same QPR, Estimated Cost/Tendered Value is being indicated in Rupees, Lacs and Crores which creates confusion.
- (iv) QPRs received from various units of the organization are forwarded to CTEO as it is, without scrutiny and compilation by CVOs, in the formats as used by units.
- (v) In case the work in progress is less than the prescribed value, only two highest value works are to be reported, whereas a number of works below the prescribed value are being reported unnecessarily.
- (vi) Clear name of works including locations is not being provided in a number of cases.
- (vii) Full designation and location of the Engineer In-charge is not being indicated in the QPRs.
- (viii) Date of start and date of completion are not being indicated in dd-mm-yy format, rather unwanted information such as number of days allowed to the agency to start the work after issue of LOI etc. are being given.
- (ix) Against the requirement of indicating the physical progress of the work in % terms, the quantities of various items of work are being given, which are not required.
- (x) In the column 'Tender Amount', only 'Item Rate' is being mentioned which does not serve the purpose.

Therefore, all CVOs are advised to furnish QPRs with due care keeping in view the deficiencies noted above.

Sd/-
(V K Gupta)
Chief Technical Examiner

To
All Chief Vigilance Officers.

No.98-VGL-25
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkta Bhavan, Block-A,
GPO Complex, 4th Floor,
INA, New Delhi: 110023
Dated the 10th Nov., 2005

To
All Chief Vigilance Officers

Sub: Intensive Examination of works by CTE's Organisation –Submission of quarterly progress report.

Please refer to Commission's OM No. 98-VGL-25 dated 16.5.2005 wherein it was clarified that the consultancy contracts, all service contracts equipment & supplies of medicines to hospitals etc. are to be included in the QPRs being furnished to the CTE's Organization.

2. It was also enjoined upon all the CVOs to certify on the QPRs that all the works/purchase/consultancy and other contracts in progress as per the prescribed monetary limit have been included in the QPR.

3. It has been observed that many of the QPRs do not contain the consultancy contracts, service contracts and equipment & medicine purchase contracts and also the requisite certificates from the CVOs.

4. It is once again enjoined upon all the CVOs that the QPRs should contain all the ongoing contracts above prescribed financial limit, separately, for the below mentioned categories:-

Civil - Rs. 1.00 Cr. and above

Elect/Mech.Works Rs. 30 Lacs & above

Store Purchase Rs. 2 Cr. and above

Hort. Rs. 2 lacs and above

Medical equipment Rs. 1 Cr. & above

Consultancy 2 largest value contracts

Service contracts 2 largest value contracts.

Supplies of medicines 4 largest value contract.

Requisite certificate by CVO, should also be enclosed along with the QPR.

5. In case organization, which are undertaking such works in the areas mentioned above where the monetary value of all such works is less than the limits prescribed above, they may report 2 largest works in progress in each discipline. If the organization is not undertaking any work under any particular discipline, a 'NIL' report should be furnished.

6. The above instructions are for strict compliance with immediate effect.

Yours faithfully,

Sd/-

(P. Verma)

Chief Technical Examiner

No. 98/VGL/25
Government of India
Central Vigilance Commission
(CTE's Organization)

Satarkta Bhawan, Block-A
INA ,New Delhi-110023
Dated: 16th May,2005

OFFICE MEMORANDUM

Sub: Intensive Examination of works by CTE's Organization- Submission of Quarterly Progress Report

Please refer to the Commission's OM No. 98/VGL/25 dated 20.10.98, 98/VGL/25 dated 20.07.01 and OFF-I-CTE-I(Pt) dated 23.12.03 regarding submission of quarterly progress reports(QPR's) to the CTE's Organization in the prescribed format in respect of Civil Works costing more than Rs. 1.00 crores, Electrical/Mechanical and other Allied works costing more than Rs. 30.00 Lacs, Stores/Purchase contracts costing more than Rs 2.00 crores and Horticulture works costing more than Rs 2.00 Lacs .

2. It is clarified that the consultancy contracts, all service contracts such as hiring/leasing of cycle stands etc., transportation contracts, catering, equipment & supplies of medicines to hospitals etc. are also to be reported in the respective QPR.

3. As per above-mentioned office memorandums, all the works above the prescribed limit have to be reflected in the quarterly progress reports. In case of organizations, which are undertaking such works in the areas mentioned above, where the monetary value of all such works is less than the limits prescribed above, they may report two largest works in progress in each discipline. Instances have come to the notice of the Commission, where all the works in progress, were not reflected in the quarterly progress report submitted by the organization. It is enjoined upon all the Chief Vigilance Officers to certify on the QPR that "All the works/purchases/Consultancy and other contracts in progress, as per the prescribed monetary limit, have been reported in this QPR."

4. The above instructions are for strict compliance.

Sd/-
(Smt. Padmaja Varma)
Chief Technical Examiner

To,
All CVOs of Ministries/Departments/PSUs/Banks/Insurance
Companies / Autonomous Organizations / Societies/Uts

No.004/RTN/3
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 1st February, 2005

Office Order No. 4/1/05

Subject:- Information regarding QPR in the CVOs Monthly Report.

Reference is invited to Commission's letter of even no. dated 9/8/2004 regarding submission of Monthly Report and Annual Report by CVOs.

2. The following amendments in para **12 "Other Activities"** of Monthly Report of the CVO may be noted:-

12 Other Activities

- a. Training Courses conducted in vigilance awareness
- b. Systems Improvement undertaken
- c. Extent of IT usage and the e-governance
- d. Job Rotation
- e. Whether QPR has been furnished to CTE
(Yes/No)
- f. Whether CTE type inspections conducted by CVO
(Yes/No)
- g. Others

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No. TE (NH)/2011/Recoveries/144262
Central Vigilance Commission

Satarkta Bhawan, Block-A
GPO Complex, I.N.A.,
New Delhi-110023
Dated the 12th Sept, 2011

Circular No. No. 11/09/11

Sub: Recoveries arising out of intensive examination conducted by Chief Technical Examiner's Organisation (CTEO) of the commission.

Instances have come to notice that some organizations while notifying / effecting recoveries from the contractors bills indicate that the recoveries are consequent to the observations made by the CTEO.

In this connection, it may be noted that the contracts are primarily between the executing agency and the contractor. Any endorsements that the recoveries are being made at the instance of a third party could weaken the department's case during arbitration or court proceedings. Further, the observations / advice of the Commission are required to be considered by the executing agencies in terms of the contract and recoveries are to be enforced as admissible as per the conditions of the contract. The organizations are advised that justification / reasons for recoveries in line with contract clauses should be recorded while notifying / effecting recoveries from the contractors.

It is requested that these instructions may be notified to all concerned.

Sd/-
(Anil Singhal)
Chief Technical Examiner

To

All Chief vigilance Officers/Heads of organizations.

No. CVC/RTI/Misc/10/002
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA
New Delhi – 110023
Dated : 15.07.2010

Circular No. 26/07/010

Subject : Disclosure of movement/tour details of the officers/officials working in the Vigilance Departments of the Govt. organization .

The attention of the CVOs concerned is drawn to the Central Information Commission's decision dated 16.09.2009 in case No. CIC/AT/A/2009/000100 in the case of Shri Nihar Ranjan Banerjee, CVO & Shri Bidya Nand Mishra, DGM (Vig), Coal India Limited Vs. Shri M.N. Ghosh, in which the issue of disclosure of movement/tour details and TA bills of the officers/officials working in the vigilance departments of the Govt. Organisation has been considered/debated by the Central Information Commission.

2. The Central Information Commission, in its decision, had observed that :-

“ I agree with the review petitioners, given the specific circumstances and conditions surrounding the set of information now requested by the applicant., viz. tour details, vehicle logbooks, purpose of visits, overtime payments, etc., no public interest is served by their disclosure. On the contrary, there is a distinct possibility that disclosure of this information will compromise the functioning of the Vigilance Officers the review-petitioners and not only expose them to physical risks and intimidations, but impair their ability to carry out their sensitive assignments. Certain level of protection needs to be given to such officers even in respect of disclosure of ordinary looking information for, what is seemingly ordinary, assumes the characteristics of the extra ordinary in specific circumstances and conditions, which according to me, are present in this case.”

“ As has been explained by the review-petitioners, in the circumstances and the atmosphere in which they work and the specificity of their sensitive assignment, the requested information had the potentiality of endangering the officers' life and their physical safety, apart from leading to identification of the source of information or assistance given in confidence for discharge of their law-enforcement functions as Vigilance Officers.”

3. The Central Information Commission, had, on the basis of above observations decided that movement/tour details and TA bills of the officers/officials working in the vigilance departments of the Govt. Organisation should not be disclosed, keeping in view the provisions contained under Section 8(1)(g) of the RTI Act.

4. The CVOs may bring the above quoted decision of the Central Information Commission to the notice of all the CPIOs/Appellate Authorities of their organization, who may consider the Central Information Commission's decision, while deciding about the RTI Applications seeking tour/movement details of the officers/officials working in the vigilance organisations. (The complete decision of the Central Information Commission in case No. CIC/AT/A/2009/000100 is available on its website, www.cic.gov.in, in downloadable form and can be accessed from there)

(Rajiv Verma)
Under Secretary & Nodal CPIO

To

All Chief Vigilance Officers

No. 009-CRD-025/79249
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA
New Delhi – 110023
Dated : the 16th March, 2010

Circular No. 34/12/09

Subject : Forensic Sciences – Capabilities.

Forensic science helps in resolving complex criminal and civil disputes. Many professional organisation undertake forensic examinations that could be useful for resolving important criminal and civil dispute and cases.

2. The Commission has come across certain skills and tools that professional organisations process in forensic sciences arena that could be important for investigations. Organisations could explore improving the quality of their investigations through use of forensic tools and expertise for ascertaining facts that could be crucial for arriving at definite conclusions in cases, where forensic examination is considered essential. Organisation can take their own decision based on their assessment of the capabilities, quality and delivery in time of their service by such professional organisation.

This advisory is being issued for information only.

Sd/-
(Vineet Mathur)
Director

All Chief Vigilance Officers PSUs /banks/Organisations.

No. 009/VGL/028
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex ,INA
New Delhi-110023
Dated 24th July,2009

Circular No. 18/07/09

Sub:-Authorization of the Central Government to file an application u/s 3 of the Criminal Law (Amendment) Ordinance, 1944 for attachment of the money or property procured by means of the scheduled offence.

Sir,

A copy of the DOPT's OM No. 219/12/2009-AVD-II dated 13.5.2009 on the subject mentioned above is enclosed for information and necessary action.

Sd/-
(J.Vinod Kumar)
Under Secretary

All Chief Vigilance Officers

Encl: As above.

No. 6W-CVO-61
Government of India
Central Vigilance commission

Satarkta Bhawan, Block-A
GPO Complex, INA,
New Delhi-110023
Dated 15th October, 2009

Sub: Appointment of CVOs/VOs in Organizations other than Ministries/Depts, PSUs, PSBs & Insurance Companies.

As per the CVC Act, 2003, the Commission has been mandated to inquire or 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 inter-alia, 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. This follows that all 'Corporations', Govt. Companies, Societies and Local Authorities (apart from Govt. of India Depts/Ministries, PSUs, Banks & Insurance Companies) owned or controlled by the Central Govt. should have an in-house vigilance set-up in place, headed by a Chief Vigilance Officer or a Vigilance Officer. In fact, the commission has been emphasizing the need for this during its inter-action with the CVOs of the Ministries/Depts. However, it seems that there are, even now, a few Organizations falling within the above categories which do not have in-house vigilance set-ups and/or duly appointed CVOs or VO.

2. Chief Vigilance Officers of all Ministries and Depts. are accordingly requested to ensure that a proper/structured vigilance set-up is put in place, if it does not exist already, in every organization of the type mentioned above, under the administrative control of their Ministry/Dept. A compliance report in this regard may please be furnished to the Commission in the format enclosed within two months.

