VIGILANCE MANUAL

COMPENDIUM OF GUIDELINES - CVC, MOD & HAL

सत्यमेव जयते

HAL VIGILANCE

HINDUSTAN AERONAUTICS LIMITED

VOLUME - IV

प्रदीप कुमार
PRADEEP KUMAR

सत्यमेव जयते

केन्द्रीय सतर्कता आयुक्त
केन्द्रीय सतर्कता आयोग
Central Vigilance Commissioner
Central Vigilance Commission

December 5, 2013

MESSAGE

I am glad to note that the Vigilance Department of Hindustan Aeronautics Limited (HAL) is bringing out an updated Vigilance Manual in four volumes incorporating the changes in guidelines and developments in vigilance administration.

An effective vigilance administration requires continuous capacity building of the vigilance functionaries and all other stake holders. Lack of clear understanding of rules, procedures and practices are often due to the absence of user friendly information in the form of compilations. I find that the earlier edition was brought out in December, 2009, and updation exercise to keep abreast with changes is welcome.

I congratulate the Vigilance Department of HAL for bringing out the updated Vigilance Manual which will not only be beneficial to the vigilance personnel but would also instil confidence in employees and other stake holders for better corporate governance in HAL.

(Pradeep Kumar)

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FOREWORD

Rules, regulations, procedures and guidelines need continuous as well as periodic updation to keep them in sync with dynamic reality. I am pleased to note the effort of the Vigilance Department of HAL to completely revise and update its Manual issued in November 2009 for the benefit of HAL Community. I find that the revised four volume edition comprehensively covers all the activities of the Vigilance Department. It includes all the current instructions on Vigilance administration issued by CVC, MOD and DOPT etc.

In HAL, 2013-14 has been the year for brining all our guidelines up to date. Our Delegation of Powers, Procurement Manual, Works Manual, Recruitment Manual, Vigilance Manual etc. all reflect today's relativity and will help our executives to discharge their duties without fear or favour.

I complement Shri Anurag Sahay, IRS, CVO and his team of Officers for their timely initiative and contribution towards an effective and vibrant Vigilance administration in HAL.

(RK Tyagi)

14, January 2014
Bangalore - 560001

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FOREWORD

Vigilance cannot be considered as an activity merely to prevent corruption. Considered holistically, it can acquire a more meaningful role. In fact, vigilance has to be seen as a part of the overall risk management mechanism of an organization whereby systems are structured in such a manner so as to prevent leakages even while making the organization transparent and accountable in its dealings with customers both internal and external.

The need of a Comprehensive Vigilance Manual has always been felt strongly so that all the relevant issues relating to a case could be examined in correct perspective and without a last minute pressure of locating the relevant instructions / guidelines here and there. Integrity of administration and honesty of officials manning it are indispensable factors to ensure good governance. The extent to which we can make our internal machinery effective and responsive to the customers depends on the sincerity and probity of the officials.

I am pleased to note that Corporate Vigilance has brought out the Vigilance Manual which consolidates various guidelines issued by the Central Vigilance Commission over the years and will be useful for carrying out the vigilance activities effectively. The Manual comprehensively covers all important aspects of Vigilance matters. The action plan for the vigilance functionaries in terms of inspections, investigations, various reports and returns have been compiled in great detail to enable effective functioning.

The current revised edition has been meticulously compiled by Vigilance department. I wish to place on record my appreciation for the initiative taken by Corporate Vigilance headed by Sri Anurag Sahay, IRS, CVO and his dedicated Team Members.

21 Feb 2014
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FOREWORD

"Nothing is permanent but change" goes the famous adage. Constant updating of various rules and procedures from time to time has manifold benefits to an organisation. It is an enabling tool to be equipped to face the myriad contemporary challenges and to remain ahead of the times.

Regular review and updating of policies and manuals is also a strong indicator of an organisation which is live and active, more so for an anti corruption entity like that of the Vigilance Department. It gives the double advantage. To the Department in specific, by ensuring delivery of professional anti corruption services and the organisation in general to meet the ethical requirements in the discharge of duties which is the cornerstone of good corporate governance.

I am therefore doubly delighted that Vigilance Department in HAL which is in the forefront of pursuing regular updating and reviewing of various Manuals and policies, is leading by example by publishing the revised Vigilance Manuals. I am sure that the efforts of the Department would help HAL to deliver quality products based on strong fundamentals of integrity and ethics.

I compliment Shri Anurag Sahay, IRS, the Chief Vigilance Officer and his team for this remarkable endeavour and wish the Department all the success in partnering the HAL to reach greater heights and realise the common goals and objectives.

12th Feb 2014 (K Naresh Babu)

Bangalore-560017 Managing Director (BC)

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FOREWORD

It is pleased to note that the Vigilance Department has taken up the task to revise and update the present Manuals, which was updated and issued by the Vigilance Department during November 2009.

I am happy that Shri Anurag Sahay CVO HAL and his team have decided to bring out this revised Vigilance Manual. It is a tribute to the meticulous care and thoroughness with which they have brought out this Manual, within a short span of time.

I am sure this revised version will be found useful by all sections of our officers and employees. This would also be useful to Officers of Vigilance Dept, since details contained in this version would make the vital difference between knowledge of laws and implementation thereof to achieve the desired effect.

12th Feb 2014

Bangalore-560001

(Dr. A K Mishra)

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FOREWORD

I am extremely happy to put on record that Vigilance Department has punctiliously revised the existing Vigilance Manuals. It is pleasure to share that HAL Vigilance Department in recent past, has taken innumerable initiatives to streamline vigilance related activities in the company.

Vigilance Manuals stipulating the legal and procedural framework is a 'sine qua non' for the efficient working of the Vigilance Department. Vigilance cannot be considered as an activity to merely prevent corruption. It does have a more meaningful role. In fact, Vigilance has to be seen as a part of the overall risk management mechanism of an organization whereby systems are structured in such a manner so as to prevent leakage even while making the organization transparent and accountable in its dealing with customers and stakeholders.

The objective of corruption free HAL cannot be done entirely by a small team of 40 plus Vigilance Officers. Undoubtedly, unless all stakeholders are involved in the process, effective Vigilance cannot be achieved. Every one working in their position, department have to come forward to fill the loopholes in the system.

To cull out all relevant circulars and guidelines in form of a manual is a laudable initiative. This is a major step towards bringing awareness of various Vigilance concepts and practices in the organization.

I am sure all the Manual would prove very handy to all employees in facilitating easy reference of various rules and regulations concerning vigilance related matters and would assist them in performing their duties and responsibilities in an efficient and vigilant manner.

I congratulate Shri Anurag Sahay, CVO and his team for bringing out this updated/revised manual.

15th Feb 2014
Bangalore-560017

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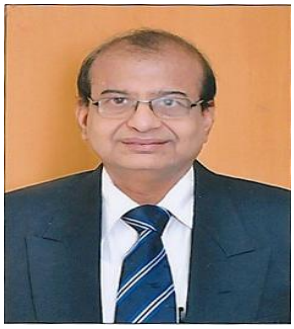

FOREWORD

I am pleased to note that the Vigilance Department has undertaken the task to revise and update the Vigilance Manuals issued by the Department during November 2009. This edition is contemporary which includes the current instructions on vigilance matters issued by the DOPT, CVC directives and company policies.

Creating awareness among public servants about rules and procedures, their underlying principles and purpose; and their correct application in practical situations would definitely increase the degree of adherence to these rules and procedures. I also find that the contents of the Vigilance Manuals are logically arranged in a very simple format to be used as reference.

I compliment Shri Anurag Sahay, IRS, CVO and his team of officers for their proactive initiative and positive contribution towards a more effective and vibrant vigilance administration.

(S. Subrahmanyan)
Managing Director

21st Feb 2014

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ANURAG SAHAY, I.R.S.
Chief Vigilance Officer

सत्यमेव जयते

FOREWORD

It is a matter of great privilege for me to present before the HAL Community, a completely revised and updated Vigilance Manual. The present manual is released in four volumes,

Vol. 1	Organisation & Policy
Vol. 2	Disciplinary Proceedings
Vol. 3	Technical Guidelines : Procurement, Contract & Services
Vol. 4	Compendium Guidelines : CVC, MOD & HAL

We have updated the Manuals in the light of our experience in Vigilance Administration since Nov 2009, i.e. the period of release of the last manuals. We have also endeavoured to include the latest guidelines, court decisions, and the various changes in Vigilance Administration in HAL, such as Online Vigilance Clearance System, System of Vigilance Sensitisation of Recruitment Committee etc.

We accord highest priority to creating vigilance related awareness in the Company. Through our various publications, we strive to create awareness amongst our executives of the rules, regulations and guidelines which outline the perimeter of our operations. I am confident that the new vigilance manual will be a useful guide, not only to the Vigilance functionaries, but also to all the officers and workmen of the Company.

CVC in its various articulations has stressed on the need for participative vigilance. I would urge HAL Community to refer to the Manual for guidance, and contribute their share in enhancing accountability and transparency in our decision making processes.

Jai Hind.

(Anurag Sahay, IRS)
Chief Vigilance Officer

3rd March 2014

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सत्यमेव जयते
HAL VIGILANCE

VIGILANCE MANUAL-IV

(COMPENDIUM OF INSTRUCTIONS)

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CHAPTER-1

VIGILANCE ADMINISTRATION

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MODEL VIGILANCE STRUCTURE FOR PSUs

The Government having expressed its concerns to tackle corruption and make the functioning of investigating and vigilance agencies more independent, effective, credible and prompt entrusted the Deptt of AR&PG to conduct a study on vigilance set up in respect of CPSUs. The study observed that the nature of functions and operations of PSUs is different, dissimilar and largely of heterogeneous type. Nevertheless, it stated that the vigilance division in PSUs by and large deals with investigations, disciplinary proceedings, anti-corruption work, and preventive vigilance and in some cases technical and audit work and all vigilance units in the PSUs should have adequate personnel to carry out all these functions. The study concluded that it would be impractical to recommend a uniform vigilance set up for all PSUs but emphasized the need for a vigilance set up in each PSU to have the desired manpower requirements of skilled and trained vigilance personnel and recommended the following model of vigilance set up for the PSUs as a broad guideline to be adopted with such modifications as may be appropriate to their requirement:-

Corporate Office

(a) (b) (c)	Chief Vigilance Officer Dy CVO (For Schedule `A' & `B' PSUs) Vigilance Wings	
	(i) Investigation Wing - Sr Vigilance Officer	- One
	- Investigators - Steno	- Two - Two
	(ii) Anti-Corruption and Vigilance Wing - Sr Vigilance Officer	- One
	- Vigilance Assistants - Steno	- Two - One
	(iii) Disciplinary Proceedings Wing	
	- Sr Vigilance Officer	- One
	- Vigilance Officer	- Two
	- Steno	- One
	(iii) Disciplinary Proceedings Wing	
	- Sr Vigilance Officer	- One
	- Vigilance Officer	- Two
	- Steno	- One
	(iv) Preventive Vigilance Wing	
	- Sr Vigilance Officer	- One
	- Vigilance Officer	- One

	- Steno	- One
	(v) Technical Wing (This is applicable to PSUs engaged in other engineering and other technical operations)	
	- Sr Vigilance Officer - Vigilance Officer - Expert - Steno	- One - One - One - One

2. Regional / Project / Plant Office (This is applicable to Schedule `A' & `B' PSUs only)

- Sr Vigilance Officer - One
- Investigator - One
- Steno - One

3. This recommendation has been examined in this Department and it has been decided that PSUs should take immediate steps for adoption of the model vigilance structure; with suitable modifications depending upon the size, function and operation of the organization.

4. All the administrative Ministries/Departments therefore, are requested to advise the PSUs under their administrative control to take necessary action on the above lines and furnish action taken report to the DPE within a period of six months from the date of issue of this O.M.

(DPE O.M. No DPE 15(7)/98(GL-009) GM dt 25 Sep 1998)

MANPOWER SANCTIONS FOR THE YEAR 2009-10

Approval of the Competent Authority for the Overall Sanctioned Strength (OSS) for the year 2009-10 in respect of Vigilance Departments covering various Divisions / Complex Offices including Corporate Office is hereby conveyed as per the details placed at Annexure.

2. The indicated strength covers all categories namely, Regular Employees, Trainees who would become regular employees during the year 2009-10 and the Personnel on Contract including ex-servicemen who are inducted against vacancies. The Manpower Sanctions for Officers also includes employees to be promoted from workmen to officers' cadre.

3. Recruitment Plan. Action for induction may be initiated in line with the revised Manpower Sanction.

Officers	Indirect Workmen	Total
50	77	127

(Corporate Office {MS&IT} letter No CM/101022/N/231 dt 25 Jan 2010)

Procedure for selection and appointment of Chief Vigilance Officers in the various Central Public Sector Undertakings etc.

The basic guidelines on the above subject were issued vide Department of Personnel and Training O.M. No. 36(9)-EO/89-SM (I) dated the 7th February 1992. Thereafter, instructions have been issued from time to time as approved by the Government. All these instructions issued by the Department of Personnel & Training have been consolidated and reproduced below for the information and guidance of all concerned. The posts of Chief Vigilance Officers are to be treated as Central Staffing Scheme Posts and except where specific provisions have been made in respect of CVOs, the provisions contained in this Department's OM No. 36/77/94-EO (SM.I) dated 5.1.1996 shall be applicable.

GUIDELINES FOR APPOINTMENT OF CHIEF VIGILANCE OFFICER (CVO)

(i) As far as practicable, a Chief Vigilance Officer should not belong to the organisation to which he is appointed and should be from outside.

(ii) Once an officer has worked as a Chief Vigilance Officer in a particular organisation, he should not go back as CVO to the same Organisation again.

(iii) The cadre controlling authorities of the various organised services as well as Public Sector Undertakings, who would like to offer the services of the officers, would be asked from time to time to offer the names of suitable candidates with proven integrity for the posts of CVOs likely to fall vacant.

(iv) The officers deputed as CVOs to Public Sector Undertakings may draw pay as per the scale prescribed for the posts or their grade pay as is permissible under the rules.

(v) The CVOs would be eligible for an initial deputation tenure of three years in PSUs which is extendable upto a further period of two years in the same PSU (total 5 years) with the prior clearance of the CVC or upto a further period of three years on transfer to another PSU on completion of initial tenure of three years in the previous PSU.

(vi) The posts of Chief Vigilance Officers (CVOs) in the Central Public Sector Undertakings are treated as Central Staffing Scheme posts as those filled as per the procedure followed under the Central Staffing Scheme for posts in the Central Government. However, in order to attract officers for manning the posts of CVOs in various Public Sector Undertakings certain special dispensations which are applicable to non-Central Staffing Scheme posts have been made. For instance, if a request is received from an officer occupying a post under the Central Staffing Scheme on deputation, duly recommended by the Ministry/Department in which he is posted, with the approval of the Minister-in-Charge, for being considered for appointment as CVO, at least one year before the expiry of his tenure on the Central Staffing Scheme Post, such an officer, if selected for appointment as CVO may be allowed a tenure of 3 years as CVO subject to a maximum of 7 years' combined tenure on the Central Staffing Scheme post and the post of CVO.

(vii) Prior approval of the Central Vigilance Commission would be obtained before the names are offered to the respective Ministries/ Departments for the posts of CVOs in Public Sector Undertakings under their charge.

(viii) A panel of officers cleared by the Central Vigilance Commission will be suggested to the administrative Ministry/Department concerned with the approval of the Minister of State in the Ministry of Personnel, Public Grievances and Pensions, Department of Personnel & Training. The administrative Ministry is required to select an officer out of the panel with the approval of its Minister-in-charge and communicate the same to the Department of Personnel and Training for obtaining the approval of the Competent Authority.

ELIGIBILITY CRITERIA

(i) The officers should be holding JS/ IG/ DIRECTOR/DIG / DS level posts.

(ii) The officers should have completed the requisite ‘cooling off’ period in their parent cadre before they are recommended for a second central deputation.

(iii) Such of the officers, who were sponsored earlier for the post of CVOs/Executive Director (Vig) but not found suitable should not be sponsored again.

(iv) The officers sponsored for the post of CVO in the PSUs would not be allowed to withdraw their candidature subsequently and it will be the responsibility of the respective cadre controlling authorities to ensure the release of the officers in the event of their selection.

(v) If an officer does not join within the prescribed time, his appointment would be treated as cancelled and the officer concerned would stand debarred

from Central deputation for a period of five years from the date of issuing orders of his/her appointment. Further, the officer would also be debarred from being considered for any foreign training as also from being given cadre clearance for being deputed on foreign assignments/ consultancies abroad during the period of debarment.

(vi) The officers debarred for central deputation should not be sponsored for consideration for the post of CVOs till they complete their debarment period/become eligible for consideration.

WHEN, HOW AND TO WHOM TO APPLY

(i) The vacant posts of CVOs are generally circulated by the Department of Personnel and Training to various cadre controlling authorities of Group `A' services and the State Governments towards the end of every calendar year inviting names for consideration of officers in the offer list for the next calendar year.

(ii) The eligible officers should apply along with their bio-data (in duplicate) to their respective cadre controlling authorities that would make their recommendations to the Department of Personnel and Training and furnish up-to-date CR dossiers along with vigilance clearance in respect of the officers concerned.

(iii) The cadre authorities as well as the officers on the offer list would also be required to indicate choice of location since a large number of these posts are located outside Delhi.

(iv) The offer list would be obtained so as to be operative for one calendar year.

ELIGIBILITY FOR GENERAL POOL ACCOMMODATION

(i) The officers on their appointment as Chief Vigilance Officers in Central Public Sector Undertakings are not entitled to General Pool accommodation but are to be provided with accommodation by the Public Sector Undertakings concerned, as per the guidelines issued by the Department of Public Enterprises, from time to time.

(ii) The government officers who are mandatorily posted to Public Sector Undertakings/Statutory bodies/ineligible organisations may be permitted to retain General Pool accommodation in their occupation on payment of special licence fee by the organisation till their superannuation or reversion to an eligible office, provided the Establishment Officer, DOPT, certifies that the said posting was mandatory and in exigency of Public service.

ASSOCIATION OF CVOs WITH DEPARTMENTAL DUTIES, HANDLING SENSITIVE MATTERS.

The vigilance functionaries should not be a party to processing and decision making process or in other similar administrative transactions of such nature which are likely to have a clear vigilance sensitivity. While it should not be difficult for full time vigilance officers to comply with this requirement by disassociating themselves with decision making process in the substantive work of sensitive nature in their organisations, similar compliance of these instructions could be achieved in respect of part time vigilance functionaries also by confining their duties (other than those connected with vigilance work), as far as possible to such items of work, that are either free from vigilance angle or preferably serve as input to vigilance activity, for example, inspections and audit etc.

PERMANENT ABSORPTION OF CHIEF VIGILANCE OFFICERS IN PUBLIC SECTOR UNDERTAKINGS.

Once a Chief Vigilance Officer has worked in a particular Organisation, he should not be posted as CVO in the same Organisation. This aims at ensuring that an officer appointed as CVO in an Organisation is able to inspire confidence that in deciding vigilance cases, he will not be hampered by any past association with the organisation. The appointment of an outsider CVO also ensures objectivity in dealing with vigilance cases. It has also been observed that if any assurance is extended to an outsider CVO for permanent absorption, there is distinct possibility, that it would impair his objectivity in deciding vigilance cases and would negate the very purpose of appointing outsider CVOs. Keeping in view the above policy guidelines, an outsider officer appointed as CVO in any Central Public Undertaking shall not be permanently absorbed in the same organisation on expiry or in continuation of his tenure as CVO in that organisation.

GRANT OF HIGHER GRADE PAY CONSEQUENT ON THE PROFORMA PROMOTION IN THE CADRE UNDER THE NEXT BELOW RULE.

(i) The officers in the rank of Additional Secretary should not be posted as CVOs;

(ii) The officers appointed in the rank of Joint Secretary and subsequently picking up promotions in their respective parent cadres to the rank of Additional Secretary should be governed by the instructions issued by the Department of Personnel and Training in its O.M.No 2/29/91-Estt. (Pay.II) dated 5th January, 1994. Accordingly, such officers will either have the option to continue in the rank of Joint Secretary (without availing of proforma promotion) for the rest of the term

or revert to their parent cadre within a period of six months as prescribed in the above Office Memorandum;

(iii) In the case of officers initially appointed as CVOs either in the rank of Deputy Secretary or Director, and later on receiving offer of promotion to higher ranks in their parent cadres as Director/Joint Secretary, a proposal, if received from the concerned Administrative Ministry/Department, for allowing them to pick up the grade pay in the higher scale(Director or Joint Secretary as the case may be), can be agreed to by the Department of Personnel and Training with the approval of Secretary (Personnel)/ Minister of State for Personnel, Public Grievances and Pensions, without further reference to ACC, provided that in the case of Joint Secretary's grade, an officer of his batch in the service to which the officer (CVO) belongs, has been empanelled to hold Joint Secretary/equivalent level post at the Centre.

SPECIAL INCENTIVES FOR CVOs IN PSUs LOCATED OTHER THAN METROPOLITAN CITIES

(i) Grant of special allowance @ 15% of the basic pay to the Chief Vigilance Officers / Executive Directors (Vigilance) of the Public Sector Undertakings (PSUs). Those who are granted such special allowance will not be eligible for special pay/deputation (duty) allowance. Further, the special allowance would be given only to the deputationists posted on a regular basis and not to PSU employees of Vigilance Wing holding additional charge of the post of CVO.

(ii) Appropriate education allowance if such allowances are already available to their own employees of the relevant PSU.

(iii) The tenure shall be treated as 50% of the Central Deputation tenure, for the purpose of considering such officers for further posting in Government of India under Central deputation; provided the officer has served the PSU as CVO/ED(Vigilance) for at least three years, and provided further that consideration for appointment to the post at the level of Joint Secretary under Central Staffing Scheme will be subject to his empanelment for holding a post at the level of Joint Secretary.

(iv) After an initial term of 3 years, posting in Government of India under Central deputation to be considered on priority basis subject to the condition that the total tenure including the 50% tenure of CVO shall not exceed 7 years. The calculation of tenure for CVOs for assignments under Central Staffing Scheme is explained in the Annexure.

(v) A posting as Chief Vigilance Officer in a Public Sector Undertaking could be allowed, located at places other than Metropolitan cities in continuation of a posting with the Government of India, subject to the condition that the total period

including the earlier tenure, shall not exceed 7 years. Thus, if an officer has served on a post under the Central Staffing Scheme for 4 years and then proceeds on deputation to a post of CVO in a PSU located at places other than Metropolitan Cities, he will have a tenure of 3 years on the post of CVO subject to an overall ceiling of seven years of combined tenure on the Central Staffing Scheme post and the post of CVO.

(vi) Reduction in the "Cooling Off" period from 3 years to 2 years for an officer who had worked as a Chief Vigilance Officer in a Public Sector undertaking located at a place other than Metropolitan Cities immediately before the "Cooling Off" period or on his posting as such, immediately after the `Cooling off' period.

(DoPT OM NO. 372/8/99-AVD. III dated the 18th January,2001.)

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 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 organisation and in no case a retired employee should be appointed as a consultant to perform vigilance functions. If there is no sufficient vigilance work for a full-time

functionary in the organisation, the organisation may entrust him some other work in addition to vigilance work.

(CVC letter No 3(V)/99/12 dt 14 Aug 2000)

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.

(CVC letter No 3(v)/99/5 dated 29 Jul 1999)

UNIFORMITY IN DESIGNATION OF HEADS OF VIGILANCE IN PUBLIC SECTOR ENTERPRISES (PSEs)

The Commission, vide its communication No 3(v)/99/5 dated 29.07.1999, had desired that the CVOs 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 Public Sector Enterprise and that the CVOs below the level of Joint Secretary to the Government of India would get status, facilities and perquisites as that of a Executive Director in the concerned PSE.

2. The Commission has been getting requests from the CVOs, belonging to the same organizations, that the managements have declined to give them the above facilities and perquisites and that the Commission should take up the matter with the managements. In this regard, it is clarified that the instructions issued by the Commission, vide letter dated 20.07.1999, are applicable to those CVOs, who have been appointed on deputation terms from outside the organization, for a fixed tenure under the Central Staffing Scheme, to function as a full time CVOs in the PSEs. Thus, the Commission's Instructions dated 29.07.1999 are not applicable to the CVOs appointed from within the organization or the officers performing CVO's functions on part-time basis.

(CVC letter No NY/DSP/17 dated 14 Sep 2000)

STATUS, FACILITIES AND PERQUISITES TO HEAD OF VIGILANCE OF THE LEVEL OF JS AND ABOVE, IN PSEs

The undersigned is directed to refer to the above noted OMs of this Department on the above subject and to state that references are being received enquiring additional facilities that are to be extended to the CVOs of and above the level of JS to the Govt of India in PSEs vis-à-vis that of the Functional Directors and to clarify that the intention of the Government in extending certain facilities, as contained in the O.Ms cited above, is to make their functioning more effective and strengthen the vigilance machinery in PSUs. These are primarily confined to accommodation and staff car facility, attending board meetings on rare occasions when an issue relating to vigilance is discussed and administrative and financial powers which are considered essential for the efficient functioning of the vigilance machinery. CVC's circular No 3(V)/99/5 dated 29.7.00 also states that CVOs who are of the level of JS to Govt 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 DPE OM No.16(48)87-GM dated 2/8/96.

2. All Administrative Ministries/Departments are requested to extend these facilities covered by the OMs cited above to the CVOs of and above the level of Joint Secretaries subject to the conditions laid down therein.

(DPE O.M. No 16(48)/87-(GL-027)/GM dt 06 Jul 2000)

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 organization 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 organize 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 organization and the CVO should send a copy of such review to the

Commission. It has been observed that in a number of organizations, 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 organization 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 organization 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.

(CVC Circular No. 006/VGL/065 Dt. 06 Jul 06)

ABSORPTION OF CVOS OR APPOINTMENT AGAINST HIGHER POSTS IN THE SAME ORGANISATION

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.

(CVC circular No. 006/VGL/091 Dt. 12 Sep 06)

EVALUATION/PERFORMANCE OF ORGANISATIONS AND DEFENCE PSUs UNDER DEPTT. OF DEFENCE PRODUCTION

I have been directed to say that in order to make vigilance more effective and visible, all CVOs need to acquaint themselves with their work environments, gear their vigilance set up and effect improvements. For this both preventive and corrective vigilance should be given due importance. While stress should on punishing the guilty, at the same time it should be ensured that the innocent are not harassed. In this connection, all the organizations and defence PSUs under the DDP&S were advised to undertake detailed examination of the existing procedures with a view to eliminating or minimizing chances for resorting to corrupt practice or malpractices. After examination of the existing system certain sensitive areas of procurement by OFB and PSUs were identified and directions to streamline the procedures were issued. OFN was advised to arrange one week training in the Staff College for Junior Administrative Officers dealing with purchase and material management with a view to updating their knowledge on procedures which can help in arranging material in time and also sensitize them on corruption

prone areas. Apart from this, in the recently held CVO's Conference CVOs of the organizations/PSUs were advised to identify corruption prone areas for detailed studies. Defence PSUs and organizations have been advised to lay down policy for rotation of staff posted in sensitive posts which involve dealing with members of the public and the position is to be periodically reviewed to ensure that the staff is rotated as per laid down policy.

2. Emphasis has also been made for periodical review of preliminary investigation by the Vigilance Divisions of PSUs and Organisations to ensure that these are completed expeditiously within a given time frame and progress of oral enquiries is monitored regularly.

3. In order to achieve these objectives, the following actions were suggested :-

(a) CVO's of PSUs/Organisation should endeavour to eradicate corruption and irregularities as far as possible, so that confidence of the common people in the credibility of the Govt machinery in general is restored. The emphasis of CVO's should be to undertake studies of the procedure particularly with reference to procurement action where there is substantial scope for corruption. The progress made by CVOs of defence PSUs and Organisations in this regard is proposed to be reviewed periodically (at least one CVO in one quarter).

(b) This year it is proposed to organize a meeting of CMDs and heads of organizations (in addition to CVOs) with Secretary (DP&S) so that heads of organizations give added weightage to the vigilance activities. Senior officers of CVC and DOP&T will also be requested to participate.

(c) A schedule has been chalked out whereby at least one or two meetings are held in a quarter with CMDs/Head of Organisations and CVOs of the organizations under the control of DDP&S when the performance of the vigilance machinery of the PSU/Organisation will be reviewed in detail by JS(OF) & CVO with regard to measures undertaken to strengthen the preventive vigilance, streamlining procedures, activating vigilance machinery and measures being evolved to exercise checks and action plan by the organization

(d) Performance of the defence PSUs/Orgn will be reviewed from their reports with reference to cases of pending investigations, progress of preliminary investigations, identification of corruption areas and rotation of staff during the period of the report.

4. In order to ensure that the objectives are achieved, the PSUs/

Organs are requested to undertake following steps :-

(i) Monthly inspections may be conducted by the head of the vigilance Cell/ Units of various attached and subordinate offices.

(ii) Six monthly inspections may be conducted by the vigilance officers of various vigilance units/cells associated with the concerned officers from vigilance division of the Ministry.

(iii) CVOs of Defence PSUs and Orgns may review their "Vigilance Manuals"
and update it keeping in view the current activities/practices in their Orgns.

5. The Heads of PSUs/Organisations and CVOs are also requested to do the following for effecting an over all improvement in their organization.

(a) They should try to motivate employees to give information and suggestion for improvement and also adopt other measures to improve employee acceptability of vigilance and anti-corruption measures.

(b) They should identify areas and posts considered sensitive from the point of view of corruption and take measures, such as, rotation of jobs, regular checks, surprise checks etc.