Sd/-
(P M PILLAI)
Officer on Special Duty

No.99/VGL/16
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi- 110023
Dated the 5th June, 2009

Circular No. 14/6/09

Sub:- Sensitizing the Public about corruption – display of standard notice board by Departments/Organizations - reg.

Please refer to the Commission's circular No. 8(1) (g)/99 (4) dated 12.03.1999, Office Order Nos. 37/7/03 dated 17.07.2003 and 34/5/04 dated 14.05.2004 regarding 'Improving Vigilance Administration-Sensitizing the public about corruption'. According to these orders, all Departments/Organizations are required to prominently display a standard notice board in the reception area of each of their offices about the message of the Commission for not giving bribe to any official etc.

2. The Commission has reviewed the position and observes that some of the Departments/Organizations are not following the practice of displaying the notice boards. In order to improve vigilance administration and to sensitize the public, vendors, contractors and suppliers etc. having dealings with the respective Departments/Organizations, it is felt that such notice boards need to be displayed by each Department/Organization. Accordingly, all Departments/Organizations should display the board in the following format, in English, Hindi and as well as in the vernacular language of the area, as below:

“DO NOT PAY BRIBES. IF ANYBODY OF THIS OFFICE ASKS FOR BRIBE OR IF YOU HAVE ANY INFORMATION ON CORRUPTION IN THIS OFFICE OR IF YOU ARE A VICTIM OF CORRUPTION IN THIS OFFICE, YOU CAN COMPLAIN TO THE HEAD OF THIS DEPARTMENT, OR THE CHIEF VIGILANCE OFFICER/THE SUPERINTENDENT OF POLICE, CENTRAL BUREAU OF INVESTIGATION AND THE SECRETARY, CENTRAL VIGILANCE COMMISSION”.

All complaints to the Central Vigilance Commission may be made in terms of its 'Complaint Handling Policy' which is available in public domain on the Commission's website i.e. www.cvc.gov.in . Complaints can also be lodged online on Commission's website.

3. In addition to above message to be displayed, the designation, complete address, telephone/fax nos. and E-mail address of the Head of the Department, Chief Vigilance Officer and SP, CBI may be displayed. In so far as the Commission is concerned, only the designation and address of the Secretary, CVC need to be displayed on the notice board.

4. All CVOs may note the above revised guidelines and furnish compliance report in the matter expeditiously.

Sd/-
(J. Vinod Kumar)
Under Secretary

All Chief Vigilance Officers.

No. 219/12/2009-AVD-II
Government of India
Ministry of Personnel, Public Grievances and Pensions
(Department of personnel and Training)

New Delhi dated 13th May, 2009

OFFICE MEMORANDUM

Subject: **Authorization of the Central Government to file an application u/s 3 of the Criminal Law (Amendment) Ordinance, 1944 for attachment of the money or property procured by means of the scheduled offence.**

The undersigned is directed to say that for attachment and forfeiture of illegally acquired property of public servants, the CBI/Prosecution Agency is presently invoking the provisions of the Criminal Law (Amendment) ordinance, 1944 (Ordinance No. 38 of 1944).

2. It has been observed that although, "Central Government" has not been defined in the said Ordinance, the Central Bureau of Investigation (CBI) has been requesting the Department of Personnel & Training seeking authorization of the Central Government to file an application u/s 3 of the Criminal Law (Amendment) Ordinance, 1944 for attachment of the money or property procured by means of the scheduled offence, in the cases investigated by the CBI. It has now been decided to issue these instructions to clarify and settle the definition of Central Government for the purpose of the Prevention of Corruption Act, 1988 and Criminal Law (Amendment) Ordinance, 1944.

3 Under Section 5(6) of the Prevention of Corruption Act, 1988, a Special Judge while trying an offence punishable under this Act, shall exercise all the powers and functions exercisable by a District Judge under the Criminal Law (Amendment) Ordinance, 1944 (Ordinance 38 of 1944). As per Section 19 of the P.C. Act, 1988 previous sanction is necessary-

(1) No court shall take cognizance of an offence punishable under section 7, 10, 11, 13 and 15 alleged to have been committed by a public servant, except with the previous sanction,-

- (a) in the case of a person who is employed in connection with the affairs of the Union and is not removable from his office save by or with the sanction of the Central Government, of that Government;
- (b) in the case of a person who is employed in connection with the affairs of a State and is not removable from his office save by or with the sanction of the State Government, of that Government;
- (c) in the case of any other person, of the authority competent to remove him from his office.

- (2) Where for any reason whatsoever any doubt arises as to whether the previous sanction as required under sub-section (I) should be given by the Central Government or the State Government or any other authority, such sanction shall be given by that Government or authority which would have been competent to remove the public servant from his office at the time when the offence was alleged to have been committed.

5. Under Section 3 of the Criminal Law (Amendment) Ordinance, 1944, if the State Government or the Central Government, as the case may be, has reason to believe that any person has committed (whether after commencement of this ordinance or not) any scheduled offence, the State Government or the Central Government, as the case may be, may whether or not any court has taken cognizance of the offence, authorize for making of an application to the District Judge within the local limits of whose jurisdiction the said person ordinarily resides or carries on business, for the attachment under this ordinance of the money or other property which the State Government or the Central Government believes the said person to have procured by means, of the offence, or if such money or property cannot for any reason, be attached or other property of the said person of value as nearly as may be equivalent to that of the aforesaid money or other property.

6. The matter has been considered in consultation with the Ministry of Law and Justice, as to which Ministry/Department/Authority may be considered the "Central Government" for the purpose of Section 3 of Criminal Law (Amendment) Ordinance, 1944. In the light of the said provisions of the PC Act, 1988, admittedly the sanction for prosecution in respect of a public servant under PC Act has to be given by such Government or authority which would be competent to remove the public servant from his office. **Since the properties referred to in Section 3 would have a correlation with the offence committed under the PC Act, the obvious conclusion would be that the authorization u/s 3 of the Criminal Law (Amendment) Ordinance, 1944 (Ordinance No. 38 of 1944) would also have to be given by such authority who would be competent to accord sanction u/s 19 of PC Act, in a given case.**

7. In accordance with the above, it has been decided that henceforth, all references seeking authorization of Central Government to file an application u/s 3 of the Criminal Law (Amendment) Ordinance, 1944 for attachment of the money or property procured by means of the scheduled offence by the person, who is employed in connection with the affairs of the Union and is not removable from his office save by or with the sanction of the Central Government, shall be addressed to the competent authority who accorded sanction of prosecution under section 19 (I) of the PC Act, 1988.

Sd/-

(Manisha Saxena)

Deputy Secretary to the Govt. of India

Tele: 23094319

1. All Ministries/Departments of the Government of India.
2. Director, CBI, CGO Complex, New Delhi
3. Joint Director (Policy), CBI, Room No. 27, North Block, New Delhi.
4. All Directors/Deputy Secretaries/Under Secretaries/Section Officers of the Vigilance Division, Deptt. Of Personnel & Training, New Delhi.
Director, NIC, North Block, New Delhi with the request to put the OM on the website of DOPT under "Circulars" head of the Vigilance Division. 100 Spare copies.

No.008/VGL/035
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated 28th April, 2008

Circular No. 16/4/08

Subject: Issue of internal guidelines/circulars by organizations for vigilance administration.

It has been noted that CVOs of some organizations, based on the discussion held with the Commission or its officers, issue internal guidelines/circulars without waiting for the Commission's written confirmation/minutes of the discussion held during such meetings. Such internal guidelines leave a scope for misquoting the Commission or misinterpreting the advice extended to the CVOs during such discussions and which is most undesirable.

2. All CVOs are, therefore, directed that in future, the internal guidelines regarding vigilance administration, to be issued by the CVOs arising out of any discussion/meeting with the Commission, should be based only on the minutes of such meetings circulated/approved by the Commission or the circulars/guidelines issued by the Commission from time to time.

3. This should be noted for strict compliance in future.

Sd/-
(Rajiv Verma)
Under Secretary

All Chief Vigilance Officers

No.008/VGL/016
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 18th February 2008

Circular No.9/2/08

Subject : **Two day Work shop/ Seminar regarding IT Procurement
held in June 2007 at Bank of India, Mumbai.**

Minutes of the above seminar were circulated vide letter no 3/CTE (2)- VR/2007 dated 3.10.2007. It has come to the notice of the Commission that despite specific instructions / guidelines and booklets issued by the Commission from time to time, and the holding of an exclusive seminar referred to above for the benefit of the Bank's executives dealing with IT procurements along with respective CVO's, Bank officials do not appear to adhere to these instructions / guidelines as expected of them, which leaves room for various irregularities. As such Commission desires that you organize seminars/workshops and lecture classes at frequent intervals to keep the officials of the bank, particularly those dealing with procurement activities educated and updated regarding procurement procedures, CVC guidelines. Instances have also come to the notice of the Commission indicating that a number of bank officials lack basic skills in computer operations and knowledge of the banking software. There is also a tendency on the part of senior officers to disclose their password to junior officials / staff for operating the system on their behalf, citing reasons, including work pressure and ignorance which you would appreciate is not acceptable . Therefore, there is an urgent need to impart proper training to such officers and staff at various levels particularly those working in the branches so that they have up-to-date knowledge of the computer system for day to day operations and are not dependent on their colleagues. You are, accordingly, advised to arrange such programmes for training on an on going basis for the benefit of bank officials. Please note to keep the Commission apprised of the steps taken in this regard and the progress so achieved. Receipt of this communication may please be acknowledged.

Sd/-
(V. Ramachandran)
Chief Technical Examiner

All Chief Vigilance Officers of Public Sector Banks

No.007/CRD/008
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 15th February 2008

Circular No. 07/02/08

Subject: – Measures to curb the menace of counterfeit and refurbished IT products - regarding.

With the increasing use of IT to leverage technology, a large number of Government organizations are either upgrading or in the process of procurement of new computer hardware and software. It is often difficult to know the difference between PC made of '**Genuine Parts**' and that made of '**Counterfeit Parts**'. It may also be the case often that while various organisations order and pay for brand new equipment, they end up getting an inferior PC with counterfeit and second and/refurbished parts disguised as new in new/ original cabinets to various customers designated as consignees by the ordering agencies at the headquarters of these organizations who are ignorant or have little or no technical knowledge in the matter. In effect, this amounts to the organisation not getting what they actually ordered and paid for. The supplies of such PC in the long run would defeat the very purpose of going for a new system. COUNTERFEITING is designed to cheat naive consumers/organizations. This current circular is intended to help/ inform and enable due diligence as well as curbing the menace of counterfeit and refurbished IT products disguised as new. As a first step, there is a need for all buyers in the Government Departments/ PSU to insist on a signed undertaking (sample format enclosed) from some authority not lower than the Company Secretary of the system OEM that would certify that all the components/parts/assembly/software used in the Desktops and Servers like Hard disk, Monitors, Memory etc were original/new components/parts/assembly/software, and that no refurbished/duplicate/ second hand components /parts / assembly /software were being used or would be used, so that the buying organizations were not cheated and get the original equipments as ordered by them. Also one could ask for 'Factory Sealed Boxes' with System OEM seal to ensure that the contents have not been changed en route. Following advisory checkpoints it is hoped shall help identify the fraudulent practices that have come to notice and help guard against spurious and refurbished/duplicate/second hand components/parts/ assembly / software being received by purchasers and consignees who receive such goods and may not have much technical knowledge.