(c) They should collect information to initiate measures for prevention and detection of corruption, malpractices and misconducts.

(d) They should collect information regarding integrity of employees, particularly placed in sensitive areas and maintain surveillance over those of doubtful integrity and their decision.

(e) They should see that the entry of all visitors to Unit/Offices is recorded, streamlined and controlled so that undesirable contact man, including those circulated by the CBI are not able to influence decision making and undermine discipline.

(f) They should carry out project study in sensitive and other areas of larger interest to the vigilance and see that the recommendations are implemented.

(g) They should train the vigilance staff in investigative skills either through In- house resources or with the help of outside agencies such as CBI, CVC, Railways, ISTM etc.

(h) They should ensure prompt and thorough investigation without bias. They should also ensure that investigations are conducted in an open and objective manner with least publicity.

(i) They should carry out prompt preliminary enquiries and investigations on complaints received. They should also see that proper assistance is given to the CBI in investigation of cases entrusted to CBI or started by them on their own.

(j) They should ensure timely submission of reports and returns.

6. It is requested that your comments on the above proposed actions may please be furnished, urgently within three weeks. The exact time and date of meetings proposed in para 4 will be intimated later on.

(MOD Letter No 160/Vig.III/96 Dt 11 July, 1996)

DEALING WITH ANONYMOUS/PSEUDONYMOUS PETITIONS/ COMPLAINTS

Divisions have been advised to give wide publicity through internal circulars for the awareness of all employees about the instructions of Central Vigilance Commission to the effect that no action at all be taken on any anonymous or pseudonymous complaints and they must just be filed. These instructions have been issued by the CVC keeping in view the various steps taken by them to ensure that genuine cases of corruption are brought to the notice of the appropriate authorities by those who were earlier resorting to anonymous/pseudonymous complaint route.

2. It is observed that a number of anonymous and pseudonymous complaints are being received in Corporate Office against employees of various Divisions/Offices. Following CVC's explicit instructions, no action should be taken on anonymous and pseudonymous complaints. However, it is possible that some of these anonymous and pseudonymous complaints are from honest employees who would have been holding back their identity for fear of adverse actions against them by the concerned corrupt officials. Therefore, to improve Vigilance Administration and bring in transparency in the functioning of various Departments, the honest employees should be given all encouragements in this regard.

3. Keeping the above aspects in view, the Divisions are requested to bring to the notice of employees that Management always encourages such honest/vigilant employees in bringing instances of corrupt practices verbally or by writing to the Management with all possible details,

documents, if any available, and giving their personal details such as name, designation etc. in case they feel it necessary, they are also free to meet the Head of the Vigilance, or Administration Department or the General Manager personally with all the details. Such employees have also free access to the Chief Vigilance Officer on such matters. Their identity will be kept secret by the Management. However, in case the details/information provided by the complainants are found to be false, it would make them liable for action on account of having supplied false information.

4. Divisions are requested to bring the above measures to the notices of employees through wide publicity including putting up these instructions on the "Notice Boards" located at various places in the Divisions, Complexes.

(HAL/P&A/19(5)/97/183 dt 30 May 2000)

COMPLAINTS RECEIVED IN THE DIVISIONS

1. It is observed that not all the Divisions are sending details of Complaints received in the Divisions, because of which accounting of total complaints received by the Vigilance Department is not possible.

2. It is therefore requested that photocopies of Complaints or brief of the source information/verbal complaint received in the Division, should be sent alongwith Monthly Report on "Anti-corruption and vigilance cases" as a separate Annexure, without fail. An extract of Complaints Register (CVO-1) being maintained by each of the Division, applicable for both category of officials, may also be sent along with the same report.

(HAL/CO/VIG/47/2001/332 dated 14 Dec 2001)

DISPOSAL OF COMPLAINTS

The Commission has received a number of references from 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.

(CVC circular No. 002/VGL/61 Dt. 23 Sep 03)

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-AVD.1 dated 14.1.2010 forming a Committee to deal with the 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 complaint 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 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.

It is not incumbent on the part of the CVC to send all complaints against the Officers so classified to the said Committee. It has been the practice even before the setting up of the Committees, 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. The complaints so received from the Commission are to be enquired by the authorities to whom they were sent and report submitted and advice sought from the Commission.

(Circular No.29/07/10 dated 27 July, 2010)

CVO's COMPLAINT REGISTER

Forwarded herewith please find the "CVOs Complaints Register" for both Category 'A' and Category 'B' Officers for registering complaints received in the Divisions. For handling of complaints, please refer to Chapter-II of Vigilance Manual, Volume-I (5th Edition) issued by the Central Vigilance Commission. It may be noted that all information containing allegations of misconduct against public servants including petitions from aggrieved parties, information passed on to the CVO by CVC, and CBI, press reports, findings in inspection reports, audit paras, PAC reports etc. will be entered in the above register. In the case of petitions the name and address of the complainant should be mentioned in col. 2 and 1 and in other cases, the sources as clarified above should be mentioned.

2. Relevant extracts from the CVC Manual are enclosed herewith

for ready reference and strict compliance. Since the Registers are being maintained at the Division/ Complex Level, HODs will ensure that all information including complaints/inputs received telephonically are properly recorded and cases progressed as per laid down instructions on the subject. Such information is thereafter reflected in relevant reports and returns till the case in finally disposed off.

(HAL/CO/VIG/47/2003/1739 dated 14 Oct 2003)

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.

(CVC circular No. 002/VGL/61 Dt. 1 Apr 04)

TIME LIMIT FOR COMPLAINTS

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

(CVC circular No. 004/VGL/62 Dt. 31 Aug 2004)

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.

(CVC circular No. 004/VGL/20 Dt. 29 Apr 2005)

GOVT. OF INDIA RESOLUTION ON PUBLIC INTEREST DISCLOSURES & PROTECTION OF INFORMER (PIDPI).

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. 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.

(CVC Circular No. 004/VGL/26 Dt. 17 May 04)

CIRCULAR – WHISTLE BLOWER POLICY

The Board of Directors of the Company has approved the Whistle Blower Policy in order to establish a mechanism for employees to report to the management about un-ethical behavior, actual or suspected fraud or violation of the Company general guidelines on conduct or ethics policy.

2. A copy of the 'Whistle Blower Policy' is enclosed for your information and for circulation in your Division / Complex / Office.

3. The Whistle Blower Policy will become operative with immediate effect.

(Circular No. CO/SEC/1(6)/2010 dated 1st July 2010)

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/Deptts/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.

(CVC Circular No. 004/VGL/26 Dt. 27 Feb 09)

GoI Resolution on the Public Interest Disclosure & Protection of informers (PIDP1)- 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 PlDPl 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 PlDPl 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 PlDPl 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.

(Office Order no 04/022 13/2/2012)

GUIDELINES REGARDING HANDLING OF COMPLAINTS IN MINISTRIES/DEPARTMENTS

The undersigned is directed to say that the instructions regarding dealing with anonymous and pseudonymous complaints as contained in this Department's OM No. 321/4/91-AVD.lll, dated 29th September, 1992 and as reiterated vide DOP&T's OM No. 371/38/97-AVD.Ill, dated 3/11/1997, being at

variance with instructions issued by CVC in this regard vide circular No.3(V)/99/2 dated 29th June, 1999, No. 98/DSP/9, dated 31st January, 2002 and 11th October, 2002, had been receiving the attention of the Government for the past some time.

2. The matter was examined afresh in consultation with the Central Vigilance Commission. Subsequent to the Public Interest Disclosure & Protection of Informers' Resolution - 2004 (PIDP!), the Commission has created a mechanism for handling complaints where identity of the complainant is kept secret and the complainant is provided protection. This has been endorsed and operationalized by the Central Government with the approval of the competent authority.

3. In view of the fact that complainants who desire to protect their identity now have the protection of the Public Interest Disclosure & Protection of Informers' Resolution- 2004 (PIDP!), the following procedure is laid down for handling anonymous and pseudonymous complaints, in supersession of instructions contained in DoP&T's OM No. 321/4/91-AVD.Ill dated 29th September 1992 :-

(i) No action is required to be taken on anonymous complaints, irrespective of the nature of allegations and such complaints need to be simply filed.

(ii) Complaints containing vague allegations could also be filed without verification of identity of the complainant.

(iii) If a complaint contains verifiable allegations, the administrative Ministry / Department may take cognizance of such complaint with the approval of the competent authority to be designated by the Ministry/Department as per their distribution of work. In such cases, the complaint will be first sent to the complainant for owning/disowning, as the case may be. If no response is received from the complainant within 15 days of sending the complaint, a reminder will be sent. After waiting for 15 days after sending the reminder, if still nothing is heard, the said complaint may be filed as pseudonymous by the Ministry/Department.

4. Instructions contained in para-3 above would also be applicable (with appropriate competent authority to be designated under para 3 (iii) above) for dealing with complaints against Secretaries to the Government of India or Chief Executives / CMDs / Functional Director of PSEs/PSBs/FIs, which will continue to be referred to the Cabinet Secretariat for placing before the Group of Secretaries headed by the Cabinet Secretary/Secretary (Coordination) in the Cabinet Secretariat, as the case may be, as per procedure given in Department's OM No. 104/100/2009-AVD.I, dated 14/1/2010 and DPE's OM No. 15(1)/ DPE(GM), dated 11/3/2010, as amended from time to time.

(DOPT OM No 104/76/2011-AVD.I dated 18 Oct 2013)

INVESTIGATION OF COMPLAINTS BY THE CVO – SEIZURE OF RECORDS

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.

(CVC circular No. 007/VGL/013 Dt. 23 Feb 07)

ACCESS OF COMPLAINTS TO THE CVOS - INSTRUCTIONS

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 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 organisation/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 received in the organisation/ department by any functionary containing any element of alleged corruption, malpractices or misconduct etc., should necessarily be sent to the CVO of the organisation 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 Volume-I (6th edition) prescribes that the CVO concerned may also view to devise and adopt such methods as considered appropriate and fruitful in the context of nature of work handled in for collecting intelligence about any malpractice and misconduct among the employees.

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

(CVC circular No. 009/VGL/035 Dt. 01 Jul 09)

DETAILMENT OF STAFF ON NON-VIGILANCE RELATED DUTIES

1. As per the role of the Vigilance Department, Vigilance functionaries in the Divisions/ Complexes have been assigned specific tasks of carrying out study of systems and procedures which include surprise and regular inspections/checks and Anti- corruption work. With the limited available staff in the Complex/Divisions there is very little scope for them to be involved in any other administrative functions in the Complexes/Divisions.

2. An instance has come to the notice of this office wherein a HOD of Vigilance has been co-opted as a member in the award of contract. The participation of vigilance staff in such an activity is not in line with the job, which the vigilance functionaries are assigned. In case of any complaints on irregularities on that particular contract, launching of an investigation into the same cannot be taken up as a vigilance officer being a member of the

committee.

3. Hence it is requested that vigilance functionaries are not co-opted in any committee in the Complexes/Divisions. In case of any requirement where it is felt that it will help the functions of the organization, a prior concurrence of the undersigned be obtained for the same.

4. The role of the vigilance staff envisages that a focus be given to Anti-corruption work and the meagre resources available are not dissipated in carrying out non-vigilance related functions, like gathering non-vigilance related information, union activities, investigations of industrial relations problems, conduct of verification of firms/ parties (other than related to vigilance cases), whistle jumping, idling, verification of antecedents (which is related to security aspect) etc. All concerned may please be apprised that such tasks are not given to the vigilance staff in the Division in future, in this connection please refer to this office DO letter No HAL/ED(S&V)/HO/4/91/146 dated 07 May 1991, copy enclosed.

APPENDIX

DETAILMENT OF STAFF ON NON-VIGILANCE RELATED DUTIES

The Central Vigilance Commission and Ministry of Defence while reviewing the quarterly statistical returns have observed that the Units have been showing large number of regular and surprise inspections but the number of cases detected is very poor. They have also observed that the number of inspections should include only vigilance inspections conducted to unearth corruption and other malpractices and not non-vigilance inspections.

There is considerable force in the observations of the Ministry and the CVC that the Unit Vigilance officers have not been restricting the number of inspections to purely vigilance matters but are including among other things, the following categories of cases

(a) Whistle jumping.

(b) Proxy Punching

(c) Idling

(d) Unauthorised absence etc.

FORWARDING /HANDLING OF VIGILANCE RELATED INFORMATION FORWARDING OF DOCUMENTS

1. It has been observed that in quite a few cases the supporting documents forwarded by the Divisions are entirely in vernacular language. It takes a lot of time to decipher such documents to make a proper report to management, for initiation of necessary action. It is not only a time consuming exercise, but also results in inordinate delay in finalization of the cases.

2. It is, therefore, requested that henceforth if the documents are in vernacular language, an English version of the same may also be forwarded without fail.

(HAL/CO/VIG/47/2001/186 dated 16 Nov 2001)

MISSING FILES IN VIGILANCE CASES

It has come to the notice of the Commission that many a time, sensitive files or basic files needed for conducting disciplinary inquiry are found to be missing. This is more likely to be a problem in PSEs some departments have a regular system of the maintaining and tracing files. This could be used as an excuse to deny access to files required for investigation and inquiry leading to distortions. Despite this, the focus being on the proceedings it self, liability for the cause of there distortions are never pinpointed.

2. It has therefore been decided that officer responsible for custody of files need to be held accountable for missing files. Therefore, all CVOs are advice to take up for consideration initiation of disciplinary proceedings against the custodians who report that files required in vigilance enquiries are missing.

(CVC circular No. 001/VGL/21 Dt. 28 Mar 02)

FORWARDING/HANDING OVER VIGILANCE LETTERS TO LOCAL MANAGEMENT

1. It has come to the notice of this office that in certain cases the correspondence which is taking place between this office and the Divisional Vigilance Office, find its way to the local management. This is a serious breach and not a healthy trend, since the local management, being aware of the issue, tries to scuttle the investigation or exerts unwarranted pressure to close the case, so that the material facts do not emerge.

2. It is, therefore, advised that sufficient caution may please be exercised by the divisional HODs, so that no undesired developments take place in the vigilance functioning. HODs are also advised to please organize their Department and Offices so that no information on any account is leaked

out to un-authorised person. All staff may also be advised by the HODs that information on vigilance matter may be handled on "NEED TO KNOW BASIS" even within the department. Any breach of these instructions will be viewed seriously.

(HAL/CO/VIG/47/2002/723 dt 28 Mar 2002)

DISCRETION IN SHARING INFORMATION

It has been noted with concern that information regarding vigilance investigations are not being handled with due caution. Sharing of details regarding ongoing/past vigilance cases with persons not in the channel of communication jeopardize the case. I expect all vigilance staff to diligently follow the principle of "Need to Know".

(HAL/CO/VIG/47/2002/1890 dtd. 30 Oct 2002)

FORWARDING OF INTENSIVE EXAMINATION REPORTS

1. It is seen that the reports of various system studies carried out by divisions are forwarded directly to division/complex heads. Henceforth, all system studies conducted from the vigilance point of view should be routed only through the Corporate Office and not directly to the respective division/complex heads.

(HAL/CO/VIG/91/2004/863 dtd. 04 Dec 2004)

CHANNEL OF CORRESPONDENCE

With immediate effect, all officers of Vigilance Department, HAL while requiring to correspond with Vigilance, Corporate Office, on all administrative and investigation matters will address their correspondence to ED (V).

Only those correspondences relating to Technical matters which have been initiated by SM (Tech)-Vig under his signature may be directly addressed to him.

(HAL/CO/VIG/ED-2/2005/1124 dtd. 18 Aug 2005)

FORWARDING TENDER ENQUIRIES BY REGD POST

1. One of the Divisions of HAL had represented that despatch of tender enquiries by 'Registered AD' need not be made applicable, where work is already going on in Division and they prefer to receive the enquiries personally,

since they are available at site within the campus.

2. The case has been examined and it is felt that in order to offer equal opportunity to all contractors (Working/Registered or those who may like to be registered) by adopting a uniform and transparent system of correspondence, it is desirable to send tender enquiries (i.e. tender documents) by Registered Post with acknowledgement due.

(HAL/CO/VIG/47/2000/86 dt 29 Jan 2000)

APPENDIX

ANTI CORRUPTION WORK

It is observed that Tender Enquiries are not being sent by Registered Acknowledgement Post resulting in malpractices in handling of tenders. It is hereby requested that all Tender Enquiries in all cases should be sent by Registered Post Acknowledgement Due only in future to avoid any malpractices. The record of the same will be maintained by the concerned department meticulously.

(HAL/CO/VIG/47/578 dated 29 Dec 99)

FUNCTIONS OF VIGILANCE
COLLECTION OF VIGILANCE INTELLIGENCE

1. Consequent to the issue of CVC's directive on handling of anonymous/ pseudonymous petitions/complaints, it has now become very important and imperative for the vigilance staff to create informant network to unearth vigilance cases. Beside other sources of information available to the vigilance, important source of information is visitors IN/OUT Register, which must be perused at regular interval i.e., at least once in a fortnight to know details of visitors, purpose of visit and who is the person visited.

2. It is also noticed that some of the employees meet these visitors at the reception lounge/area to avoid entry in the IN/OUT Register, which also require attention of vigilance staff.

(HAL/CO/VIG/47/291 dt 22 Jul 99)

INVESTIGATION OF VIGILANCE CASES

1. Investigation reports received from the Divisional Vigilance Units leaves much to be desired. In fact, repeated references are required to be made to obtain details/documents, etc, to ascertain about the vigilance

angle in the case/report and hence cases get inordinately delayed. In order to make investigations comprehensive and completely documented so as to enable the Office of undersigned and Disciplinary Authority to form an opinion, whether any disciplinary or any other action is called for or not, a comprehensive policy letter was sent to the HODs vide this Office Letter No HAL/CO/VIG/47/2000/625 Dt.14 July 2000. For conducting investigations by the vigilance functionaries, attention of all is invited to Paras 12 and 13 of "Special Chapter on Vigilance Management in PSEs and the Role and Functions of the CVC", and Sections I and II of Chapter III of Vigilance Manual Vol-1 (Edition- V), Central Vigilance Commission. There is an urgent need to upgrade investigative skills, so that cases receive the desired attention of the Management, and the Dept is considered as one of the professional bodies.

2. Besides above, in some cases either vigilance investigations are delayed or disciplinary proceedings are initiated at a time, when the delinquent employee is due for retirement. It has, therefore, been decided that with immediate effect vigilance functionaries will prepare bio-data of the delinquent employee as soon as preliminary enquiry/vigilance investigation is instituted, so that the investigation officer can keep track of his investigations and ensure that it is disposed well in time more so in the case of those employees, who are due for retirement. A Bio-data form is enclosed accordingly. HODs will ensure that whenever a case is referred to Corporate Office, Bio-data is completed forming FIRST page of the report and sent under a covering letter.

BIO-DATA

PARTICULARS RELATING TO THE COMPLAINT/INVESTIGATION AGAINST

SHRI _____PB NO _____

1. Name of the Officer :

2. Designation of the Officer
   a) At Present :
   b) At the time of alleged misconduct :

3. Service to which he belongs :

4. Date of birth :

5. Date of Superannuation :

6. Level/Group of the present post and Pay scale Basic Pay :

7. Date of suspension (if under suspension) :

8. Disciplinary rule applicable to the officer :

CONDUCT AND FORWARDING OF VIGILANCE INVESTIGATION REPORTS

1. Of late it is also noticed that in certain cases reports received from the Divisions leave much to be desired. Reports are neither systematic nor cogent, and in most of the cases no action can be taken on them, and even if the case is sent to the Management, it is referred to this office for one reason or the other. In some cases, it is found that report of the subordinate staff is merely enclosed with the Head of the Department becoming a forwarding agent, which is not desirable. These reports are neither paraphrased nor properly prepared, also tenor of the investigation indicates that investigation has, in some cases, been thrust upon the person. Another aspect, which has been noticed, is that reports are too generic and lacks essential ingredients of investigations. These aspects require immediate attention of the HOD of Vigilance Department in the Complex/ Division.

2. Besides above, there is a need to functionally organise Vigilance Department well. Since the time Complex/Divisional vigilance has been placed functionally under Corporate Office, there has been hardly any report, except in case of an odd Division, particularly quality work. I expect each one to carry out introspection and review his/her performance on regular basis, so that anti- corruption work receives the kind of attention it deserves.

3. Another important aspect in Vigilance functioning is, conduct of thorough investigation. A paper as to how to proceed with the investigations and preparation of proper report is enclosed at Appendix-'A' for guidance and adherence.

4. In order to ensure that the reports so initiated are complete in all respect and that the accused person does not go scot free / evade penal action, the Heads of the Vigilance Department in the Complex/ Divisions are

advised to establish a fool proof case. Each vigilance person is expected to prepare himself well before the vigilance investigations are undertaken. Points to be followed before investigations are:-

(a) Background of the case

(b) What aspects require investigation?

(c) How fruitful investigations can be conducted?

(d) What all documents are required? Make a list
.
(e) Who are all the personnel required to be interrogated?

(f) Make out a proper plan, so that better results are achieved with minimum efforts.

(g) Investigation Reports must be in a chronological order and follow a pattern to make it readable and comprehensive.

(h) Recommendations must be unambiguous so that these are understood and implemented.

(i) Do provide details of misconduct of an employee under relevant Rule of Certified Standing Orders/ HAL CDA Rules, as applicable.

(j) Do provide list of witness/ documents for handling the same by the Personnel Department.

(k) Enclose copies of the relevant documents duly authenticated and also keep an office copy as record for future reference.

(l) Where statements of the suspected employee and witnesses were being recorded, signature be obtained on the statement in the presence of an independent witness, which will carry weight at the time of charge sheeting and subsequent conduct of Disciplinary Proceedings.

(m) Do prepare a draft of Charge sheet.

(n) While sending the investigation report to the Corporate Office, please enclose a copy of each of the documents, which should be referred at the appropriate place of the main body of the investigation for better understanding.

4. The procedure to be followed in investigation of Vigilance cases is as under:-

(a) Issue of FIR. Once prima facie is established that Vigilance enquiry can be launched, FIR should be prepared as per the format (sample prepared for ease of reference) attached at Appendix-'B'. FIR will be prepared in three copies with distribution as, one copy sent to CO, second copy to local management and third copy kept in the office file. Before raising FIR, please be very sure that misconduct of an employee falls within the Vigilance ambit, in this connection please refer to Paras 5 and 6 of "Special Chapter on Vigilance Management in PSEs and the Role & Functions of the CVC ".

(b) Investigation Proper. After issue of FIR, investigation proper should be carried out and following documents will be sent to Corporate Office:-

(i) A copy of the investigation report.

(ii) A copy of all relevant documents duly authenticated.

(iii) Original signed statement of the suspected person and list of relevant witnesses.

(iv) Copies of the photographs, physical evidence, Test/ Tech reports, Forensic Expert Report, Police FIR, etc, where applicable.

(v) Draft Charge sheet, Articles of Charges/ Imputation of misconduct, list of documents and witnesses on which charges are relied upon.

5. Cases once taken up for investigation must be conducted expeditiously and forwarded to the undersigned without loss of time.

Appendix 'A'

INVESTIGATION OF VIGILANCE CASES

AIM

1. To study the circumstances under which Vigilance investigations are undertaken, the types of incidents that requires investigation and the systematic approach to investigations.

DEFINITION

2. Dictionary definition of investigation is "systematic examination by experiment or mathematical treatment; to investigate or to inquire into something systematically". The stress is on the word systematic. This is the key to successful investigation.

PURPOSE

3. Vigilance investigation is concerned primarily with obtaining enough evidence to convict a person (on Inquiry). On the other hand, the purpose of an investigation is to supply the Disciplinary Authority with sufficient factual information to enable him to deal with the case, as felt appropriate. Regardless of the time or effort put into an investigation, if the needed information to take action is not forthcoming, the investigation is a failure. In order to eliminate incomplete and poorly conducted investigation a well-organized procedure or a systematic approach must be followed.

4. An investigation must aim at establishing the following:
   (a) Was the offence actually committed? If so, who committed it?
   (b) Modus operandi used.
   (c) What means were employed?

5. Another way of stating this is that the investigation is aimed at finding: -
   (a) Motive
   (b) Opportunity
   (c) Means
   (d) Perpetrator
   (e) Whether financial loss to the company, has taken place.

6. Vigilance investigations into matters affecting company and those given at Para 8, below, may be undertaken: -

   (a) At the request of the GM of the Division.
   (b) On the instructions from Corporate Office.
   (c) On your own i.e. suo-moto.
   (d) On receipt of complaint/ source information.
   (e) After conduct of Preventive Vigilance Inspection/ checks, where prima- facie, it is found that employee/Dept is indulging in mal-practices, etc

<u>TYPES OF INVESTIGATIONS</u>

7. Investigations may take any of the following forms;

(a) Overt investigation
(b) Covert investigation

8. The majority of Vigilance investigations are concerned with the following:-

(a) Commission of Criminal Offences like demand and acceptance of illegal gratification, possession of disproportionate assets, forgery , Cheating, abuse of official position with a view to obtaining pecuniary advantage for self or for any other person.
(b) Irregularities reflecting adversely on the integrity of the public servant.
(c) Lapses involving any of the following:-
(i) Gross negligence.
(ii) Recklessness.
(iii) Failure to report to competent authorities, exercise of discretion/powers without or in excess of powers/jurisdiction.
(iv) Cause of undue loss or a concomitant gain to an individual or a set of individuals/ a party or parties; and
(v) Flagrant violation of systems and procedures.

SYSTEMATIC CONDUCT OF INVESTIGATIONS

INITIAL PLANNING - STAGE I.

9. Whatever be the type of investigation, the following should be considered during the initial planning :-

(a) Reasons for the investigation, which is based on background data.
(b) Is it a company matter? .
(c) Whether it is to be handled overtly or covertly.
(d) Anticipated duration for completion of investigation.
(e) Study data available and rules/ regulations connected with the case.
(f) List out papers, files, documents and personnel required for investigation.
(g) Whether association of CBI/ Local police representatives is considered essential.
(h) Whether the case is required to be handled exclusively by outside agency, e.g. CBI, etc.

COLLECTION OF RELEVANT DATA - STAGE II

10. The second step is to collect all the relevant data for successful completion of the investigation. In order to conclude what is to be collected, an investigation plan must be made to include the following: -

(a) Information needed
(b) Methods to be used to collect the relevant data.
(c) Sources to be used
(d) Extensive ground work may have to be done to collect enough evidence in terms of photographs and documentary proofs as corroborative evidence.

11. The investigation plan serves as guide during the investigation. The plan should be in writing and too much RELIANCE SHOULD NOT BE PLACED ON MEMORY.

12. Methods or collection and Sources to be used. The following methods can be used: -

(a) Observation. This can be done by surveillance, searches and visits to the place.
(b) Study of Documents and Records. Records should be verified, where required seized/ photocopies taken duly authenticated by the Departmental Heads, if the relevant files are required by the Department for their day-to-day functioning.
(c) Interrogation and Statements. Witnesses and suspected employee(s) should be listed and questioned. Wherever possible, written statements should be recorded, signatures obtained in the presence of independent witnesses, if possible.
(d) Interrogation of informants.
(e) Liaison
(f) Special investigations with the help of experts/agencies, where required.

ANALYSIS AND VERIFICATION -STAGE III

13. The third step is analysis and verification of the information gathered. The results should be studied from the stand point of whether or not it is complete, whether it answers all the questions set out in the investigation plan and whether the information is factual. All doubtful information should be verified.

14. A proper analysis will enable the Vigilance Officer to determine what further information is needed.

15. One should never be content with the obvious explanation until convinced that it is the correct one. This demands cross checking, checking against record and knowledge of persons, organisations and places.

16. Side issues must not be allowed to confuse the aim. If the side issues merit following up, a separate investigation can be started once the aim has been achieved.

17. A Vigilance Officer must always be looking for behaviour or other facts, which are out of character. Character weakness or domestic troubles may provide a clue. Also holding of too much property, living extravagantly, etc will also provide hint about the involvement of employee(s) in corrupt activities / malpractices.

18. Assistance must be taken when required from other agencies for technical or forensic information on such subjects as fingerprints, document verification, technical analysis, etc.

19. Vigilance Officer must not be put off by the designation, influence or apparent respectability of the persons involved. Corrupt activities are not crimes committed by one class of persons only.

RECORDING INFORMATION - STAGE IV

20. Experience has long emphasised the wisdom and necessity of recording information and facts in preference to relying on memory. For this purpose, it is advisable to maintain notebook. Maintenance of a notebook has the following advantages: -

(a) It can be used as a constant reference during the investigation.
(b) It serves as a basis for written reports of the investigation.
(c) Helps in refreshing memory when there is a requirement to testify the same.

QUALITIES OF AN INVESTIGATOR

21. (a) A controlled imagination, an acute sense of anticipation any tendency to romanticise.
(b) A flair on its own is not enough. It must be supported by knowledge of the profession, rules and regulations.
(c) An ability must be acquired and developed by applying conscientiously to develop certain senses and the outlook.
(d) Coolness with firmness.
(e) Patience
(f) Perseverance
(g) Analytical mind and good judgment
(h) Courage and Confidence
(i) A deliberate but not evident distrust of people and things, until been cleared. (Receptivity)

(j) Good liaison and wide circle of contacts.
(k) Base knowledge of elementary human psychology and
(l) Effective communication skills -both verbal and written.
(m) Reproach-less integrity / character .
(n) Sense of professionalism.