1. **CPU.** Buyers are cautioned against buying IT Hardware with remarked CPUs that are freely / readily available in the market today. Entry Level processors get **Remarkd / Over clocked** and sold as high end processors. These CPUs, come disguised as higher clock speed processors (e.g. a Celeron CPU can be remarked as a P4 CPU) while their real clock speed may be lower. Since Operating System is loaded from CD bundled with Motherboard, the CD contains image of configured OS. Hence information as seen in '**My Computer**' – '**System Properties**' shall give deceptive information. In other words, a Celeron CPU remarked as a P4 CPU, shall be seen as a P4 CPU only. Buyers should therefore, use various tool / utilities like the '**CPU-Z**' Utility or the '**sSpecNo.**' for ascertaining the real parameters of the CPU. Utility like CPU-Z (approx. 1.3 MB size) are available free on the web.

2. **Hard Disk** IT Hardware with refurbished Hard Disks that are actually 2nd hand / repaired hard disks are readily available at low cost. In hard disk drives, the factory repaired hard disk drives, which are mainly used in the warranty replacements are substituted in the new machines. Same is the case observed with floppy drive and Optical disk drives many times. Most of the competent hard disk makers use a sticker on such hard disks sold by them that clearly distinguishes such hard disks from the fresh ones. For example, manufacturer **Seagate** marks **Green Border** and label of **“Certified Repaired HDD”** to distinguish such disk drives from **New Genuine HDD**. There is **No border** or **Refurbished** label on genuine new HDD. In addition to this, buyers may also use **HDTUNE_210** Utility. This utility shall return Hard Disk Manufacturers’ Serial no. and Date of manufacturing of the Hard Disk. These parameters can be used to cross-verify with the hard disk vendor. Various Hard Disk vendors also put a date code on the hard disk. A mismatch between this date and the one returned by HDTUNE_210 Utility can also be viewed as tampering with the actual information of the hard disk.

3. **Monitors**. IT Hardware with refurbished Monitors that are actually 2nd hand /repaired monitors are given a “new look” by changing the body, with internal components remaining “old / repaired”. These CRT monitors are usually discarded from developed countries like US and Europe. There are also B Grade (New but Low Quality) CRT Monitors used in place of new monitors. Many times these can be distinguished by opening the cabinet body and noticing that the label on the tube does not carry various certifications and there are scratch marks on the tube. While ‘Genuine’ Picture Tubes have all mandatory Certifications, ‘Counterfeit’ Picture Tubes would not have these certifications. Certification gives an assurance of Reliability. Further many such cathode ray tubes (Picture Tubes) are found to need extra magnets to achieve focusing and earthing also is missing. Genuine Monitors rely on ‘Yoke Coil’ alone to focus electronic beam. Counterfeit Monitors typically require Numerous Magnetic Strips in addition to Yoke Coil to focus electronic beam. Further, **‘Earthing’** and **‘Shielding’** provide **ESD** (Electro Static Discharge) protection. **Genuine Picture Tubes** have **proper “Earthing and Shielding”**. Earthing and Shielding is compromised in counterfeit Picture Tubes to reduce cost. In ‘B’ Grade LCD Monitors, panels used are B grade in which the number of spots may be higher, response time & brightness of lower specs than what is stated. Above monitors are all available at low cost. The **“Signed Undertaking”** as suggested shall serve as a deterrent and as a safeguard to ensure that bidders are not fleecing them by supplying such monitors.

4. **Operating System**. Purchasers should check the IT Hardware supplied randomly selected IT Hardware) for Certificate of Authenticity (COA) pasted on the PC for product serial number and OEM’s / Supplier’s name to be printed on it. In Operating systems, pirated OS software with fake Certificates of Authenticity are used by some suppliers to cut costs. They look as good as the real ones. In PCs, counterfeiters buy legitimate software and copy the box design and packaging. Using sophisticated and expensive copiers, many copies of illegal CDs are created in a day. Purchasers should guard against buying IT Hardware with pirated copies of Operating Systems. Such Operating Systems, though, available at low prices, do not have the updated patches and security features that help safeguarding the PC and also improve its lifespan. Purchasers, therefore, may use the standard testing procedures (randomly on randomly selected IT Hardware) available on the following URL for ascertaining the in authenticity of the operating system installed on their PC : <http://www.microsoft.com/resources/howtotell/ww/windows/default.mspix> . Microsoft provides an inbuilt tool to diagnose the “Genuineness of its Operating System”. One could go to ‘My Documents’, and ‘Help’, from where one shall get step by step instructions to find out whether the windows installed is genuine. <http://www.microsoft.com/resources/howtotell/ww/windows/default.mspix>

5. Mechanical Keyboards : Fake mechanical keyboards that are partially mechanical, with only the key plunger being that of a real mechanical keyboard and rest of the keyboard features remaining the same as those of membrane keyboard are being passed on as true mechanical keyboards. While these keyboards are available at low prices, they do not offer the robustness and long key-stroke life expected of a real mechanical keyboard. Real Mechanical Keyboards are expected to have Keystroke life of 50 Million as against 10 million for Membrane and Semi- Mechanical Keyboards. In case of bulk orders, it is recommended to physically examine a few keyboards for their construct to ascertain the genuineness of their being real mechanical keyboards.

6. Low Quality Memory Module – Memory chips are remarked or downgraded wafers are plastic packed under unknown brands or remarked with names of wellknown brands. Such memory modules have lower performance levels. It is better to go in for proven reputed brands such as Kingston, Transcend, Corsair, Samsung and Hynix to name a few available in the market.

7. Fraudulently Marked SMPS – In power supplies, wrong marking of the wattage is done. The power supplies do not carry all required certifications. While ‘Genuine’ Power supplies carry all mandatory certifications, in counterfeit Power supplies these certifications shall be found missing. Further Short circuit & over voltage protection circuitry could be missing in counterfeit Power Supply to reduce cost.

8. Counterfeited Consumables – Counterfeited consumables such as printer cartridges etc are used which are refilled with ink of poor quality leading to poor performance and clogging, smudging in printers etc. It is advisable to buy such consumables from OEM authorized suppliers or distributors to ensure quality and longevity of the printer equipment.

Sd/-

(V. Ramachandran)

**Chief Technical Examiner
Central Vigilance Commission**

All Chief Vigilance Officers in the Ministries/Departments/PSEs/ Public
Sector Banks/Insurance Companies/ Autonomous
Organisations/Societies

Annexure: Model Undertaking of Authenticity form**Sub: Undertaking of Authenticity for Desktops and Server Supplies****Sub: Supply of IT Hardware/Software -- Desktops and Servers**

Ref : 1. Your Purchase Order No. -----dated-----.

2. Our invoice no/Quotation no. -----dated-----.

With reference to the Desktops and Servers being supplied /quoted to you vide our invoice no/quotation no/order no. Cited above,---- We hereby undertake that all the components/parts/assembly/software used in the Desktops and Servers under the above like Hard disk, Monitors, Memory etc shall be original new components/parts/ assembly /software only, from respective OEMs of the products and that no refurbished/duplicate/ second hand components/parts/ assembly / software are being used or shall be used. We also undertake that in respect of licensed operating system if asked for by you in the purchase order, the same shall be supplied along with the authorised license certificate (eg Product Keys on Certification of Authenticity in case of Microsoft Windows Operating System) and also that it shall be sourced from the authorised source (eg Authorised Microsoft Channel in case of Microsoft Operating System). Should you require, we hereby undertake to produce the certificate from our OEM supplier in support of above undertaking at the time of delivery/installation. It will be our responsibility to produce such letters from our OEM supplier's at the time of delivery or within a reasonable time. In case of default and we are unable to comply with above at the time of delivery or during installation, for the IT Hardware/Software already billed, we agree to take back the Desktops and Servers without demur, if already supplied and return the money if any paid to us by you in this regard.

We (*system OEM name*) also take full responsibility of both Parts & Service SLA as per the content even if there is any defect by our authorized Service Centre/ Reseller/SI etc.

Authorised Signatory

Name:

Designation

Place /Date

No. 007/VGL/070
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi-110023
Dated: 29th October, 2007

Circular No. 38/10/07

Subject:- **Corporate Governance and Ethics - Challenges and Imperatives, a note by Smt. Ranjana Kumar, Vigilance Commissioner.**

Smt. Ranjana Kumar, Vigilance Commissioner, has prepared a note on “Corporate Governance and Ethics - Challenges and Imperatives” which deals with various issues relating to principles of Corporate Governance.

2. The note is available on the Commission’s website i.e. <http://www.cvc.nic.in> in downloadable form. The CVOs may kindly incorporate the note/contents of the note in their organizations’ vigilance journal/newsletter to be published, released on the occasion of the Vigilance Awareness Week to be observed from 12/11/2007 to 16/11/2007 for information of all employees in their organizations.

Sd/-
(Rajiv Verma)
Under Secretary

Encl:- Note of Smt. Ranjana Kumar, Vigilance Commissioner

All Chief Vigilance Officers

Corporate Governance & Ethics – Challenges & Imperatives

1. A corporation is a congregation of various stakeholders, namely, customers, employees, investors, vendor partners, government and society. A corporation should be fair and transparent to its stakeholders in all its transactions. This has become imperative in today's globalized business world where corporations need to access global pools of capital, need to attract and retain the best human capital from various parts of the world, need to partner with vendors on mega collaborations and need to live in harmony with the community. Unless a corporation embraces and demonstrates ethical conduct, it will not be able to succeed.
2. What is "Corporate Governance" It is known fact that vital needs of success of any organization lingers on its ability to mobilize and utilize all kinds of resources to meet the objectives clearly set as part of the planning process. Managing well depends on internal and external factors, the latter include availability, cost effectiveness; technological advancement. Increasingly, revelations of deterioration in quality and transparency, have called for adoption of internationally accepted 'Best Practices'. The acceptance of the concept gave rise of 'Corporate Governance'. 'Corporate Governance' encompasses commitment to values and to ethical business conduct to maximize shareholder values on a sustainable basis, while ensuring fairness to all stakeholders including customers, employees, and investors, vendors, Government and society at large. Corporate Governance is the system by which companies are directed and managed. It influences how the objectives of the company are set and achieved, how risk is monitored and assessed and how performance is optimized. Sound Corporate Governance is therefore critical to enhance and retain investors' trust.
3. Corporate governance is about ethical conduct in business. Ethics is concerned with the code of values and principles that enables a person to choose between right and wrong, and therefore, select from alternative courses of action. Further, ethical dilemmas arise from conflicting interests of the parties involved. In this regard, managers make decisions based on a set of principles influenced by the values, context and culture of the organization. Ethical leadership is good for business as the organization is seen to conduct its business in line with the expectations of all stakeholders. What constitutes good Corporate Governance will evolve with the changing circumstances of a company and must be tailored to meet these circumstances. There is therefore no one single model of Corporate Governance.
4. I do feel it is necessary to trace the evolution of the concept for better comprehension. Economic and Commercial activities the world over grew manifold after the Bretton Woods and formation of World Bank and the International Monetary Fund. Cross border trades and exchange rate mechanisms resulted in specialization within financial market. Several players in the field, International commerce and settlements grew manifold giving rise to standards and benchmarks. ISO 9000 and International best accounting practices are the culmination of the experience of the stakeholders in different fields of economics and commerce, the policymakers included.
5. As I see it, Corporate Governance is nothing but the moral or ethical or value framework under which corporate decisions are taken. It is quite possible that in the effort at arriving the best possible financial results or business results there could be attempts at doing things which are verging on the illegal or even illegal. There is also the possibility of grey areas where an act is not illegal but considered unethical. These raise moral issues.

6. In fact, the very definition of corporate governance stems from its organic link with the entire gamut of activities having a direct or indirect influence on the financial health of corporate entities. The Cadbury Report (1992) simply describes Corporate Governance as 'the system by which companies are directed and controlled'. So far as corporate governance is concerned, it is financial integrity that assumes tremendous importance. This would mean that the directors and all concerned should be open and straight/forthright about issues where there is conflict of interest involved in financial decision making. When it comes to even the purchase/procurement procedures, there is need for greater transparency.

7. The Corporate system and diverse ownership did contribute in a substantial measure to prosperity, employment potential and living standards of the subjects across the globe. Notwithstanding the contributions, the failures too caused concerns among the regulators. Existing laws, rules and controls did not adequately address the issues related to the failures caused by deficient or intentional fraudulent managements. In USA, the Sarbanes-Oxley Act 2002 was passed to address the issues associated with corporate failures, achieve quality governance and restoring 'investor' confidence.

8. The Securities and Exchange Commission of USA initiated action against multinational accounting firms for failure to detect blatant violation of accounting standards, and penalties running to several million dollars were recovered, from certain multinational consultancy firms.

9. Why Corporate Governance?

- a) The liberalization and de-regulation world over gave greater freedom in management. This would imply greater responsibilities.
- b) The players in the field are many. Competition brings in its wake weakness in standards of reporting and accountability.
- c) Market conditions are increasingly becoming complex in the light of global developments like WTO, removal of barriers/reduction in duties.
- d) The failure of corporates due to lack of transparency and disclosures and instances of falsification of accounts/embezzlement and the effect of such undesirable practices in other companies.

10. It is the increasing role of foreign institutional investors in emerging economies that has made the concept of corporate governance a relevant issue today. In fact, the expression was hardly in the public domain. In the increasingly close interaction of the economies of different countries lies the process of globalisation. This involves the rapid migration of four elements across national borders. These are (i) Physical capital in terms of plant and machinery; (ii) Financial capital; (iii) Technology; and (iv) Labour.

11. The increasing concern of the foreign investors is that the enterprise in which they invest should not only be effectively managed but should also observe the principles of corporate governance. In other words, the enterprises will not do anything illegal or unethical. This need for re-assurance is felt by the FIIs due to the fact that there have been cases of dramatic collapse of enterprises which were apparently doing well but which were not observing the principles of corporate governance.

12. In India corruption is an all embracing phenomenon. In this, if the respective players in the field were to adopt healthy principles of good corporate governance and avoid corruption in their transactions, India could really take a step forward to becoming a less corrupt country and improving its rank in the Corruption Perception Index listed by the Transparency International.

13. Studies in India and abroad show that markets and investors take notice of well managed companies, respond positively to them and reward such companies with higher valuations. A common feature is that they have systems in place, which allow sufficient freedom to Board and Management to take decisions towards progress and to innovate, while remaining within the framework of effective accountability. In other words they have a good system of corporate governance. Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection.

14. Securities and Exchange Board of India constituted a Committee on Corporate Governance under the Chairmanship of Mr. Kumar Mangalam Birla. The committee observed that there are companies, which have set high standards of governance while there are many more whose practices are matters of concern. There is increasing concern about standards of financial reporting and accountability especially after losses are suffered by investors and leaders in the recent past, which could have been avoided with better and more transparent reporting practices. Companies raise capital from market and investors suffered due to unscrupulous managements that performed much worse than past reported figures. Bad governance was also exemplified by allotment of promoters' share at preferential prices disproportionate to market value, affecting minority holders' interests. Many corporates did not pay heed to investors' grievances. While there were enough rules and regulations to take care of grievances, yet the inadequate implementation and the absence of severe penalty, left much to be desired.

15. The Kumar Mangalam Committee made mandatory and non-mandatory recommendations. Based on the recommendations of this Committee, a new clause 49 was incorporated in the Stock Exchange Listing Agreements ("Listing Agreements"). The important aspects, in brief, are:

- (i) Board of Directors are accountable to shareholders.
- (ii) Board controls are laid down code of conduct and accountable to shareholders for creating, protecting and enhancing wealth and resources of the Company reporting promptly in transparent manner while not involving in day to day management.
- (iii) Classification of non-executive directors into those who are independent and those who are not.
- (iv) Independent directors not to have material or pecuniary relations with the Company/subsidiaries and if had, to disclose in Annual Report.
- (v) Laying emphasis on calibre of non-executive directors especially independent directors.
- (vi) Sufficient compensation package to attract talented non-executive directors.

- (vii) Optimum combination of not less than 50% of non-executive directors and of which companies with non-executive Chairman to have at least one third of independent directors and under executive Chairman at least one half of independent directors.
- (viii) Nominee directors to be treated on par with any other director,
- (ix) Qualified independent Audit committee to be setup with minimum of three all being non-executive directors with one having financial and accounting knowledge.
- (x) Corporate governance report to be part of Annual Report and disclosure on directors' remuneration etc., to be included.

16. Naresh Chandra Committee recommendations relate to the Auditor-Company relationship and the role of Auditors. Report of the SEBI Committee on Corporate Governance recommended that the mandatory recommendations on matters of disclosure of contingent liabilities, CEO/CFO Certification, definition of Independent Director, independence of Audit Committee and independent director exemptions in the report of the Naresh Chandra Committee, relating to corporate governance, be implemented by SEBI.

17. Narayana Murthy Committee recommendations include role of Audit Committee, Related party transactions, Risk management, compensation to Non-Executive Directors, Whistle Blower Policy, Affairs of Subsidiary Companies, Analyst Reports and other non-mandatory recommendations.

18. When it comes to corporate governance, I think we will have to look at the hardware as well as the software aspect. So far as the software aspect is concerned, I would suggest, it depends on the values cherished and practiced by the members of the Board of Directors as well as the management of an organisation. It is always possible to mouth very high principles but act in a very lowly manner. If there is going to be divergence between practice and precept, then we are not going to achieve good corporate governance. This is the first point to be realised.

19. The most important aspect for observing corporate governance is the top management, particularly the board of directors and the senior level management of an enterprise - walking their talk. It is by walking their talk that the top management can earn credibility. This also has a direct bearing on the morale of an organisation.

20. When it comes to the hardware aspect of corporate governance, we go into the issue of a code, which becomes a reference point for behaviour. But the sad fact in our country is that even though there is a lot of talk about corporate governance, when it comes to reality, nothing much happens.

21. With the SEBI trying to bring some discipline in the stock market especially in terms of greater transparency and disclosure norms, corporate governance in the Indian context at least seems to focus primarily and rightly on the issue of transparency. It is lack of transparency that leads to corrupt or illegal behaviour. If corporate governance is concerned with better ethics and principles, it is only natural that the focus should be on transparency. But how is this transparency to be achieved? One method of course is the code. Another would be the regulatory authorities like SEBI, RBI etc. laying down guidelines so that a certain degree of transparency is automatically ensured. Another legal approach to achieve better corporate governance may be to look at the whole issue of bringing the corporate sector under the discipline of debt and equity. Perhaps amendment of the Companies Act and bringing in this discipline will also help in automatically ensuring better ethics and corporate governance.

22. Perhaps the most important challenge we face towards better corporate governance is the mindset of the people and the organisational culture. This change will have to come from within. The government or the regulatory agencies at best can provide certain environment, which will be conducive for such a mindset taking place, but the primary responsibility, is of the people especially the members of the board of directors and the top management.

23. Another important aspect is to realise that ultimately the spirit of corporate governance is more important than the form. Substance is more important than style. Values are the essence of corporate governance and these will have to be clearly articulated and systems and procedures devised, so that these values are practiced.

24. We then come to a common moral problem in running enterprises. One can have practices which are legal but which are unethical. In fact, many a time, tax planning exercises may border on the fine razor's edge between the strictly legal and the patently unethical. A clear understanding of the fundamental values which govern corporate governance and their explicit articulation in a proper code backed by well established structures and traditions like the ethics committee and audit committee may be the best insurance for good corporate governance under the circumstances.

25. Corporate governance and ethical behaviour have a number of advantages. Firstly, they help to build good brand image for the company. Once there is a brand image, there is greater loyalty, once there is greater loyalty, there is greater commitment to the employees, and when there is a commitment to employees, the employees will become more creative. In the current competitive environment, creativity is vital to get a competitive edge.

26. 10 Essential Governance Principles

A company should:

- * 1. Lay solid foundations for management and oversight - Recognise and publish the respective roles and responsibilities of board and management.
- * 2. Structure the board to add value - Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.
- * 3. Promote ethical and responsible decision-making - Actively promote ethical and responsible decision-making.
- * 4. Safeguard integrity in financial reporting - Have a structure to independently verify and safeguard the integrity of the company's financial reporting.
- * 5. Make timely and balanced disclosure - Promote timely and balanced disclosure of all material matters concerning the company.
- * 6. Respect the rights of shareholders - Respect the rights of shareholders and facilitate the effective exercise of those rights.
- * 7. Recognise and manage risk - Establish a sound system of risk oversight and management and internal control.
- * 8. Encourage enhanced performance - Fairly review and actively encourage enhanced board and management effectiveness.
- * 9. Remunerate fairly and responsibly - Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.
- * 10. Recognise the legitimate interests of stakeholders - Recognise legal and other obligations to all legitimate stakeholders.
- * 11. Corporate Governance Rating be made mandatory for listed companies.

27. Openness, integrity and accountability are the key elements of Corporate Governance for any corporate entity. These factors assume greater importance in case of Public Sector Banks. It is, therefore, necessary that the Board of Directors, external auditors and supervisors of bank strive to achieve greater degree of openness, transparency, integrity and accountability in the working of the institution.

28. Banks deal in trust. If trust is in suspicion, damaged or lost, the resulting financial loss cannot measure the true risk. Trust being the foundation of banking, the discussion over applicability of good governance has really been a non-issue. Good governance and practices are synonymous to banking, banks and bankers. The essence of Corporate Governance is a framework of effective accountability to all stakeholders. Corporate Governance is an instrument for benefiting all stakeholders of a corporate entity. In its widest sense, Corporate Governance is almost akin to a trusteeship. It is about creating an outperforming organization, which leads to increasing customer satisfaction and shareholder value.

29. A code for corporate governance for public sector banks in India could be in the form of a set of prescriptions and proscriptions for the key decision makers of a bank-I its Chairman, Executive and non-Executive Directors, institutional investors and external auditors. Such a code, it is believed, would enable the Boards of the banks to resolve conflict of interests between shareholders, customers, employees and other stakeholders. An informed debate on the issue of contemporary banking in the board rooms would help develop the vision to imagine crises and the will to act pre-emptively.

30. In a deregulated milieu, the Public Sector Banks are bound to demand, and rightly so, greater functional autonomy for flexibility in decision making. Such autonomy, however, needs to be accompanied by greater accountability on the part of their Boards to the stakeholders. A Code of Corporate Governance could be an effective instrument for achieving this goal.

31. The Reserve Bank of India has set up various working groups to evaluate its existing corporate governance norms for banks. The Khan Working Group Report, though it did not deal with corporate governance per se, recommended full operational autonomy and flexibility to the management and boards of banks. The Narasimham Committee I recommended a gradual progress towards BIS norms and suggested the ending of the dual control over the sector by the RBI and the Ministry of Finance. The Narasimham Committee II (1998) recommended reducing government control and strengthening of internal controls. Additionally, Dr. Patil Advisory Group and Varma Group have made recommendations on international best practices of Corporate Governance for banking companies.

32. The report of the Consultative Group of Directors of Banks/Financial Institutions – chaired by A.S. Ganguly – has tackled the issues of ethics, transparency and corporate governance. It has focussed on more fundamental issues like the supervisory role of boards of banks and financial institutions and functioning of the boards vis-à-vis compliance, transparency, disclosures, audit committees etc. A governance framework must include effective systems of Control and Accountability, and above all responsible attitudes on the part of those handling public money. It is important that the drive to provide improved services at reduced costs should be maintained and that this drive should not be stifled. At such time it is even more essential to maintain honesty in the spending of public money and to ensure that the traditional public sector values are not neglected in the effort to maximise economy and efficiency.