INVESTIGATION OF VIGILANCE CASES

22. The four elements of successful investigation are as follows:-

(a) Establish prima-facie
(b) The modus operandi or the manner in which the violation was caused
(c) The means or instruments used
(d) Accurate identification of the individual or individuals involved

23. REPORT FORMAT (old paragraph changed)

CONCLUSION

24. A systematic approach is essential to Vigilance investigations to avoid missing out important leads which may be vital to the eventual success of the investigation.

25. In order to conduct a successful investigation, the Vigilance Officer must:-

(a) Get the facts and go into the minutest details.
(b) Draw correct deductions.
(c) Use common sense.
(d) Be inquisitive yet tactful, suspicious but affable.

26. When the investigation is concluded the investigator should: -

(a) Set out the facts concisely and accurately.
(b) Offer suitable comments and clear recommendations.

(Authority : HAL/CO/VIG/47/2000/625 dt 14 Jul 2000)

HANDLING VIGILANCE INVESTIGATIONS/CASES

1. Please refer to this Office letter Nos. HAL/P&A/19(1)/2000 dt 02 Mar 2000, copy enclosed and HAL/CO/VIG/47/2000/625 dt 14 Jul 2000.

2. While scrutinizing investigation reports sent by the complexes / Divisions, it is noticed that at times more than one delinquent employee having

common background in a case are involved in vigilance cases, besides this there are certain cases where officers of two level below the board level also figure. The rule position in each case is given below to be followed by the investigating Officers/ HODs, while forwarding the recommendations:-

Under HAL personnel Manual (Book No. 2) Clause 20 of Schedule II of HAL CDA Rules, There is a provision for common proceedings. In case more than one person is involved, the HODs will forward their recommendations whether it will be expedient to conduct common proceeding or not. Similarly there are cases where delinquent person has moved out on transfer, recommendations about conduct of proceedings may also be forwarded, as per HAL Corporate office Letter No. HAL/P&A/10(1)/2000 dt. 02 Mar 2000, Copy Enclosed.

As per para 3.2 of the Special Chapter on " Vigilance Management in PSEs" and CVC guidelines Vide No. 98/VGL/51 dt. 11 Aug 1999, two levels below the board level fall within the purview of CVC.

Therefore, all such cases are required to be referred to CVC. Similarly, persons irrespective of the grade/ Scale involved, a composite case will be treated as one case for the conduct of enquiry including up to the stage of final disposal of the case.

In future, Cases which fall within the purview of CVC wherein more than one employee is involved, there will not be any separate enquiry held without the prior concurrence of CVC/CVO, HAL.

(HAL/CO/VIG/47/2003/832 Dt. 30 Apr 2003)

APPENDIX

CONDUCT OF ENQUIRY BY THE TRANSFEROR DIVISION AGAINST THE DELINQUENT EMPLOYEE

1. It has been brought to notice that employees against whom vigilance cases/ enquires have been initiated are being Job rotated / transferred to other divisions before the disciplinary action could be initiated/ finalized. This is resulting in avoidable delays in follow up and consequent conduct of an enquiry, besides avoidable expenditure incurred on account of to and fro movement of delinquent employee / witnesses.

2. Since most of the witnesses and relevant documents etc. pertaining to the case are available in the transferor division, it is desirable that the enquiry Is conducted, finalized and punishment imposed, wherever applicable before effecting the job rotation/transfer of the concerned employee from the

division/complex.

3. Accordingly, in all cases, where Vigilance Report advising domestic enquiry against an employee has already been received, it would be mandatory for the parent Division/ Complex to conduct and complete the enquiry, prior to effecting job rotation /transfer of the employee concerned. However, in case transfer/ job rotation of the concerned employee is unavoidable, prior concurrence of the local head of the Vigilance in respect of Employees/ officers up to grade IV, and executive Director (Vigilance) in respect of officers if Grade-V & above should be obtained.

INVESTIGATION REPORTS BY VIGILANCE DEPARTMENT

It has come to Chairman's notice that investigation reports rendered by the Vigilance Department, recommending initiation of disciplinary action etc., against officials prima-facie found guilty of misconducts, are being reviewed by the local Management by appointing a separate committee even after the Competent Disciplinary Authority has ordered the initiation of disciplinary action. Such procedure adopted by the Divisions, after the approval of recommendations in the investigation report by the Competent Authority, are unsolicited and sets a wrong precedence. Only, if fresh evidence is available with the local Management, the same may be forwarded to the Vigilance Department for review of the Vigilance report. No separate committee need be constituted to review the vigilance report.

(HAL/P&A//20(28)-3/2002/586 dtd. 03 Sep 2003)

FORWARDING OF INVESTIGATION REPORTS

1. Perusal of Investigation Reports sent by Complex/Division HOD's recommend, "action as deemed fit" against the employee found responsible forthe lapses/irregularities and/or violation of procedure, etc. At the same time there are contradictions in findings/recommendations vis-à-vis Investigations, documentary evidences. Lack of an ambiguous report necessitates referring the Investigation reports back to the HOD time and again which results in avoidable delay in processing a case. Detailed procedure has been laid down on the subject by Corporate Office vide letter No. HAL/CO/VIG/47/2000/625 dtd. 14 Jul 2000 and HAL/CO/VIG/47/2001/736 dtd. 18 Jul 2001, which is also appearing in HAL, Vigilance Manual, Vol-III (part-1) at page 26.

2. The level of involvement of the employee and seriousness of the case is well known to the Investigating Officers/HODs, therefore, it is expected that the Investigating Officer/HOD while arriving at the findings and finalizing their recommendations should keep in mind Paras 5,6 and 13.3 of "Special Chapter on Vigilance Management in Public Sector Enterprises" and should clearly bring out the misconduct/lapses by giving reference to the particular clause/para of Standing Orders or HAL CDA rules, as the case may be. To strengthen the case with the Management, it is also expected that lapses/irregularities/deviations, etc. should also be clearly brought out with respect to a Rule/Clause/Guideline of Manual on the subject, rather giving out misconduct in general.

3. It is, therefore, desired that in future usage of words like "as appropriate", "as deemed fit" and "action as deemed fit" should not be mentioned in the Investigation Reports to avoid confusion in handling of the case at various levels.

4. The Investigation Report must be made in accordance to the laid down procedures as given in clause 5.2, (Pages S5.1 to S5.6) of Quality Manual Part-II with unbambiguous findings and recommendations. The recommendations must be either for Minor or Major Penalties or closure of the case as found during the investigations.

(HAL/CO/VIG/47/2003/1976 dtd. 24 Nov 2003)

VIGILANCE RELATED CASES
CONSULTATION WITH VIGILANCE DEPARTMENT

In supersession of all earlier circulars on the above subject, the following system of consultation with Vigilance Department on vetting of chargesheets and informal consultations at various stages of disciplinary proceedings is hereby notified :

(a) Draft chargesheets pertaining to Vigilance cases, wherever General Managers are the Disciplinary Authority will be forwarded to Divisional Vigilance Heads for· vetting before issue and in other cases where Managing Directors/Functional Directors and Chairman are Disciplinary Authority, the same will be forwarded to the CVO, Corporate Office for vetting before issue;

(b) The Vigilance Department is to be consulted in the event the Disciplinary Authority proposes to conclude the case without instituting a Departmental Enquiry. In such cases, the Disciplinary Authority shall forward his tentative findings, alongwith a copy of the explanation

submitted by the delinquent employee against the charge sheet, to the Vigilance Department (i.e. Vigilance Heads of Divisions where General Managers and below are the Disciplinary Authorities and Chief Vigilance Officer, Corporate Office where Managing Directors / Functional Directors and Chairman are the Disciplinary Authorities) for scrutiny and comments regarding acceptance, non acceptance or partial acceptance of the tentative findings of the Disciplinary Authority and about imposition of minor penalty, exoneration, issuance of advisory letter etc ;

(c) On receipt of Enquiry Report in Vigilance cases, the Disciplinary Authority will forward a copy of the same to the respective Vigilance Heads i. e., Vigilance Heads of Divisions where General Managers and below are Disciplinary Authority; CVO, where Managing Directors/ Functional Directors and Chairman are the Disciplinary Authority for scrutinizing the enquiry report for comments regarding acceptance, non acceptance or partial acceptance of the report and in advising the Disciplinary Authority about the imposition of a major/ minor penalty.

(d) In the event of the delinquent employee exercising his right of Appeal against an order issued by the Disciplinary Authority to the Appellate Authority, the Appellate Authority is required to forward his tentative findings along with a copy of the Appeal of the delinquent employee made to the Appellate Authority for· scrutiny and comments regarding acceptance, non acceptance or partial acceptance of the tentative findings of the Appellate Authority and about the imposition of minor /major penalty, exoneration, issuance of advisory etc. to the CVO for comments before issuance of his order. The Appellate Authority will, in all cases refer the matter to the CVO irrespective of the scale / grade of the employee.

2. The above procedure needs to be scrupulously followed in all Vigilance related cases. They come into effect from the date of issue of this circular.

(HAL/P&A/19(3)/20 10 18th October 2010)

ASSISTANCE FOR VIGILANCE INVESTIGATION/INQUIRIES

1. The successful handling of a vigilance inquiry interalia requires going into details and maintaining secrecy of the vigilance inquiry. At time, information is required to be obtained from other Divisions/Complex also.

In order to facilitate and streamline vigilance inquiries where by information or material help in terms of obtaining files, production of witnesses etc are made available to the IO, the following guidelines will be observed :-

(a) Seeking Assistance from Corporate Office. Written requests will be forwarded by the Complex HOD to the CVO. HODs reporting to the CVO directly, will send the request in writing. Information obtained from any source pertaining to vigilance activities affecting another Division beyond the complex will be communicated directly by the HOD to the CVO. The Complex Head will also be kept informed.

(b) From Another Complex. HOD Division will refer the matter to HOD Complex, who will, after scrutiny, forward the request to the concerned Complex HOD, for providing necessary assistance. CVO's office will be kept informed of the communications made.

(c) From within the Complex. HOD Division will refer the matter to the Complex HOD, who after scrutiny, direct the concerned HOD to provide necessary assistance.

2. It will be ensured that in case of urgency, oral requests are accepted and all assistance is provided to facilitate the investigation/inquiry. The IO will however ensure that the above prescribed channels of communication are maintained. As a follow up, written request will be sent following the prescribed channels for records.

3. Whenever Information is sought by the CVO or designated officer at Corporate Office, the HODs will fulfill the necessary requirement as desired and also keep the Complex HOD informed, unless otherwise instructed.

(HAL/CO/VIG/47/2007/569 dated 05 May 2007)

SECURITY OF INFORMATION AND DOCUMENTS

1. Information Security is vital for the health of the organization. As a Defence PSU there is an added responsibility to protect information which is vulnerable to espionage activities by hostile elements. In this connection extracts of Para 4.10 of Security Manual is reproduced below :-

"Para 4.10" – Security of information of strategic importance pertaining to vital industrial undertaking is an integral part of the Industrial Security scheme. Leakage of such information provides useful material for hostile powers and potential saboteurs leading to harmful consequence. It is, therefore, essential to be quite vigilant to safeguard vital information restricted to only those on a "need to know" basis. It should be ensured that others are given only that part of such information that is essential for them to carry on their work as stated earlier. All persons dealing with secret information will require verification and vetting at regular intervals All secret/sensitive document should be indexed filed and recorded properly to ensure the

secrecy of the documents. Every document should be given its proper grading and dealt with only by those eligible to deal with that particular grade of classification material. The physical security of such documents should be ensured by adequate safes, steel filing cabinets. Control of access, combination locks, destruction of materials etc. If any leakage or any lapse in handling these documents are brought to notice, prompt investigation should be made and corrective steps taken. As far as possible the number of classified documents should not be allowed to increase abnormally and there should be periodical review whenever necessary so that documents which have lost their importance could be declassified".

2. Inclination to gossip and speculate, engage in loose talk and rumor mongering arising out of vanity, carelessness or ignorance can become a source of leakage of information. All employees are required to guard against such tendencies. Investigations done and taken up in the Division and offices and other information and decisions taken by the Superior Officers pertaining to respective Divisions and offices will be kept confidential. Officers and Staff will adhere to " Need to know principle" in their functioning and desist from discussing cases, investigation and other important information of their Divisions/offices with officers of other Division and offices which do not fall in direct hierarchy. Guidelines regarding inter-divisional communication is in place vide this office letter No. HAL/CO/VIG/47/2007/569 dated 05 May 2007 and the same needs to be strictly adhered to. Any communication, meeting or sharing of information on Vigilance matters with external agencies like CBI, Police, Courts, other organizations etc. will be done on intimation and approval from CVO. Furthermore, all files/documents must be secured when not being attended. Office equipment such as Computers/Fax machines etc. should be protected using passwords etc. Offices should be physically protected with locking arrangements. Guidelines regarding use of pen drives etc issued vide this office letter No. HAL/CO/VIG/47/2007/679 dated 02 Jun 2007 is reiterated for compliance.

(HAL/CO/VIG/79/2007/685 dated 04 Jun 2007)

VIGILANCE ACTIVITIES

1. It has been observed, in the recent past, that Vigilance Department in the Divisions are giving focus to non-vigilance functions also, as a result the anti-corruption work, which is the main stay of the department gets neglected due to the divided attention and dissipation of resources. HODs were advised earlier vide this office letter No HAL/CO/VIG/47/2000/523 dt 21 June 2000 that the Department should focus only on Anti-corruption work, but some divisions are not following the instructions. As a result, in certain cases there is absolutely no vigilance work being done months after months and 'Nil' reports are received in this office.

2. It is once again advised that Vigilance department in the Divisions should not undertake activities other than what is prescribed as Vigilance duties, so that proper justice is done to the job being carried out. Vigilance cases referred by the local management may also be given the same importance without any prejudices/vested interests of any sort allowed to creep into the case. However HODs must ensure that such cases are reflected by them in the relevant reports and returns being submitted by them to the Corporate Office, indicating the source of information/tasking.

(HAL/CO/VIG/47/2001/455 dated 10 Apr 2001)

LIST OF DOCUMENTS/RECORDS TO BE MAINTAINED AND THE PERIOD OF THEIR RETENTION.

1. This Office had reviewed section 16 of HAL Stores Manual – 1988 with respect to the retention period of documents specially pertaining to Vigilance Department, which is required to be given for each Document/Record now onward.

2. On review it was discovered that period of retention of certain Records/ Documents is required to be specified and a case was accordingly put up to the Management. Management has accordingly agreed and advised this Office to issue amendment at our end, as an interim measure pending including of the same in the subject manual in due course. A copy of the list of additional Documents/Records showing period of retention is enclosed herewith at appendix.

3. All HODs are requested to please insert this amendment at the appropriate place of the Stores Manual and implement the same for showing retention period in various documents of the Department with immediate effect.

(HAL/CO/VIG/47/2003/1676 dtd. 29 Sep 2003)

APPENDIX

LIST OF DOCUMENTS/RECORDS TO BE MAINTAINED AND THE PERIOD OF THEIR RETENTION.

	NATURE OF DOCUMENT/RECORD	PERIOD OF RETENTION
	Master register of	- Permanent
1.	Documents/ Records	
2.	In coming and Out going Mail	- 3 Years
3.	CVO's Complaint Register	- Permanent

4.	Identity Card Register	- 3 Years
5.	Movement of Files Register	- 3 Years
6.	Inventory Register	- 5 Years from date of closing
7.	ISO-Non Conformance Register	- 3 Years from date of closing
8.	ISO-Training Records Register	- 3 Years from date of closing
9.	Individual Files of Officers on Agreed ODI List	- 5 Years from the date of Superannuation/Termination of the Officer.
10.	Files of Vigilance Investigation Case/ PE/RC/Court Cases/Court Disputes Relating to Vigilance issue	- 5 Years from the date of Superannuation/Termination of the Officer.
11.	Training Correspondence Files	- 3 Years
12.	Rajya Sabha/Lok Sabha Questions and related Correspondence Files	- 5 Years
13.	CTE's Intensive Examination Report	- 5 Years from the date of Closure of the Case.

VIGILANCE ADMINISTRATION – OFFICIATING ARRANGEMENT & HANDING OVER/TAKING OVER

1. Certain instances have come to the notice of this office, that disposal of Vigilance Cases by the Complexes/Divisions, have been delayed inordinately. One of the reasons attributed for the delay is the absence of HOD from the duty station, due to his being on temporary duty, leave, etc. Delay in disposal of vigilance cases and other issue occur merely due to the absence of HOD, which is unacceptable. With the introduction of Quality Management System (ISO 9001:2008) in the department, submission of all reports in time is mandatory and to be accorded top most priority.

2. It has been, therefore, decided that whenever HODs of the Complex/Division are away from their respective offices for more than four working days due to temporary duty, leave, etc, officiating officer shall be nominated as per the following :-

(a) The next senior most officer in the Complex/Division will be handed over the charge of the department for the duration of absence.

(b) Due to locational problem of MiG and Accessories Complexes, HOD of the Division co-located with each complex office will be given the charge with the instructions that he will keep the senior most officer amongst the HODs of the Divisions informed of only important events, in case he is not the senior most officer in the complex.

(c) Officiating incumbent will ensure that there is no pendency of any issue under his charge.

(d) In Divisions where only one officer is presently holding office as HOD, the officiating arrangement shall be decided by the Head of the Complex.

3. Handing/Taking over report shall be sent as per Para (f) of the format No. HAL/VIG/Q/27 given in the Quality Manual Part –II, Page No. S7-122. Besides subjects given in the ibid format, outgoing officer will make sure that list of all pending Vigilance cases, Reports and Returns, System study, etc is incorporated appropriately. Officiating arrangement will be published in the office order of the Vigilance unit.

4. When the permanent incumbent resumes duty, the officiating officer shall handover the charge back to him as required vide Para-3 above. While handing over, the officiating officer shall also put up a report of all important issues handled by him during the period on a note for which proper records will be maintained in the handing/taking over file itself.

5. A copy of all Handing/taking over report will invariably be sent to this office well in time.

(HAL/CO/VIG/47/2003/2011 dtd 01 Dec 2003)

INTERNAL AUDIT OF VIGILANCE DEPARTMENT ON A SIX MONTHLY PERIODICITY

1. This has reference to clause 8.2.2 of Quality Manual – Agenda Point, Bi-annual Conference Jan 2005.

2. A documented procedure exists of internal audit of Vigilance Department. This is carried out every Quarter of the year, and it is in vogue since 2003. In the recent past, it has been felt by the department that the periodicity of the internal audit should be made on half yearly basis, rather than on a quarterly schedule. The procedure of Internal Audit and its follow up action have been deliberated and Executive Director (Vig) has concurred to the periodicity of audit on six monthly basis. Next Internal Audit has been planned in July 2005. Officers deputed for internal audit are required to complete the audit on stipulated dates without fail. Audits will henceforth be conducted in July and January.

3. Necessary amendment to the issue may be incorporated in ISO Manual 9001-2000 Page No. 10 and Page No. S8-3 of Amendment List/ Revision (Quality Manual Part- I) maintained at your end.

(HAL/CO/VIG/84/2005/PC/325 dtd. 15 Mar 2005)

MAKING AVAILABLE FILES/DOCUMENTS/EMPLOYEES FOR VIGILANCE INVESTIGATIONS

1. An Action Plan has been drawn with a view to conduct systematic and result- oriented preventive vigilance inspections so that a thorough study of systems and procedures is carried, lacunae, if any, are detected, loopholes plugged and erring individuals who flagrantly violate laid down Company systems and procedures, are brought to the book.

2. The HODs of Vigilance Departments have been issued with the Action Plan 2000-2001 for carrying out the vigilance inspections/checks and the vigilance staffs have to scrutinize the documents of the relevant departments and personal files of individual employees as per the Action Plan. The CVC's direction as per Special Chapter on Vigilance Management in Public Sector Enterprises - Para 33.1 stipulates that "it is mandatory to provide access to vigilance functionaries to all Offices, Sub Stations, Stores and Work Sites. They should have free access to the relevant records in connection with any investigation/ inquiry. They may also take possession of records required by them". A copy of the same (Special Chapter on Vigilance Management in PSEs) has already been forwarded to all the Managing Directors of the Complexes and General Managers of the Divisions vide our letter No HAL/CO/VIG/41/442 dated 07 Oct 99. Accordingly Vigilance staff has also been issued Vigilance Identity Cards, which was approved by the Chairman and instructions issued by Corporate Office vide letter No HAL/P&A/36(53)/99 dt 22 Oct 99 by the General Manager (P&A). In spite of these exhaustive instructions on the subject, the Vigilance Department in the Complex/Division is still experiencing difficulties in obtaining documents/files and availability of employees for investigations.

3. A detailed report on the vigilance functioning has to be submitted to the Management on Quarterly basis, which is sent to the Ministry and CVC, as also result of Action Plan and annual anti-corruption work is sent to the Central Vigilance Commission at the end of the year. You may kindly issue necessary instructions in your respective Complex/Division to provide full co-operation and access to the documents and files needed by the HODs of the Vigilance Department of the Complex/Division for carrying out effective vigilance inspections and anti-corruption work. Since these inspections are time bound, and with limited vigilance staff, making available relevant documents, files or employees for inquiry by the concerned Department Head is of essence. It may please be impressed upon all that documents, files or employees called for inspection/enquiry must be made available by the date and time indicated in the requisition letter by the Vigilance Department of the Complex/ Division.

4. I have decided to give feed back on the above subject to the Managing Director, of those officers/employees, who fail to comply with the instructions issued by the Central Vigilance Commission, Corporate Office and Managing Director on the subject. Copy of your instruction issued to the Divisions under your charge may please be sent to this Office.

(HAL/CO/VIG/47/2000/569 dt 03 Jul 2000)

PERFORMANCE APPRAISAL REPORTS 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 organizations 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 penalization. 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.

(CVC circular No. 004/VGL/79 Dt. 04 Oct 04)

APPRAISAL OF OFFICERS OF VIGILANCE DEPARTMENT

1. It has been decided to modify the levels of initiating and reviewing authorities for raising performance Appraisal reports in respect of officers of the vigilance Department.

2. Accordingly, para 16 of PC 651 dtd 08th Aug 2001 is amended as follows.

16.1.1 Executive Director (Vigilance), Corporate Office, Will be the IA in respect of heads of Vigilance Departments in the Divisions.

16.1.2 Executive Director (Vigilance) will also be the RA in respect

of heads of Vigilance Departments in the Divisions/ Offices upto and including Grade V. chairman will be the RA in respect of heads of Vigilance Departments in Grade VI & above.

16.1.3 In respect of officers of Vigilance Department who are working under the heads of Vigilance in each Division / Office, Executive Director (Vigilance) would be the RA in respect of such officers in grade VI and above, chairman would endorse his views in Para G.4 of the format.

16.1.4 After the reports are filled in as paras 16.1.1 to 16.1.3 above, Executive Director (Vigilance) would also complete the column of Evaluation by performance review board at Part G of the report.

16.1.5 Completed reports as at paras 16.1.1 to 16.1.4 would be retained in the office of Executive Director (Vigilance), Corporate Office.

16.1.6 Administratively, heads of Vigilance in each Division/Office would continue to report to the Concerned General Manager.

(HAL/P&A/43(8)/05 dt 01 Jul 2005)

PERFORMANCE APPRAISAL REPORTS.

1. Para-3 of the revised performance Appraisal System in respect of officers circulated vide PC No. 651 dated 08-08-2000 envisages setting up quarterly Tasks between the Appraisee and the initiating authority.

2. Further, as per paras 3.3 &3.5 of the said system, Task setting for each Quarter would be done, jointly by the appraisee and the IA, by the 7th of the first month of each Quarter. The Maximum Marks of 100 would be distributed among all the tasks, based on their relative weightages/ importance. Separate Task setting and Assessment sheets are to be used for each quarter and the same would be signed both by the Appraisee and the IA. The task setting sheets would be prepared in duplicate and one copy will be with the Appraisee and the other with the IA. The IA would evaluate the performance of the appraisee by the 07th of the first month of the Subsequent Quarter, after joint discussion with the Apraisee against the set tasks and will award marks for each task.

3. It is observed and noticed that the Quarterly Tasks (MAT) set at the beginning of each Quarter are not evaluated and marks awarded at the end of the quarter, defeating the very purpose of setting up the quarterly tasks. Further, it is also observed that the evaluation of the quarterly Task (MAT), wherever done, is not done by joint discussion with the Appraisee, which is

also as not provided in the system.

4. Chairman has desired meaningful implementation of the PAR system, particularly assigning of quarterly Tasks and timely evaluation, so that the appraisee is aware of his/her performance in each Quarter.

5. Division/offices coming under your complex may please be advised that the Quarterly Task (MAT) is set at the beginning of each quarter and evaluation carried out by joint discussion with the appraisee at the end of the concerned quarter as per the laid down procedure. A compliance report as per the format enclosed as Annexure-I may be obtained on a quarterly basis from each Division/Office by the Complex Office.

6. The complex Office should ensure proper implementation of the system by all the Divisions / offices under them and forward a consolidated compliance report (Division- wise) to in respect of all the Divisions / office under them, in respect of each Quarter in the same format, so as to reach Corporate Office by the 20th of the first month of he subsequent Quarter.

(HAL/P&A/43(2)/07 dtd 11 Sep 2007)

Annexure –I

QUARTERLY TASK SETTING &ASSESMENT
MUTUALLY AGREED TASKS

Division/Office Report as on 20th ……..

SL No	Grade	No of Officers	No of Officers in respect whom	
			Evaluation is Completed for the previous Quarter(*)	Tasks set for the current Quarter(*)
1	I			
2	II			
3	III			
4	IV			
5	V			
6	VI			
7	VII			
8	VIII			

- indicate the Quarter

Reasons for not completing evaluation and task setting (if applicable)
Date: Signature of P&A Head.

PERFORMANCE APPRAISAL REPORTS

1. Enclosed please find a copy of the policy circular of the P&A, Letter No HAL/P&A/43(2)/2007 dtd 11.09.2007 received from GM (P&A), Corporate Office regarding performance Appraisal Reports, the contents of which are self explanatory.

2. According to the above circular, para-3 of the revised PAR system in respect of officer Vide PC No.651 dtd 08.08.2000 envisages setting up quarterly tasks between the Appraisee and the initiating Authority. As per Paras 3.3 and 3.5, task setting for each quarter is required to be jointly finalized by the appraisee and the IA, by the 07th of the first month of each quarter. The maximum marks of 100 would be distributed among all the Tasks ,based on their relative weightages /importance. Separate task setting and assessment sheets are to be used for each quarter and the same would be signed both by the Appraisee and the IA. The IA would evaluate the performance of the appraisee by the 07th of the first month of the previous quarter, after joint discussion with the appraisee against the set tasks and will award marks for each task.

3. All HODs will ensure proper implementation of the system and forward draft quarterly Tasks so as to reach the CVO in a cover (addressed by name) by the 7th of the first month of the quarter (January, April, &Jul and October)

(HAL/CO/VIG/71/2007/1291 dtd 25 Sep 2007)

PERFORMANCE APPRAISAL REPORTS – REPORTING PATTERN OF VIGILANCE CHIEFS IN THE DIVISIONS

The Heads of Vigilance in each Division have been reporting to the respective General Managers, both functionally' and administratively. Performance Appraisal Reports of the Heads of Vigilance are being Initiated by the GMs concerned and Executive Director (Vigilance) has been endorsing his comments in these PARs.

2. The above matter has been reviewed and the following decisions have been taken:-

(a) Heads of Vigilance in each Division / Office would henceforth report to the Executive Director, (Vigilance), Corporate Office;

(b) Administratively, Heads of Vigilance In each Division / Office would continue to report to the concerned General Managers;

(c) PARs of Heads of Vigilance In the Divisions / Offices would henceforth be initiated by the Executive Director (Vigilance), Corporate Office;

(d) Executive Director (Vigilance) would be the Initiating Authority / Reviewing Authority / Senior Reviewing Authority/Countersigning Authority In respect of Heads of Vigilance in Grades-I and II.

(e) In respect of Heads of Vigilance who are in Grade-III and above, Executive Director {Vigilance), Corporate Office, would be the Initiating Authority / Reviewing Authority and Chairman would be the Senior Reviewing Authority/ Countersigning Authority;

(f) In respect of Officers in the Vigilance Department who are working under the Heads of' Vigilance in each Division/Office, Executive Director (Vigilance) would be the Senior Reviewing Authority / Countersigning Authority in case of Officers in Grade-III and below in respect of such Officers in Grade IV and above, while Executive Director (Vigilance) would be the Reviewing Authority, Chairman would be the Senior Reviewing Authority/ Countersigning Authority;

g) Completed Reports as at (d) to (f) above would be sent back to the concerned Division/Office by the Executive Director (Vigilance), Corporate Office, for retention.

REPORTING OF ACHIEVEMENT OF QUARTERLY TASKS

1. With a view to streamline the performance/reporting of the tasks achieved in a uniform manner, a format has been devised for submission of Quarterly Task Sheets by Officers in Vigilance Dept in Divisions and Complex Offices.

2. Officers are directed to submit their Quarterly Task Sheets by distributing the marks against the particular tasks performed. In case any of the tasks mentioned in the format is not performed, officers are required to bring it out to the notice of CVO, the better performance in other areas so that the CVO may apportion additional marks for them and award accordingly, e.g. if tasks pertaining to CTE type inspection and scrutiny of purchase files have been performed in an exceptional manner and other listed tasks could not be performed due to some reasons, then these marks will be apportioned to the higher and better tasks performed. This is indicated just as an illustration. Attempts should be made to perform all tasks enumerated as far as possible.

3. The above format is introduced to begin with, and would be finalized by taking into various aspects if any, in due course of time.