33. Ethics in managing an organisation are vital for long term survival. It is defined as disciplined dealing with what is good and what is bad and what are moral duties and obligations. As far as business ethics are concerned, a minimum code of ethics has to be practiced in competition, public relations and social responsibilities. Corporate Governance encourages ethical standards and sound business practices.

34. Corporate governance extends beyond corporate law. Its objective is not mere fulfillment of legal requirements but ensuring commitment on managing transparently for maximising shareholder values. As competition increases, technology pronounces the deal of distance and speeds up communication, environment also changes. In this dynamic environment the systems of Corporate Governance also need to evolve, upgrade in time with the rapidly changing economic and industrial climate of the country.

35. Finally the key lesson for us to learn are that Regulations and Policies are only one part of improving governance. Existence of a comprehensive system alone cannot guarantee ethical pursuit of shareholder's interest by Directors, officers and employees. Quality of governance depends upon competence and integrity of Directors, who have to diligently oversee the management while adhering to impeachable ethical standards. Strengthened systems and enhanced transparency can only further the ability. Transparency about a company's governance process is critical. Implementing Corporate Governance structures are Important but instilling the right culture – work culture is Most Essential.

36. Corporate Governance in the Public Sector cannot be avoided and for this reason it must be embraced. But Corporate Governance should be embraced because it has much to offer to the Public Sector. Good Corporate Governance, Good Government and Good Business go hand in hand.

Sd/-
(Ranjana Kumar)
Vigilance Commissioner

No.006/VGL/091
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi- 110 023
Dated the 12th September, 2006

CIRCULAR NO.32/9/06

Subject: **Absorption of CVOs or appointment against higher posts in the same organisation – regarding.**

The Commission has observed certain instances where the CVOs who were on deputation from other organisations, had tried for absorption or had applied for a higher post in the organisations where they were working as CVOs. The Commission is of the opinion that such covert attempts amount to seeking favours from the management and would compromise the CVO's objectivity and independence. The Commission has, therefore, decided that no case of CVO, who has come on deputation from another organisation, would be considered for absorption or selection to a higher post in that organisation, unless his application for the purpose has been specifically cleared by the Commission.

2. This may please be noted for strict compliance.

Sd/-
(V. Kannan)
Director

To
All Secretaries to Govt. of India
All Chief Executives of Public Enterprises
All Chief Vigilance Officers
Copy for information to the Secretary, PESB.

No.006/VGL/022
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 28th March 2006

Circular No.16/3/06

Sub: **Protection against victimisation of officials of the Vigilance Units of various Ministries/ Departments/ organisations.**

The Commission has viewed seriously certain instances of harassment and attempts at victimisation of vigilance officials of certain organisations. The need to allow the vigilance officials to work independently and freely without any fear, which is the foundation for effective vigilance administration in any organisation, has been recognized since long. In fact, the Committee on Prevention of Corruption (Santhanam Committee) had recommended that "those posted to the Vigilance Organisations should not have the fear of returning to their parent cadre with the possibility of facing the anger and displeasure of those against whom they made inquiries". The Committee had also recommended that "those working in Vigilance Organisations should have an assurance that good and efficient work in the Vigilance Organisation will enhance their opportunities for promotion and not become a sort of disqualification".

2. The Commission has considered the problem of possible victimisation of Vigilance officials after they finish their tenure in the Vigilance Department and revert to their normal duties. In the case of CVOs, already, the Commission, as Accepting Authority, is in a position to moderate, if necessary, any biased reporting against the CVO in his ACR. Similarly, the Commission has always been extremely careful and cautious while taking cognizance of complaints against the CVOs and as a matter of principle always obtains the CVOs' response before coming to any conclusion on the need to investigate such complaints.

3. In order that the required degree of protection is conferred on the Vigilance officials supporting the CVO and keeping in view the spirit of the Santhanam Committee which with commendable foresight had anticipated very clearly some of these issues, the Commission issues the following consolidated instructions in exercise of its powers under Section 8 (1) (h) of the CVC Act:

- (i) All personnel in Vigilance Units will be posted only in consultation with and the concurrence of the CVOs. They will be for an initial tenure of three years extendable up to five years. Any premature reversion before the expiry of such tenure will only be with the concurrence of the CVO. The CVO shall bring to the notice of the Commission any deviation from the above.

- (ii) The ACR of personnel working in the Vigilance Department will be written by the CVO and reviewed by appropriate authority prescribed under the relevant conduct rules. The remarks in review shall be perused by the CVO and in case he has reservations about the comments made under the review, he shall take it up with the Chief Executive/HOD to resolve the issue. In case he is unable to do this, he shall report the matter to the Commission who will intercede in the matter suitably.
- iii) Since the problem of victimisation occurs, if at all, after the reversion of the personnel to their normal line departments, the Commission would reiterate the following:
 - (a) On such reversion the vigilance personnel shall not be posted to work under an officer against whom, while working in the vigilance department, he had undertaken verification of complaints or detailed investigation thereafter. Needless to say his ACR shall not be written by such officer/s.
 - (b) All such Vigilance personnel will be deemed to be under the Commission's purview for purposes of consultation in disciplinary matters. This is irrespective of their grade. This cover will be extended to a period of not less than five years from the date of reversion from the vigilance department.
 - (c) All Vigilance personnel on reversion shall be entitled to represent through the CVO and chief executive of the organisation to the Commission if they perceive any victimisation as a consequence of their working in the Vigilance department. This would include transfers, denial of promotion or any administrative action not considered routine or normal. This protection will be extended for a period not less than five years after the reversion of such personnel from the vigilance department.

4. The above instructions may be noted for strict compliance. The CVO should report promptly to the Commission, the details of any real or perceived victimization of any official who is working in the Vigilance Unit. Similarly, he should also report such instances pertaining to the former officials of the Vigilance Unit, up to a period of five years after they had completed their tenure in the Vigilance Unit. He should also report where such deserving officials are ignored/superseded in matters of promotion.

Sd/-
(V. Kannan)
Director

All CMDs of Public Sector Undertakings/Public Sector Banks
All Chief Vigilance Officers

No. 000/VGL/154
Government of India
Central Vigilance Commission

Satarkta Bhawan, 'A' Block,
GPO Complex, INA,
New Delhi – 110 023
Dated: 15th December, 2005

Office Order No. 73/12/2005

Sub: **Action against public servants, serving as witnesses, but turning hostile in trap and other cases of CBI.**

You are aware that CBI often requisitions the services of Government servants from various organisations in order to utilise them as witnesses in cases of search, trap, etc. The underlying objective behind such practice is to have reliable independent witnesses, who withstand the scrutiny during court trials. However, CBI has brought to the notice of the Commission that in large number of cases, Government servants, who are engaged as such witnesses, are found resiling their original statements during trials, on pleas that they had signed the memoranda without reading the contents or they had not witnessed the real proceedings.

2. It is obvious that these public servants, whose services are thus utilised by the CBI, are turning hostile for ulterior reasons. It is surely not expected that educated and responsible public servants should resort to such devious behaviour, which undermines CBI cases and goes against public interest.

3. Rule 16, Chapter XIII of Vigilance Manual Vol. I, provides that if a Government servant, who had made a statement in course of a preliminary enquiry, changes his stand during evidence in the enquiry, and if such action on his part is without justification or with the objective of favouring one or the other party, his conduct would constitute violation of Rule 3 of the Conduct Rules, rendering him liable for disciplinary action. Such misconduct in the context of criminal cases becomes all the more grave.

4. The Commission is of the view that this unhealthy tendency on part of public servants needs to be curbed effectively. The Commission, therefore, desires that such misconduct, whenever reported by the CBI, should be viewed with utmost seriousness and necessary disciplinary action initiated promptly.

Sd/-
(Balwinder Singh)
Additional Secretary

All Chief Vigilance Officers
Copy to: Director, CBI, New Delhi

No. 004/VGL/087
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA
New Delhi – 110023
Dated : the 6th July, , 2009

Circular No. 16/07/09

Sub : Foreign visits by Government employees.

Reference is invited to Commission's Circular No.004/VGL/087, dated 25/10/2004 , 8/12/2004 & 27/09/2005, on the aforementioned subject.

2. The Commission had, vide its circular dated 25/10/2004, directed the CVOs of all Organisations/Departments to furnish the lists of employees of their organizations, who had undertaken **"Private foreign visits"** during the preceding calendar year, to the Commission by the end of January every year.

3. The matter has been re-examined in the Commission and it has been decided that, henceforth, the related information and the data bank in respect of employees of each organization would be maintained by the CVO of the organization concerned, in the format prescribed by the Commission, vide office order ibid above.

4. Further, the CVOs should inform the Commission, mandatorily every year by the end of February that the updated information along with all details are available with them. Such information would be made available to the Commission at a short Notice, as and when required, by the CVOs concerned.

5. All CVOs may note for strict compliance.

Sd/-
(Shalini Darbari)
Director

All Chief Vigilance Officers

F.No. 004/VGL/87
Government of India,
Central Vigilance Commission

Satarkta Bhawan, GPO Complex,
Block- 'A', I N A,
New Delhi-110023
Dated, the 27th September, 2005

Officer Order No.60/09/05

Subject:- Foreign Visits by Government Employees.

Please refer to this Commission's Circulars of even no. dated 25/10/2004 & 8/12/2004 on the above subject.

2. It has been noticed by the Commission that some of the Departments/Organisations have not furnished information regarding foreign visits performed by their officials on private visits during 2000 to 2004. All Organisations who have not furnished these details must do the needful immediately as per the format already circulated (format-1 enclosed). Separately information on 'exception list' and a summary of numbers of employees should also be provided in the enclosed format-2. In addition, the detail information may also be sent through e-mails i.e. cdi4@CVC.delhi.nic.in or rocoord@ cvc.delhi.nic.in.

Sd/-
(Anjana Dube)
Deputy Secretary

- (i) All Chief Vigilance Officers of Ministries/Departments/Autonomous Organisations /Public Sector Undertakings/Public Sector Banks/Insurance Companies/Societies
- (ii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/Prime Minister's Office.

IMMEDIATE
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No.004/VGL/87
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi- 110 023
Dated the 8th December, 2004

Office Order No.74/12/04

Subject: Foreign visits by the Government employees.

On the directives of the Hon'ble High Court, Delhi, the Commission vide its Office Order No. 67/10/2004 dtd. 25/10/2004 issued instructions to all the Chief Vigilance Officers of Ministries/Departments/Autonomous Bodies, Organisations/Public Sector Bank/Public Sector Undertakings/Insurance Companies and Societies etc. to furnish the information about private foreign visits made by the employees of their respective organisations during 2003 and 2004.

2. As further directed by the High Court on 17.11.2004, it is desired that the above information may be furnished for the five years i.e. since 1.1.2000 till 2004. The information should be furnished by January 7, 2005. The CVO should give separately an 'exception list' to include names of the officers who have undertaken private foreign visits more than once in a calendar year.

Sd/-
(Anjana Dube)
Deputy Secretary

- (i) All Chief Vigilance Officers of Ministries/Departments/Autonomous Organisations /Public Sector Undertakings/Public Sector Banks/Insurance Companies/Societies
(ii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/Prime Minister's Office.

IMMEDIATE
CONFIDENTIAL

No.004/VGL/87
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO Complex, INA,
New Delhi- 110 023
Dated the 25th October 2004

Office Order No.67/10/04

Subject: Foreign visits by the Government employees.

The High Court of Delhi, in its judgment dated the 28th May, 2004 in the Criminal Writ Petition No. 1004/03, (Shri C.K. Jain v/s Union of India) has observed that a Govt. servant who had visited Dubai & Singapore 161 times on private visits without permission was never ever questioned by any authority like Customs and Immigration and other. In a subsequent direction based on the reply filed by the Government, the High Court directed that the "Central Vigilance Commission may collect information about Government servants going abroad on private visits and possibly a data bank should be kept on them".