4. Specific/additional tasks can be assigned by CVO anytime during the course of the particular Quarter. Officers intending to undertake additional tasks specific to the Division/Office will seek approval of the CVO for the same.

5. Officers should make an endeavour to account for the tasks against particular month in a Quarter in a specific manner for better appreciation of the distribution of the tasks in an evenly manner.

6. Further modalities regarding the discussion on accomplishment etc would be decided in due course. Efforts should be made to make the Task Sheet as factual and quantitative as possible.

7. The filled in Quarterly Task Sheets should reach the Office of the CVO by the first week of the month of the subsequent Quarter.

(HAL/CO/VIG/77/2009/113 dtd. 07 Apr 2009)

ANNEXURE

PART – I

PUNITIVE VIGILANCE	Marks Allotted
(1) Complaints : enquiry/investigation/verification	- 10
(2) Handling of Departmental Enquiries (DEC) :	
- Issuance of Charge Sheets	
- Vetting of Charge Sheets	
- Deposition of evidence in DEC	
- Vetting of Enquiry Report	
- Issuance of Final Orders	
- Review of appeals if any	
(3) CBI Cases :	- 10
- Follow up of ongoing cases	
- Cooperation work with CBI like facilitating availability required documents/witnesses during investigation/ensuring service of summons of Prosecution Witnesses etc,	
- Any other liaison work	
Sub Total	- 20

PART – II

PREVENTIVE VIGILANCE		Marks Allotted
(1)	Action Plan Tasks	- 08
(2)	Surprise Checks	- 03
(3)	Inspections : Savings/Recoveries	- 03
(4)	System Studies/System Improvement	- 04
(5)	CTE Type Inspections conducted	
(6)	Intensive Examination of Purchase Orders/Works/Contracts	- 20
(7)	Sensitisation Programmes (Date/No. of executives/non executives covered)	- 03
(8)	Submission of various Reports and Returns (emphasis on correct/timely submission)	- 03
(9)	Scrutiny of Annual Property Returns (Proper list of officers of whose APR scrutinized to be submitted in the concerned report)	- 03
(10)	Vigilance coverage extended to Recruitment/ HAL Estate etc	- 03
Sub Total		- 50

Part – III

DETECTIVE VIGILANCE

(1)	Collection of Intelligence and dissemination to CVO –	10
(2)	Details of Discreet watch on areas prone to Corruption and persons placed on ODI/Agreed Lists (to be supported with document/reports wherever feasible).	

ROUTINE ACTIVITY

Part – IV

(1)	Issuance of Vigilance Clearance for various Purposes.	10
(2)	Conduct of Quarterly Vigilance Committee Meetings (Emphasis on the compliance of action pending/system Improvement /circulation/ Implementation of CVC Circulars)	10
(3)	Administrative works of the Deptt/Office Including Improvements brought in the general Administration/ effective man management/Welfare etc.	10

(4)	ISO Compliance related tasks.	10
(5)	Unforeseen tasks performed.	10

PART –V

Grand Total – 100

STRENGTHENING OF VIGILANCE SETUP

It has been brought out that Vigilance Staff conducting Vigilance enquiries/ investigations do not receive the co-operation from the employees concerned, at times, thus delaying the investigations. Reluctance on the part of the employees in co- operating with the Vigilance Staff may be primarily due to their ignorance and lack of awareness about the functioning of the Vigilance Department and responsibility the Department has to shoulder.

2. Vigilance Staff takes up enquiries/investigations under the following circumstances :-

(a) As per action plan drawn out by the ED (Vigilance) and passed on to each Vigilance Head;

(b) Suo moto by the vigilance Head of the Division;

(c) Signed complaints received either from CVC/Ministry/ ED(Vigilance) or Head of Vigilance of the Division;

(d) On receipt of source information.

3. In any of the above cases, Vigilance Department has a great responsibility to conduct checks/enquiries, as the case may be, to confirm or negate the allegations and report the matter to the concerned authorities.

4. Any delay by the dealing staff/employees in extending co-operation, handing over of documents/files or impeding in smooth conduct of Vigilance enquiries would only lead to hampering the process besides indicating that the concerned staff/employee may have something to hide or have malafide intention behind such delays. Under such circumstances, even before investigations are undertaken, it would have to be presumed with fair amount

of certainty that the employee is involved in the case under investigation, which otherwise may not be the case. With a view to obviate the above and help the Vigilance Department to effectively discharge its function, it is requested that all concerned may please be asked to extend full co-operation to the Vigilance Staff in future.

5. In view of the foregoing, it has further been decided that HAL Vigilance Staff will also be issued with Vigilance Identity Card centrally by the Office of ED(Vigilance), Corporate Office. A sample of the card is enclosed herewith, for wide circulation alongwith contents of this letter for information of all HAL Employees.

(HAL/P&A/28(12)/97 DT 07 Feb 97)

STRENGTHENING HAL VIGILANCE DEPARTMENT

1. Refer to letter No HAL/CO/VIG/5/250 dated 06 Nov 98 and HAL/CO/ VIG/56/193 dated 13 May 99.

2. In the above letters, it was brought out that for the efficient functioning of vigilance deptts in the Division, the offices should be located in the Administrative Buildings of the Complex/Divisions. Even after two years of bifurcation, in some cases Vigilance Deptts are yet to get a proper place for their day to day functioning. This is adversely hampering the vigilance related work. Action in this regard may please be taken immediately to locate the Vigilance Office in the Administrative Building since the department has to handle highly sensitive information, conduct preventive vigilance inspection and interact with various departments on vigilance matters.

3. Besides this, following administrative facilities also needs to be provided to the department to ensure smooth functioning:-

(a) Manpower. In order to strengthen the department, Chairman had approved certain additional manpower and the present authorizing of Vigilance Department in each Division is enclosed at Annexure-I. While some Officers have been inducted into the department only recently, action for the remaining induction is at hand. As regards workmen, it would be appreciated that the present lot of them were drawn mostly from the Security department on bifurcation in 1998. Vigilance is a specialised job, which requires educated and trained personnel so that they can contribute their mite in a proper and mature way, while conducting sensitive investigations and also handles vigilance cases effectively. Therefore, there is a necessity to transfer the existing staff back to Security and transfer Personnel from Commercial, Finance and Civil Engineering on priority. The local head

of Vigilance Department are being asked to identify suitable personnel from the above departments for immediate transfer who will forward their requirement to the undersigned for consolidation. They are also being asked to identify those employees, who are in the lower group like B, C and D, so that on their joining the Vig Dept promotion can be given to them.

(b) P&T Telephones. Since functional control has now been placed with ED(Vig) leaving administration with the local division, this Office has been experiencing great difficulty in contacting the Officers on day to day urgent requirements, to obtain/ clarify various issues on Vigilance related matters. While in some cases P&T line has been provided, a few cases are left where P&T telephone is yet to be provided. It is requested that the same be made available on PRIORITY.

(c) Personal Computer to Vigilance Deptt. A number of investigation reports and Reports/Returns have to be forwarded by the Vigilance Heads of the Division, which in turn have to be compiled and further forwarded to the Ministry/ CVC. In some of the Divisions, PC has not yet been provided, which is delaying preparation of investigations, periodical reports and returns, while in some case obsolete/redundant PCs have been issued, which is not serving the purpose. In such cases, HOD of Vigilance Deptt have to approach other departments for getting their correspondence prepared, which is undesirable due to the sensitivity of the reports/details contained in the correspondence. Considering the constant pressure/monitoring of the cases from the Ministry and CVC, the Vigilance work of the division is affected adversely. Immediate action may please be taken to provide PC to the Vigilance Department in the Main factory.

(d) Residential Accommodation. Vigilance Officers have a responsible job to perform, particularly handling sources and officials of other Agencies. At times sources may not like to visit them in the Offices to avoid being detected. Considering the sensitivity of the job, Vigilance Officers particularly HOD should preferably be allotted accommodation in the next higher grade and in any case of their entitlement and preference.

(e) Handling of Imprest Fund. A case for authorizing of fund for day-to-day handling of vigilance related expenditure was taken up with the Chairman. Chairman has ruled that, as far as normal facility is concerned, the same will be extended to the Vigilance Department of the Division, and irrespective of the grade, the senior-most officer will be treated as HOD. Besides this, Imprest amount mentioned below

against each Complex/Division may also be given for expenditure to be incurred by the HOD of Vigilance in connection with the Vigilance related expenditure for which, they will account and render report to the Finance Department of the Division/ Complex as per laid down procedure:-

(a) HAL (BC) - Rs 3000/-
(b) All Divisions - Rs 2000/-
(c) HAL Barrackpore - Rs 1000/-

(f) Transport. While action is in hand to provide transport on permanent basis to the Department, however till then the transport from the General Pool may please be provided on as required basis.

(g) Preventive Checks/Inspections. As part of preventive vigilance functions, an action plan is being drawn up for the Vigilance deptt located in the Division to carry out systematic checks/inspections of procedures/ documents to see that these are followed in letter and spirit by the concerned employees. At the same time, Vigilance staff is also required to conduct investigations into the complaints/source information received by them from time to time. Management at various level is required to be apprised that whenever Vigilance deptt seeks documents/files/information or requires a person to appear for enquiry/investigations, it may be done promptly, so that case can be authorize expeditiously. Early authorizing of the case helps all the parties involved in the case viz Vigilance Department, concerned HOD, the personnel from the concerned Deptt and the delinquent employee(s). In this regard, please refer letter No HAL/P&A/36(53) dt 22 October 1999 and HAL/CO/ VIG/64/171/2000 dt 28 Feb 2000. Vigilance Identity Cards authorizing Vigilance Staff to conduct investigation are under issue.

(h) All Vigilance Officers should also keep the MDs/GMs of the Complex properly briefed/apprised about suspect officials even though they are reporting directly to ED(V).

(HAL/CO/VIG/47/2000/219 dated 14 Mar 2000)

ENDORSING NAME, DESIGNATION AND DATE BY SIGNATORIES ON NOTE SHEETS AND DOCUMENTS/CORRESPONDENCES

1. Please refer to this office letter No. HAL/CO/VIG/47/2000/804 dtd. 24 Aug 2000, copy enclosed.

2. Vide above letter, it was advised that a procedure should be followed by all the signatories to write their name, designation and date on all Note Sheets signed by them and put date and their stamp (indicating name,

designation and Department) on all letters and documents signed by them. It is still being observed that, in many a cases, signatories are not adhering to the above procedure, resulting in considerable delays for the audit/investigating department's works. The same is requested to be followed with immediate effect.

3. In view of the above, you are requested to issue necessary Factory Routine Orders for implementation of the above instructions for compliance of all concerned in the Divisions/Complexes. A copy of the same may please be marked to the undersigned.

(HAL/CO/VIG/47/2002/618 dtd. 04 Mar 2002)

MENTIONING OF NAME, DESIGNATION AND DATE BY SIGNATORIES ON NOTE SHEETS AND DOCUMENTS/CORRESPONDENCES

1. Vigilance Staffs are carrying out the inspections and checks as per the action plan drawn for Anti corruption work and preventive vigilance by the Vigilance department of Corporate Office. The HOD and the staff of Vigilance dept. in the Divisions/Complexes during their Vigilance inspections are experiencing difficulties in verifying the particulars of the signatories on note sheets/letters of correspondence etc. This is causing avoidable delay in speedy investigations, resulting in wastage of the time of concern depts.., and their personnel who are required to confirm the name of signatories. At times ignorance is expressed by the Dept./employees to identify the signatures of originator of Note sheet/ papers/documents with intention to delay in investigation. All concern in all the Depts. of the Company may please be advised to follow the procedure given below with immediate effect:-

(a) In the Note sheets, the signatories should invariably write their name, designation and date very clearly in hand/stamp.

(b) In the letter/documents of normal correspondence the signatories should put the date and their stamp, which indicates name, designation and dept.

2. The above will facilitate in verification of signatures and save valuable time of the Company. It will also help in determining the time of movement of files/correspondence, which can be analysed, and steps taken to speed up the movement of files between the departments in Divisions/complexes and avoid possibility of losses of the same in transit.

(Copy of letter No. HAL/CO/VIG/47/2000/804 dtd. 24 Aug 2000)

HANDLING OF SOURCE WITH CASUAL ATTITUDE

1. Please refer Vigilance Manual Vol-I Chapter III regarding Collection and collation of information which clearly states that the communication between vigilance staff and vigilance source must be secure, efficient and well protected.

2. It is seen that source informant details are being sent in normal correspondence. The same has been viewed with serious concern by the undersigned and also the casual attitude adopted in correspondences by Vigilance Dept in disclosing the identity of the source.

3. A stern action will be taken against defaulters in future for non-compliance of the above instructions along with reflection in ACR.

(HAL/CO/VIG/47/2006/279 dtd. 07 Mar 2006)

PROMOTIONS OF EMPLOYEES OF THE VIGILANCE DEPARTMENT

Considering that the Vigilance Departments in the Divisions/Offices are coming under the functional control of Executive Director (Vigilance), Corporate Office and with a view to adopt uniform practices in effecting promotions of employees of the Vigilance Department, it has been decided that promotions of all employees (Workmen and Officers) working in the Vigilance Departments in the Company as a whole would be processed centrally by the Corporate Office.

2. The following procedure would be followed for effecting promotions of employees of the Vigilance Departments:

(a) Promotions within the Workmen Cadre and from Grade-I to II & Grade-III to IV in the Officer's Cadre

Divisions/Offices would forward the details of employees who are due for promotion wef 1st January and 1st July of an year, so as to reach Senior Manager (HRD), Corporate Office latest by 31st October of the previous year and 30th April of the same year respectively, in the format enclosed as Annexure-1. In case there is no employee who is due for promotion, a 'Nil' report is to be forwarded. Corporate Office would process the cases and names of employees who are cleared for promotion would be intimated to the Division/Office concerned. Thereafter, the Division/Office concerned would issue the promotion orders after verifying details of physical attendance (wherever required : promotions/financial benefits to be deferred on account of punishments: disciplinary actions pending etc., as well as after obtaining vigilance clearance.

(b) Promotions to posts in Grade-I,III and V & above in the Officer's Cadre

Posts sanctioned for effecting promotions to Grades-I, III and V & above in the Officer's cadre would be notified within the concerned Divisions/ Office/Complex/Company and processed by the Corporate Office.

Promotions as at (a) & (b) would be effected by following the applicable procedures and subject to fulfilling all the prescribed Terms and Conditions under the relevant Rules.

3. These orders are effective from the date of issue of this Circular. Details of employees, if any, who are due for promotion as at Para 2(a) above w.e.f. 1.1.2002 should be forwarded by the Divisions/Offices so as to reach Corporate Office latest by 10.12.2001. In case there is no employee who is eligible for promotion w.e.f. 1.1.2002, a 'NIL' report is to be forwarded.

(HAL/P&A/27(1)/2001/523 dtd 26 Nov 2001)

PROMOTIONS OF EMPLOYEES OF THE VIGILANCE DEPARTMENT

Please refer to above referred Corporate Office memo on Promotion of employees of Vigilance Department.