2. Keeping in view the directives of the High Court, all the Chief Vigilance Officers are requested to collect information about government servants/employees in their respective Organizations, who had gone abroad on private visits during 2003 (January to December) and 2004 (till October 2004), in the enclosed proforma and send the same to the Commission immediately so that the Hon'ble High Court may be intimated timely.

3. Information of such Foreign visits on private account by Government employees be sent in consolidated form (calender year wise) in January of every year.

Sd/-
(Anjana Dube)
Deputy Secretary

(i) All Chief Vigilance Officers of Ministries/Departments/Autonomous Organisations/Public Sector Undertakings/Public Sector Banks/Insurance Companies/Societies

(ii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/Prime Minister's Office.

005/MSC/25
Government of India
Central Vigilance Commission

Satarkta Bhawan,`Bhawan,
GPO Complex, INA,
New Delhi-110 023
Dated 13th October,2005.

Office Order No.67/10/05

Subject:- Festival gifts to Government servants by PSU's etc.

Please refer to the Commission's letter No. 002/MSC/70 (Office Order No.40/8/2003) dated 27th August, 2003 and 004/MSC/32(Office Order No.60/9/04) dated 22nd September,2004 on the subject cited above.

2. The Commission once again reiterates its instructions issued vide the aforesaid office orders and emphasises that the practice by PSUs etc. of sending gifts to Government servants on the occasion of festival and new year be discouraged. All CVOs are requested to bring this to the notice of all concerned. They should furnish report on the expenditure incurred by them on festival gifts during this year in their Monthly and Annual reports to the Commission.

Sd/-
(Anjana Dube)
Deputy Secretary
All Chief Vigilance Officers

No.004/MSC/032
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 22nd Sept., 2004

Office Order No. 60/9/04

To
All Chief Vigilance Officers

Subject: Acceptance of gifts by Government servants.

Sir/Madam,

Please refer to the Commission's letter No.002/MSC/70 (Office Order No. 40/8/2003) dated the 27th August 2003 on the subject cited above. While the Commission reiterates its instructions issued vide the aforesaid office order and emphasizes that the practice by PSUs etc. of sending gifts to government servants on the occasion of festivals be discouraged, it is clarified that these instructions would not apply to mementoes, diary & calendar, etc. brought out by PSUs etc. for publicity and business promotion.

2 All CVOs are requested to bring this to the notice of all concerned. They should furnish a report on the expenditure incurred by them on festival gifts during this year, in their monthly and the annual report to the Commission.

Yours faithfully,

Sd/-
(Anjana Dube)
Deputy Secretary

No.002/MSC/70
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A'
GPO Complex, INA,
New Delhi- 110 023
Dated the 27th August, 2003

Office Order No.40/8/2003

To
All Chief Vigilance Officers

Subject:- Acceptance of gifts by Government servants.

Sir/Madam,

Gifts are presented by the public sector undertakings, banks etc. to a number of persons including government officials during festive occasions, such as, Diwali, Christmas, New Year etc. This matter has been the subject of comments in the press, media etc. The Commission has considered the matter and is of the view that this practice, at least, so far as Government servants are concerned, needs to be discouraged. The CCS (Conduct) Rules provide that no Government servant shall accept or permit any member of the family or any other person acting on his behalf to accept any gift except on occasions like weddings, anniversaries or religious functions. The practice of PSUs etc. sending gifts to government servants unnecessarily embarrasses them and puts them in a dilemma. The gifts are to be provided only to promote commercial/business interests and need not therefore be sent to government officials etc. who are only doing their duty. The public sector undertakings, banks etc. are therefore advised that they may follow this advice with immediate effect. The CVOs may bring this to the notice of the Chief Executives and all relevant executives.

2. The Commission also would like to receive a report from the CVOs on the gift policy of the Company followed by them in the current year and the actual expenditure incurred by them as festival gifts. The Commission hopes to receive the special report by 15th January 2004 and every year thereafter.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax- 24651010

No.005/VGL/15
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 4th May, 2005.

Office Order No.24/4/05

Subject: No prior approval/sanction of CVO's tour programmes by CMDs/CEOs – reg.

As per instructions contained in para 2(b) of Chapter XVIII of Vigilance Manual Vol. I, the CVOs are required to conduct regular inspections/surprise visits for detecting failures in quality and speed of work or malpractices as an integral part of vigilance activities. In this regard it is clarified that the CVOs of PSUs/PSBs need not to take formal prior approval/sanction of CMDs/CEOs for undertaking such tours and inspections but an intimation to the management would suffice in the matter. However, at the end of the tour, CVOs should send an inspection report to the CMDs/CEOs for information.

2. The above instructions may please be noted for strict compliance.

Sd/-
(Anjana Dube)
Deputy Secretary

All Secretaries to the Govt. of India.
All Chairman & Managing Directors/Chief Executive Officers of
PSUs/PSBs/Autonomous Organisations.
All Chief Vigilance Officers of PSUs/ PSBs/ Departments/ Ministries/ Autonomous
Organisations.

No.004/VGL/79
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-1100 23
Dated the 4th October 2004

Office Order No. 62/9/04

Subject: Reporting in ACRs by the officers under investigation of the officers conducting vigilance investigation.

The Commission vide its letter No.4/53/73-R, dated 31st Oct.1973 had reiterated the instructions of Min. of Home Affairs issued vide its OM No.43/107/64-AVD dated 23.10.1964 that those posted to the vigilance organisations should not have the fear of returning to their parent cadre after a short period with the possibilities of facing displeasure of those against whom they had made enquiries.

2. The Commission reiterates the above instruction. Further, it may be ensured that no officer should be asked to undertake investigation against an officer under whom he/she is posted. If any such occasion arises wherein an officer had inquired against an officer who is his controlling officer or is likely to assess his performance for the past period, it should be ensured that the ACR may be written by the next reporting level, to prevent undue penalisation. Thus those officials who are/were under investigation should not be allowed to write the ACRs of the officers who conducted vigilance investigation, against them.

Sd/-
(Anjana Dube)
Deputy Secretary

To
The Secretaries of all Ministries/Departments of Government of India
Chief Executives of PSUs/Banks/Organisations
All Chief Vigilance Officers

No.003/VGL/18
Government of India
Central Vigilance Commission

Satarkata Bhawan, Block 'A',
GPO Complex, INA, s
New Delhi- 110 023
Dated the 17th September 2003

Officer Order No.45/9/03

To
All Chief Executives of PSUs

Subject:- Chief Vigilance Officers - status & perquisites in Public Sector Undertakings.

Reference:- Commission's letter No. 3(V)/99/5 dated 29.07.1999.

Sir/Madam,

The Commission in the past had examined the role and functions of Chief Vigilance Officers in PSUs and to ensure their authority and functional independence, had issued instructions regarding their status and perquisites. It was envisaged that officers of Joint Secretary level joining as CVO would be accorded the status and perks of a functional director of board and officers of Director/Deputy Secretary level joining as CVO would be provided the status and perks of Executive Director.

2. Recently some CVOs have brought it to the notice of the Commission that the instructions of the Commission on the status and perks are not being implemented by PSUs for one reason or another. The Commission has considered the matter in detail and has observed that the basic reason for the problem is absence of categorization of CVO's post at the requisite level. Therefore as a first step towards implementation of its instructions, the post of CVO may be created at the functional director level in schedule "A" PSUs and at one level below the board in schedule "B", "C", and "D" PSUs. Once the posts are created at the requisite level, the status and perks will be automatically available to the incumbent joining as CVO.

3. The Commission desires that PSUs may take suitable action along the above lines at the earliest while keeping it advised of the progress.

4. The above instructions will not apply in the case of CVOs of public sector banks where the post of the CVO has already been appropriately categorized.

5. Kindly acknowledge receipt.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax- 24651010

No.98/DSP/9
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block "A"
GPO Complex, I.N.A.
New Delhi-110023
Dated the 13th August, 2003

OFFICE ORDER NO. 36/7/03 dated 9.7.2003
Subject:- Clarifications on Commission's Directions.

During the meeting of the Central Vigilance Commission with CMDs of Public Sector Banks at IBA, Mumbai on 25.02.2003, a number of issues were raised. The Commission clarified these issues as follows:

(i) **Commission's directive dated 11.10.2002 on dealing with anonymous/pseudonymous complaints.**

It was requested to reconsider the Commission's directive on dealing with anonymous/pseudonymous complaints modifying the earlier advice of not to take cognizance of such complaints. The Commission is of the view that such a verification cannot be done in a routine manner and in case any department/organization wanted to verify the facts, then a reference to the Commission is necessary. There is, therefore, no change in the Commission's earlier ruling on action on anonymous/pseudonymous complaints.

(ii) **Commission's clarification dated 10.02.2003 on non-acceptance of the Commission's advice in the matter of appeals.**

It was requested to reconsider the Commission's clarification dated 10.02.2003 on non-acceptance of the Commission's advice in the matter of appeals. It was clarified that the DA could differ with the Commission's 2nd stage advice for valid reasons and this applied to the Appellate Authority also. The right to the Appellate Authority to differ with the Commission, therefore, not interfered with. The Appellate Authority should satisfy himself that the DA has applied his mind and then take his own independent decision. The Commission, however, would take a view as to whether the 'deviation' in such cases is serious enough to warrant inclusion in its Annual Report.

(iii) **Reference of cases to CBI**

It was clarified that the institution, at the initial stage itself, depending on the facts of the case, should decide whether the case is to be entrusted to the local police or CBI.

(iv) **Posting of officer in 'agreed list'**

It was clarified that drawing up and revising the agreed list with the assistance of CVO is left to the CEOs and if it is desired that a person in the agreed list is to be posted in a particular position, the institution may take the decision for specific reasons.

Sd/-
(Anjana Dube)
Deputy Secretary

MOST IMMEDIATE
CONFIDENTIAL

001/VGL/67
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023.
Dated: 10.01.2002

OFFICE MEMORANDUM

Sub: Exchange of information between PSBs and PSUs.

During the institutional coordination committee meeting as envisaged in the Special Chapter on Vigilance Management in Public Sector Banks held on 10.10.2001, the issue of exchange of information and documents between PSU/PSB where such information was required to facilitate investigations into cases of financial irregularities/frauds was discussed. It was agreed that such information may be parted within strict confidence after a written request from the concerned CVO is received and the Commission may issue suitable instructions in this regard.

2. Now, therefore, the Commission directs that all the Public Sector Undertaking and the Public Sector Banks may, henceforth, mutually or severally exchange, in strict confidence, any information or documents as may be required to facilitate investigation into financial irregularities/frauds. Such exchange may be made only after a written request from the concerned CVO is made.

Sd/-
(C.J. Mathew)
Deputy Secretary

To
1. All CVOs and CMDs of PSUs/PSEs/PSBs
2. RBI
3. Banking Division

No.001/DSP/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block "A"
GPO Complex, I.N.A.,
New Delhi –110023
Dated the 10th September 2001.

To
All Chief Vigilance Officers,
Public Sector Undertakings,

Subject:- Voluntary Retirement Scheme/Voluntary Separation Scheme for the employees of Public Enterprises.

The undersigned is directed to forward herewith the copies of the following OM's of the Department of Public Sector Undertaking on the aforesaid subject: for information and further necessary action.

- i) Ministry of Heavy Industry & Public Enterprises, Deptt. of Public Enterprises O.M. No. 2(32)-97-DPE(WC)GL-XXXV dated 8.12.2000.
- ii) Ministry of Heavy Industry & Public Enterprises, Deptt. of Public Enterprises O.M.No.2(32)97-DPE9WC)-GL-XXXXIV dated 3.5.2001.

Yours faithfully,

Sd/-
(C.J. Mathew)
Deputy Secretary

Encl: As above.

No.99/VGL/69
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block 'A'
GPO Complex, I.N.A.,
New Delhi- 110 023
Dated the 26th February 2001

To
The All Chief Vigilance Officers

Subject: Guidelines to be followed in handling of intimations of acquisition reported by public servants.

The Commission has observed that many cases of possession of assets disproportionate to known sources of income come to naught owing to lack of a standard transparent method in assessing the wealth found in possession of public servants. A study group was set up by the Commission to look into this aspect. The report of the study group accepted by the Commission has also looked into certain allied matters such as the manner in which intimations are to be dealt with.

2. The relevant Conduct Rules/Regulations etc. require public servants to report Acquisition of moveable property above a fixed value and of all immovable property. It has been observed that there has been a marked tendency in various organizations to raise queries repeatedly on these intimations without ever accepting them. It needs to be noted that this discourages public servants from complying with reporting requirements. It also needs noting that such intimations are made when there is no intention to hide the transaction, i.e. the transaction is a *bona fide* one. Therefore, impediments such as repeated queries demotivate the public servant who is being honest about his transactions. Repeated querying also does not result in uncovering any wrongdoing on the part of the public servant. Acceptance of such intimations does not confer immunity from investigations at a later stage should the need arise; nor is it a reflection on the efficiency or otherwise of the authorities concerned. Mere intimation and its acceptance does not imply that the value declared is to be accepted in the event of an investigation. Separate instructions guide the process of assessing the wealth of public servants in investigation. There is, thus, no worthwhile benefit that accrues from such detailed inquiries at the time of intimation.

3. It has also been observed that there is a tendency to view with harshness the failure to intimate transactions. Failure to intimate transactions could arise out of a desire to suppress transactions generated out of illicit earnings or out of mistake/ignorance etc. Cases of the former type are not likely to be many since such acquisitions would not, normally, be in the name of the public servant and they would be brought to light during an investigation. The latter possibility implies that the acquisition has been financed out of an acceptable source of income rendering it a case of non-compliance with the specific provision of the Conduct Rules etc. without reflecting on the integrity of the public servant. Those cases wherein assets disproportionate to known sources of income have been uncovered would cease to be a mere technical lapse since the issue becomes one of lack of integrity. Visiting harsh punishments on mere technical lapses would not meet the ends of justice since the public servant's integrity is not in question and failure to intimate cannot be equated with possession of disproportionate assets.

4. Taking note of the aforesaid arguments and in order to reduce compliance costs of a large strata of honest officers, the Commission has observed that its punishment policy with regard to intimations would be as follows:-

1. Unnecessary queries may not be raised when officers make intimations. As a general rule, such intimations may simply be noted;
2. If not related to assets, disproportionate known sources of income, failure to intimate should be treated as a technical lapse. Such lapses should ordinarily attract only a censure/administrative warning;
3. Since monetary limits for intimation have not kept pace with inflation, the failure to send intimations of transactions in movable properties should be taken cognizance of only if the value of the movable property dealt in exceeds two months basic pay of the official concerned.

The above policy may be noted for compliance.

Sd/-
(C.J. Mathew)
Deputy Secretary

No.99/VGL/69
Government of India
Central Vigilance Commission

Satarkta Bhavan, Block 'A'
GPO Complex, I.N.A.,
New Delhi- 110 023
Dated the 26th February 2001

To
The All Chief Vigilance Officers

Subject: Guidelines to be followed in handling of intimations of acquisition reported by public servants.

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3. Since monetary limits for intimation have not kept pace with inflation, the failure to send intimations of transactions in movable properties should be taken cognizance of only if the value of the movable property dealt in exceeds two months basic pay of the official concerned.

The above policy may be noted for compliance.

Sd/-
(C.J. Mathew)
Deputy Secretary

No. 2(32)/97-DPE(WC) GL-XXXV
Government of India

Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises
Block No.14, CGO Complex,
Lodi Road, New Delhi –110003.
Dated the 8th December, 2000.

OFFICE MEMORANDUM

Subject: **Voluntary Retirement Scheme/Voluntary Separation Scheme for the employees of Public Enterprises.**

The parameters on the basis of which the VRS could be formulated by the PSUs for their employees have been spelt out in this Department's OM of even number dated 5.5.2000. However, there are certain points on which clarifications have been solicited by the PSEs as well as the administrative Ministries/Departments. These points have been examined in the Government. The Points as well as the clarifications are given hereunder.

1. Whether allowances like Personal Pay, HRA, NPA, Family Planning increment are to be included for computation of ex-gratia? Basis pay plus Disciplinary Authority only is to be taken into account for computation of ex-gratia under VRS.
2. Whether the post of the employee who has taken VRS is to be abolished? There shall be no recruitment against vacancies arising out of VRS.
3. Whether any arrears of exgratia are to be paid in the even of pay revision being sanctioned subsequent to voluntary separation? Ex-gratia will be re-calculated on the basis of revised pay scale and the difference be paid.
4. Can notice pay in lieu of notice and TA for settling in the Home Town or elsewhere be paid to the employees who are to opt or have opted for VRS? One month/three months notice pay (as per service conditions application to the employees) may be paid. TA for the employee and family would also be admissible to the place where he intends to settle down after taking VRS. For this purpose, the entitlement will include transportation cost of personal effects and traveling cost of self and family members, as admissible under the entitled classes.
5. Under the Gujarat pattern, will the compensation for the balance service be calculated @ 25 days for every year of service left? Compensation under VRS modeled on the Gujarat pattern will consist of salary of 35 days for every year of service completed and 25 days for every year of service left until superannuation.

6. Under VSS, will the employee be entitled for 60 months salary even if he has not completed 30 years of service? No. 60 months salary as ex-gratia is permissible under VSS scheme of Deptt. of Heavy Industry. If the VSS scheme is modeled on Gujarat pattern (para 5 of OM dated 5.5.2000), will the employee be still entitled for 60 months salary if he has completed 30 years or more service? Sixty months salary as compensation is attached to VSS package of the Department of Heavy Industry only and not under the Gujarat model.

7. Whether PF, leave encashment, gratuity, notice pay, LTC are payable to employees in case of Voluntary retirement? There are to be paid to the employees opting for VRS as per the provisions of the relevant statutes and the service conditions. These are outside the computation of ex-gratia on voluntary retirement.

8. Is any minimum qualifying service necessary for opting for VRS? No age bar or minimum qualifying service is prescribed.

9. Do the companies have the choice to opt for either the Gujarat model or VSS on DHI model for the sick and unviable units? The Boards of the sick and unviable PSUs are obliged to offer VSS on DHI pattern to the employees. The Board have the option to offer, in addition, VRS on Gujarat pattern, in which event the employees will have a choice between the two schemes.

10. The managements have the right to reject the VR application of certain employees as they have to ensure that the company is not denuded of talents. In that case, what would be the treatment given to such employees who have been retained by the management in case of PSU is closed. Will they be offered VSS in case of PSU is closed. Will they be offered VSS even after a lapse of three months or will they be paid retrenchment compensation under ID Act? The cases of such employees will be covered under the final settlement on closure of the unit. If the benefit of VSS is extended on closure, such employees will also receive it.

11. Whether Casual Leave may be encashed up to the date of notification of VRS or actual date of relief of employee? CL may be encashed on pro-rate basis up to the date of relief of employee.

12. What would be the compensation payable in case where the balance of service left under superannuation is less than 250 days and sum of the salary for the balance period is less than Rs.25000/-. The computation is explained in the enclosure.

13. Whether the notice period pay is to be paid in addition to if the application of an employee for voluntary retirement is accepted instantaneously and payment is 60 months salary as compensation in case an employee has completed 30 years of service and the remaining period of service is 75 months. arranged by the management on the same day, the concerned individual would be entitled to payment of ex-gratia along with the notice period pay. It is, however, clarified that payment of ex-gratia for service rendered or left over service before superannuation as well as the amount payable for the notice period should not exceed the basic pay plus D.A. that would have been paid to the employee who has opted for voluntary retirement till the date of superannuation. For example, if an employee opts for voluntary retirement a few months before the date of superannuation, say at 57 years and 10 months, the payment should be restricted to 2 months basic pay plus Dearness Allowance. In circumstances where the management takes time to take a decision about the acceptance of an application submitted by the employee for voluntary retirement and allows the notice period to lapse or the individual concerned has drawn full salary during the notice period served by him, in these cases notice period pay would not be admissible as the individual has already drawn the salary during the notice period.

14. Whether it is mandatory to introduce new VR Scheme or continue with the existing scheme? The new scheme has been introduced in supersession of the old scheme.

15. If the VRS is implemented in the middle of any particular month, whether full months salary is to be computed for VRS purpose? An employee is entitled to payment of salary till the date of voluntary retirement, regardless of the date of implementation of the VRS. As for computing the completed years and months of service for the purpose of ex-gratia, the datum will be the date on which the employee in question had joined service.

16. If the employee has completed 20 years service whether he will be paid compensation for 20 years service or compensation for 20 years of service plus proportionate days salary for the nine months service also? The calculation would have to be based on every completed year of service or part thereof. The part of the complete year served shall be entitled for ex-gratia on pro-rata basis.

17. Whether service rendered in other PSEs would be taken into account for purpose of computation of VRS from the latter employing organization. This would be taken into account only on transfer of cash equivalent of Earned Leave and Provident Fund. Gratuity would be as per the provisions of the Act.

18. Will notional pay revision from 1992 and 1997 be taken for computation of VRS/VSS benefits? In the new VRS/VSS scheme, there is no scope for computation of the ex-gratia on notional salary revision.

19. Will encashment of sick leave at the time of taking VRS/VSS be permissible? Encashment of sick leave has nothing to do with VRS/VSS. Its encashment will depend on the management decision, based on the service conditions.

20. Will the casual workers be Casual workers will not be entitled for VRS/VSS. included for the purpose of VRS/VSS who have completed more than 20 years of service? Refer to para 9 of OM dated 5.5.2000.

21. Whether the contract employees appointed on contract basis can be considered as temporary employees for purposes of VRS? If yes, how the compensations would be calculated? Contract employees are outside the purview of VRS.

22. How would the computation of ex-gratia (VRS) under Gujarat pattern be done? As per enclosure. All the administrative Ministries/Departments of Government of India are requested to bring the foregoing clarifications to the notice of the Public Enterprises under the administrative control for their information and necessary action.

Sd/-

(A.K. Rath)

Joint Secretary to the Govt. of India

No.3(v)/99/13
Government of India
Central Vigilance Commission

Satarkata Bhavan, Block "A",
GPO Complex, I.N.A.,
New Delhi - 110 023.
Dated the 28th September 2000

Subject: - Effective punishment of the corrupt through traps.

It has been provided in the instructions issued by the Commission, vide its communication No. 3(v)/99/10 dated 01.12.1999, that the disciplinary authorities, the CVOs, as well as those who are hurt by the conduct of corrupt employees, can arrange for traps against corrupt public servants and that the local police or CBI can be contacted for arranging the traps.

2. In terms of Section 17 of the Prevention of Corruption Act, 1988, an offence punishable under the PC Act can be investigated by a police officer not below the rank of an Inspector of Police in the case of Delhi Special Police Establishment, an Assistant Commissioner of Police in the Metropolitan areas of Mumbai, Calcutta, Chennai and Ahmedabad and a DSP or a police officer of equivalent rank elsewhere. Further, every person, aware of the commission of, or of the intention of any other person to commit any offence, punishable under various sections of IPC including Sections 7 to 12 of the PC Act, in the absence of any reasonable excuse, is required to give information to the nearest Magistrate or Police Officer of such commission or intention in terms of Section 39 of the Cr.PC.

3. The Commission has observed that the number of traps conducted by the police officials, under the provisions of PC Act, do not commensurate with the level of corruption perceived in the country. This could be because (i) there may not be a branch of the CBI in the near vicinity of the complainant and (ii) the people, at large, have reservations in approaching the local police. Therefore, keeping in view the above provisions of Law, and in order to implement the Commission's instructions referred to in para 1 supra, the Commission desires the CVOs to take the initiative in arranging a trap if a person gives a written complaint or a source information to him about the alleged demand of bribe by an official in his organisation. For that purpose, he may take on record the complaint, approach the local police or the CBI for assistance in conducting a trap, coordinate closely between the police authorities and the complainant, and ensure secrecy of the entire exercise so that it does not end in a fiasco. Further action in the matter may, however, be taken in terms of the Commission's instructions dated 01.12.1999, i.e. the CBI and the Police may complete the documentation within a period of two months and make available legible, authorised photocopies of all the documents to the disciplinary authorities for the purpose of departmental proceedings. The CBI or the local Police may, if they so desire, launch criminal proceedings against the concerned employee separately.

4. These instructions are available on the CVC's website <http://cvc.nic.in>

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

1. The Secretaries of all Ministries/Departments of Government of India
2. The Chief Secretaries to all Union Territories
3. The Comptroller & Auditor General of India
4. The Chairman, Union Public Service Commission
5. The Chief Executives of all PSEs/Public Sector Banks/ Insurance Companies/Autonomous Organisations/ Societies
6. The Chief Vigilance Officers in the Ministries/Departments/PSEs/ Public Sector Banks/Insurance Companies/Autonomous Organisations/ Societies
7. President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO
8. Director, CBI
9. Department of Personnel & Training, North Block, New Delhi

No.3(V)/99/12
Government of India
Central Vigilance Commission

Satarkata Bhavan, Block 'A'
GPO Complex, I.N.A.,
New Delhi-110023
Dated the 14th August 2000

Subject: - Appointment of consultants in vigilance departments.

It was stated in the Department of Personnel & Training's OM No.371/32/97-AVD.III dated 28.11.1997 that contrary to the instructions governing appointment of CVOs, such functions as are to be performed strictly by the CVOs or vigilance set-ups in the Ministries/Departments were assigned to outsiders engaged as consultants. It was clarified that consultants are not appointed against any regular post and, therefore, their engagement itself for sensitive functions of vigilance and discipline was against the spirit of the scheme of "vigilance and discipline".

2. The appointments against the posts of CVOs are made with the prior approval of the Commission. The Commission, therefore, takes care of the situation that no organisation appoints a consultant to perform the functions of a CVO. It has, however, been observed by the Commission that some of the organisations have appointed retired officers as consultants in the vigilance/personnel departments to perform vigilance functions, in the capacities of other than the CVO.

3. A person, who is not a full-time employee of the Government/public sector enterprise etc., may be amenable to influence. There is also a possibility that the retired officers, appointed as consultants, may provide a convenient legal cover for going easy on corrupt practices, as they may be financially obliged to the Management. It is also difficult to make them accountable for the misconduct committed by them. Therefore, the Commission in exercise of the powers conferred upon it, vide para 3(v) of the Government of India's Resolution No. 371/20/99-AVD.III dated 04.04.1999, directs that the vigilance functionaries should always be full-time employees of the organization and in no case a retired employee should be appointed as a consultant to perform vigilance functions. If there is not sufficient vigilance work for a full-time functionary in the organisation, the organisation may entrust him some other work in addition to vigilance work.

4. The above instructions may please be followed strictly. For any violation of the above instructions, the CVO and the chief executive of the concerned organization may be held responsible.

5. This order is available on the CVC's website <http://cvc.nic.in>.

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

- (i) The Secretaries of all Ministries/Departments of Government of India
- (ii) The Chief Secretaries to all Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) Chief Executives of all Public Sector Undertakings/ Banks/ autonomous organisations etc.
- (vi) All Chief Vigilance Officers in the Ministries/Departments/ PSEs/Public Sector Banks/Insurance Companies/ Autonomous Organisations/Societies
- (vii) President's Secretariat/Vide President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO/CBI
- (viii) The NGOs/Institutes/Service Associations (appearing in the Commission's mailing list)

No. 8(1)(g)/99(4)
CENTRAL VIGILANCE COMMISSION

SATARKTA BHAVAN,
Block A, GPO Complex,
INA, New Delhi - 110023
Dated the 12th March, 1999

SUB: Improving Vigilance Administration - Sensitising the Public about corruption.

Prevention is better than cure and prevention of corruption is better than the post corruption hunt for the guilty. Keeping this in view, the Commission is determined to improve the vigilance administration vis-'a-vis system improvements to prevent the possibilities of corruption. Therefore, in exercise of powers conferred on the Commission vide Section 8(1)(g) of the CVC Ordinance, 1999, assuming the role of a whistle blower and authority autioning against misuse of official powers leading to corruption, directs all Departments/Organisations under the preview of the CVC to prominently display a standard notice board, at the Reception of each of their offices to catch the attention of the Public, written in English as well as in the vernacular Languages, saying:

"DO NOT PAY BRIBES. IF ANYBODY OF THIS OFFICE ASKS FOR BRIBE OR IF YOU HAVE ANY INFORMATION ON CORRUPTION IN THIS OFFICE OR IF YOU ARE A VICTIM OF CORRUPTION IN THIS OFFICE, YOU CAN COMPLAIN TO THE HEAD OF THIS DEPARTMENT OR THE CHIEF VIGILANCE OFFICER AND THE CENTRAL VIGILANCE COMMISSION (Name, complete address and telephone numbers have also to be mentioned against each)"

2. This is subject to surprise inspections by the Central Vigilance Commission.

Sd/-
(N. Vittal)
Central Vigilance Commissioner

To

- 1) The Secretaries of All Ministries/Departments of Government of India
- 2) The Chief Secretaries of All Union Territories
- 3) The Chief Executives of all PSUs/Banks/Financial Institutions
- 4) The Comptroller & Auditor General of India
- 5) The Chairman, Union Public Service Commission
- 6) All Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- 7) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

No.98/VGL/32
Government of India
Central Vigilance Commission

Bikaner House, 1st Floor,
No.1 Pandara Road,
New Delhi, 26th Oct.1998

CIRCULAR

Subject :- Encouraging a culture of honesty.

Many Government Servants, when they enter service, are generally honest. They become corrupt due to various reasons. One reason given is that many a time their seniors are corrupt and hence, the juniors have to become corrupt or be ineffective in checking corruption. It is necessary to ensure that junior Government Servants are not forced to become corrupt because of the culture of corruption in an organisation and the influence of corrupt seniors.

2. It has, therefore, been decided that in all cases where the records are to be forwarded to the CVC, for advice, the junior officer initiating the proposal for departmental action or prosecution can send a copy of his recommendations in advance to the Central Vigilance Commissioner (by name). For this purpose, it is clarified that forwarding of the proposal directly, as such, will not be treated as an act of either indiscipline or lack of co-operation as it would inadvertently help a great deal to speed up the process of examination of cases in the Commission. These instructions may specifically be brought to the notice of all officers in your organization.

This issues with the approval of the Central Vigilance Commissioner.

Sd/-
(P.S. Fatehullah)
Director.

To
All Chief Vigilance Officers.

Copy to :

1. PPS to CVC.
2. PS to Secretary.
3. Addl. Secretary (HS).
4. Addl. Secretary (A).
5. CTE's Organisation.
6. All Branch Officers/Section Officers.

No.004/VGL/90
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 04th Jan.2012

CIRCULAR NO.02/01/12

Subject:- Rotation of officials working in sensitive posts - reg.

Ref: Commission's circulars No.98/VGL/60 dated 15.4.1999, 1.11.2001
And circular No.17/4/08 (004/VGL/60) dated 1.5.2008.

Attention is invited to the Commission's instructions contained in circulars under reference wherein all CVOs were asked to identify the sensitive posts and also to ensure that officials posted on sensitive posts are rotated every two/three years to avoid vested interests. These instructions are not being strictly followed which is a matter of serious concern.

2. Recently, the Commission while dealing with a case pertaining to a Public Sector Bank noticed that a senior ranking official who was associated with procurements etc. was posted in the department for an unduly long period which is against the spirit of the Commission's guidelines. The Commission would once again emphasize that periodical rotation of officials, holding sensitive posts/jobs especially at senior levels need to be ensured. As such, officials should not be retained in the same place/position for unduly long periods in the guise of indispensability etc. by the Management of Public Sector Banks.

3. The Commission while reiterating its guidelines would advise the CVOs of Public Sector Banks to bring to the notice of all concerned to ensure strict compliance of the same. Further, the CVOs should specifically mention the action taken status in this regard indicating the number of officials rotated/transferred in the Bank in the Monthly Report of CVOs to the Commission.

Sd/-
(J.Vinod Kumar)
Officer on Special Duty.

All CVOs of Public Sector Banks.

No.004/VGL/90
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 1st May, 2008

CIRCULAR NO.17/4/08

Subject:- Rotation of officials working in sensitive posts.

Attention is invited to the Commission's circular No. 98/VGL/60 dated 15/4/99 and 2/11/01.

2. The Commission vide circular dated 15/4/99, had asked the CVOs of Ministries/Departments/Organisations to identify the sensitive posts in their organizations and also to send to the Commission, the list of posts so identified. Further, CVOs were also asked to ensure that officials posted on sensitive posts were rotated every two/three years to avoid developing vested interest.

3. No information in this regard has been received in the Commission so far. The CVOs may, therefore, complete the exercise expeditiously now, and send to the Commission, a list of posts identified as sensitive in their organization. The exercise may be completed by 30th June 2008.

Sd/-
(Rajiv Verma)
Under Secretary

All Chief Vigilance Officers

No. 98/VGL/60
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023.
Dated the 2nd November, 2001.

To
All Chief Vigilance Officers

Subject: Rotation of officials working in sensitive posts.

Attention is invited to Circular No. 98/VGL/60 dated 15th April 1999 of the Central Vigilance Commission regarding rotation of officials working in sensitive posts.

2. It is hereby clarified that postings in the vigilance wings/departments are classified as sensitive. Therefore, the above instructions should be strictly followed while transferring officials to and from vigilance.

3. Accordingly, personnel deputed to the vigilance wing from operational wings are to have a tenure of three years following which they are to be reverted to operational areas. In the case of organizations that have a separate cadre for vigilance, the rotation should be done across regions on expiry of tenure of three years in a particular office.

4. CVOs may certify annually that this exercise has been carried.

5. This is for strict compliance by all concerned. This issues with the approval of the Commission.

Sd/-
(C.J. Mathew)
Deputy Secretary

98/VGL/60
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 15th April 1999

To
All Chief Vigilance Officers

Subject: Rotation of officials working in sensitive posts.

Instructions have been issued from time to time by the Central Vigilance Commission and the Department of Personnel and Training for making rotational transfers in respect of the officials posted on sensitive posts at periodic intervals. These instructions are not being strictly followed and fallen into disuse.

2. In order to implement these instructions in a letter and spirit, it has been decided by the Commission that a list of sensitive posts in various Departments/Organisations should be identified by the Chief Vigilance Officer of the Department/Organisation. A list of posts so identified by the CVOs may be intimated to the Commission immediately. Thereafter CVOs in consultation with the Chief Executives would ensure that officials posted on sensitive posts are rotated every two/three years to avoid developing vested interests. In case officials posted on the sensitive posts continue to function in violation of the existing orders, the Commission may be apprised so that it may take up the matter with the concerned Departments/Organisations for implementing these instructions.

Sd/-
(P.S.FATEHULLAH)
DIRECTOR