2. The issue pertaining to the promotion of workmen of Vigilance Department under TSP/CPP Scheme has been reviewed. It is clarified that Divisions would continue with the earlier practice of effecting promotions of workmen in Vigilance Department as being done hitherto. However, the Division must involve the Vigilance Head in the Division for setting up of Question Paper etc; for Test, if any and also nominate him as a member of the Selection Committee (if prescribed).

3. Divisions may take necessary action for affecting promotion of workmen of Vigilance Department w.e.f. 01/01/2002, accordingly.

(HAL/P&A/27(1)/2002 dtd. 09 Jan 2002)

PROFESSIONAL QUALIFICATIONS FOR THE PURPOSE OF PROMOTION UNDER THE CPP SCHEME FOR OFFICERS WORKING IN THE DISCIPLINES OF SECURITY/VIGILANCE

The qualification of Shorthand and Typewriting with Computer knowledge is not treated as Professional Qualification for the Officers in the Secretarial Discipline. No specific Professional Qualification has been prescribed for the Officers working in the Secretarial Discipline. Accordingly, Officers working as

PAs/JEAs/EAs in the Secretarial Discipline could acquire/possess any of the Professional Qualifications in the Non- Technical Stream and become eligible for the benefit of Weightage in the number of years of service in the Grade for their promotion to higher Grades under the CPP Scheme.

2. Most of the personnel for appointment to posts in the Security and Vigilance Disciplines are drawn from the Defence Services or from the Police Services. Accordingly, a few qualifications acquired from the Defence Service or from the Police have been prescribed as Professional Qualification in those disciplines. These cannot be acquired by Civilians/Non Departmental persons. Accordingly, clarifications had been issued in the past vide memo dated 12th July, 1984 referred to above, that Officers of Security, Township and others sections which form part of Administration Department, who possess any of the recognized Qualifications such as Post Graduate Degree/ Diploma in Social Welfare/ Personnel Management/Social Science/Industrial Relations awarded by the recognized Universities/Institutions will be deemed to be possessing the Professional Qualification for the purpose of their promotion to higher grades under the TSP/CPP Scheme on similar lines of Para-1 above.

3. It is clarified that there is no change in the above instructions and Officers working in the Security or Vigilance Disciplines will be eligible for the benefit of Weightage in the number of years of service in the Grade for their promotion to higher grades under the CPP Scheme, if they possess any of the recognized professional qualifications prescribed for appointment to posts in the Personnel and Administration Discipline.

(HAL/P&A/27(30)/PQ-S&V/MPA/2001 dt 17 Apr 2001)

PROFESSIONAL QUALIFICATIONS FOR THE PURPOSE OF PROMOTION OF OFFICERS WORKING IN SECURITY & VIGILANCE DEPARTMENTS

Corporate Office vide letter dated 17th Apr 2001 referred at Sl. No. (iii) above had reiterated the professional qualifications recognized for the purpose of promotion of Officers working in the Security & Vigilance Departments.

2. Divisions/Offices have been seeking clarifications on the subjects to be recognized /covered under the Post Graduate Degree in Social Sciences. In this regard, it is clarified that Two Year Full Time Post Graduate Degree (MA) in the following subjects, acquired after Graduation (10+2+3 System) is recognized as PQ for the above purpose:

(i) MA – Sociology
(ii) MA – Economics

(iii) MA – Psychology
(iv) MA – Public Administration
(v) MA – Criminology

(HAL/P&A/27(30)/05 dt 03 May 2005)

PROFESSIONAL QUALIFICATIONS FOR THE PURPOSE OF PROMOTION OF OFFICERS WORKING IN SECURITY & VIGILANCE DEPARTMENTS

Further to the list of professional qualifications recognized for the purpose of promotion of Officers working in the Security & Vigilance Departments as notified vide Corporate Office letters referred above, it has been decided to recognize the Two Year Full Time Post Graduate Degree (M Sc.) in Forensic Science & Criminology acquired after Graduation (10+2+3 System) as a Professional Qualification for the purpose of Promotions of Officers in the Security and Vigilance Departments.

(HAL/P&A/27(30)/05 dt 26 May 2005)

PROFESSIONAL QUALIFICATION IN THE SECURITY AND VIGILANCE DISCIPLINES

Further to the list of professional qualifications recognized in respect of the officers working in the Security and Vigilance Disciplines as notified vide CO letters referred above, it is decided to recognize the Two Year Full Time Post Graduate Degree (MA) in the following Disciplines acquired after Graduation (10+2+3 System) as Professional Qualifications for the purpose of Recruitments and Promotions in the Security and Vigilance Disciplines.

(a) MA - Political
(b) MA - Anthropology.
(c) MA - Human Rights.
(d) MA - Media Studies.
(e) MA - Social Policy
(f) MA - Public Policy

(HAL/P&A/27(30)/2008 dtd 15 Apr 2008)

RATIONALISATION OF VIGILANCE RESPONSIBILITIES

1. In addition to their existing Vigilance responsibilities HOD's of Vigilance department located in Complex/ Divisions will be responsible to provide Vigilance cover to the offices mentioned against them.

(a) HOD (Vigilance)- Bangalore Complex- Offices of MD-BC, D&D office and Liaison Office-Chennai.
(b) HOD (Vigilance)- Nasik Division – Office of MD-M and Liaison Office- Mumbai.
(c) HOD Vigilance)- Koraput Division – Liaison Office-Vishakhapatnam.
(d) HOD (Vigilance)-Lucknow Division- MD (A)'s office.
(e) HOD (Vigilance)-Kanpur Division- Liaison Office- Delhi.
(f) Corporate Office – Offices of RM- London and Moscow.

(HAL/CO/VIG/47/2001/318 dated 13 Mar 2001)

RESIGNATION

1. It has been observed that officers are submitting their resignation for joining lucrative assignments in private sector without prior intimation of their intentions to the CVO and without giving adequate notice. It is also observed that officers are applying for appointments to other companies in violation of the company rules and contract agreement of seeking permission to apply for appointment elsewhere. It is also seen that officers who resign at short notice want to get relived on their terms and start insisting to CVO for relieving them. This is viewed with concern.

2. All officers are hereby directed to adhere to the guidelines issued vide personnel circular No HAL/P/18(59)/1631/5296 dtd 20.03.0984 on the subject. The provisions of the said circular are reproduced below:-

> A permanent employee may resign from the services of the company by giving three months notice or paying the company the basic pay (Basic pay plus Dearness Allowance in the case of the officers in Grade-I and above for the period by which the letter of resignation falls short of the notice period of three months. In respect of employees covered under the notified Standing Orders, resignations of such employees will be governed by the provisions of the respective Standing Orders. However, the Management reserves the right no to accept the resignation of Executives, if the circumstances so warrant.

3. In keeping with the above, all officers are hereby intimated that no resignation will be accepted which contravenes para 2 above. Officers who are desirous to resigning from the services, are required to give three months notice i.e. they have to serve for THREE MONTHS after submission of their resignation. This period is required for necessary administrative arrangement caused due to the intended resignation. Additionally, it may be noted that Management reserves the right not to accept the resignation in case the circumstances so warrant. NOC's will be issued only

after the period of notice. Furthermore, Officers in Vigilance Department applying for appointment in outside inalization, private of public, are required to intimate CVO in advance so as to enable to take further action. Officers who submit written communication in this regard should await the outcome of the decision taken at corporate Office and not canvass their case through HOD complex or through personal meetings.

(HAL/CO/VIG/48/2007/561 Dt. 05 May 2007)

BIFURCATION OF VIGILANCE DEPARTMENT

It has been noticed that some of the Security Officers of Divisions are still using their designation as "Security & Vigilance" in spite of Vigilance Department having been bifurcated from the Security Department during January 1998.

2. All Security Officers including Heads of Security may please be advised to write their designation as applicable for Security function only since Vigilance heads are operating separately; to avoid confusion, hereafter.

(HAL/P&A/75(2)-VC/98 dt 23 Dec 98)

RETURNING OF VIGILANCE IDENTITY CARD

Vigilance Identity Cards were issued to all Officers/Workmen of Vigilance Department during Jan 2003. On following occasions, the Identity Card is required to be withdrawn from the individuals and forwarded to this office.

(a) On Superannuation/retirement.
(b) Reversion to other department.
(c) Deface.
(d) On expiry.

(HAL/CO/VIG/47/2001/892 dated 12 May 2003)

ASSOCIATION OF VIGILANCE FUNCTIONARIES IN DECISION MAKING PROCESS.

1. As part of pro-active measures, Vigilance has been rendering advice on various issues, at times in an informal manner, to assist the management in processing cases expeditiously. However, it has been noticed that in certain cases such informal discussions are brought on record by stating that "seen/discussed/cleared by Vigilance, etc" thus misleading the

management in taking the decision as if the case stands cleared from all Infirmities/ Irregularities. Similarly in certain cases, names of Vigilance is mentioned outside HAL so as to give an impression that action is being taken on the behest or advise of Vigilance. This practice is totally unacceptable, which creates confusion and allows decision to be taken by the authorities.

2. It may be noted that any advise by Vigilance whether informal or otherwise is not to be quoted in any manner in any noting/correspondence within or outside the company. Any decision taken on a case must be understood that it has to be based on an independent judgment of officials handling. Mere consultation with Vigilance functionaries cannot be construed that the case stands cleared for approval.

3. As per existing instructions on the subject, Vigilance functionaries cannot be associated with any decision making process, over which Vigilance Officer is required to sit on the judgment, in this connection DOPT O.M. instructions issued Vide letter No. 321/77/91-AVD.III dated 03.06.1992 have already been circulated to all by this office Vide letter No. HAL/ED(S&V)/ HO/23/92/205 dated 08.07.1992. It has, therefore been decided with immediate effect no mention is made of the vigilance in any correspondence within or outside the company.

(HAL/CO/VIG/47/2004/470/3307 Dt. 23 Mar 2004)

GUIDELINES ISSUED BY THE CENTRAL VIGILANCE COMMISSION FOR VIGILANCE ADMINISTRATION

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.

(CVC circular No. 004/VGL/96 Dt. 04 Apr 2005)

VIGILANCE RELATED CASES-CONSULTATION WITH VIGILANCE DEPARTMENT

1) As notified Vide Circular No. HAL/P&A/20(28)-3/VIG/224 dtd 09.05.2002, the divisional vigilance heads should be consulted where General Managers are the Disciplinary Authorities and Executive Director (Vigilance), corporate Office should be consulted where Managing Directors/Chairman are the Disciplinary Authorities, while drafting the charge sheets as well as on receipt of reports of Enquiry, in vigilance related cases.

2) Based on the experience gained in the past, the matter is reviewed. It is now decided that the following need also be followed by the Disciplinary Authorities, in Vigilance related cases, in addition to the instructions contained in the circular dated 09.05.2002 referred above:

The Vigilance department is to be consulted in the event the Disciplinary authority proposes to conclude the case without instituting a departmental enquiry. In such cases, the Disciplinary authority shall forward his tentative findings, along with a copy of the explanation submitted by the delinquent employee against the charge sheet, to the /vigilance department (i.e. Vigilance heads of Divisions where general Managers and below are the Disciplinary authorities and /Executive Director (Vigilance), corporate Office where Managing directors/Functional & Chairman are the Disciplinary Authorities) for scrutiny & comments regarding acceptance, non – acceptance or partial acceptance of the tentative finding of the Disciplinary authority and about imposition of minor penalty, exoneration, issuance of advisory letter Etc.

3) The procedure as indicated in the circular dated 09.05.2002 and as at para-2 above need to be followed scrupulously in all vigilance related cases.

(HAL/P&A/20/(28)-3/VG/06 dtd 21 Mar 2006)

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.

(CVC circular No. 008/VGL/035 Dt. 28 Apr 2008)

TRANSFER OF VIGILANCE CASE FILES

1. It is observed that Vigilance Case Files are being retained by Vigilance HODs even after the employee is transferred. It will hereafter be ensured that all relevant documents (Case files) are sent to the Vigilance HOD of the new Division under intimation to respective Complex HOD and Corporate Office within a month after the execution of the transfer.

2. Vigilance HODs of the new Division will be intimated in cases where vigilance investigations are under progress but the employee has been moved out under certain compelling circumstances and case files are being retained until finalization.

3. Case files will be paginated and forwarded under acknowledgement.

(HAL/CO/VIG/47/2009/976 dtd. 04 Sep 2009)

MOVING OUT OF DUTY STATION

1. It has been noted with concern that Vigilance functionaries are moving out of duty station without prior permission. Such absence is an act of misconduct. Company vehicles are being used while moving out of duty station. This will cease forthwith.

2. Prior approval of the Competent Authority (IA) will be obtained before moving out of duty station except while proceeding on leave/temporary duty.

(HAL/CO/VIG/47/2009/1112 dated 14 Oct 2009)

CONSULTATION WITH VIGILANCE DEPARTMENT

In supersession of all earlier circular on the above Subject, the following system of consultation with Vigilance Department on vetting of charge sheets and informal consultations at various stages of disciplinary proceedings is hereby notified:

(a) Draft charge sheets pertaining to Vigilance cases, wherever General Managers are the Disciplinary will be forwarded to Divisional Vigilance Heads for vetting before issue and in other cases where Managing Directors / Functional Directors and chairman are Disciplinary Authority, the same will be forwarded to the CVO, Corporate Office for vetting before issue;

(b) The Vigilance Department to be consulted in the event the Disciplinary Authority proposes to conclude the case without instituting a Department Enquiry. In such cases, the Disciplinary Authority shall forward his tentative findings, along with a copy of the explanation submitted by the delinquent employee against the charge sheet, to the Vigilance Department (i.e. Vigilance Heads of Divisions where General Managers and below are the Disciplinary Authorities and chief Vigilance Officer, Corporate Office where managing Directors /Functional Directors and chairman are the Disciplinary Authorities) for scrutiny and comments regarding acceptance, non acceptance or partial acceptance of the tentative findings of the Disciplinary Authority and about imposition of minor penalty, exoneration, issuance of advisory letter etc;

(c) On receipt of Enquiry Report in Vigilance cases the Disciplinary Authority will forward a copy of the same to the respective Vigilance Heads i.e. , Vigilance Heads of Divisions where General managers and below are Disciplinary Authority ;CVO, where Managing Directors/ Functional Directors and Chairman are the Disciplinary Authority for scrutinizing the enquiry report for comments regarding acceptance, non acceptance or report for acceptance of the report and in advising the Disciplinary Authority about the imposition of a major/ minor penalty;

(d) In the event of the delinquent employee exercising his right of Appeal against an order issued by the Disciplinary Authority to the Appellate Authority, the Appellate Authority is required to forward his tentative findings along with a copy of the Appeal of the delinquent employee made to the Appellate Authority for scrutiny and comments regarding acceptance, non acceptance or partial Acceptance of advisory etc. to the CVO for comments before issuance of his order. The Appellate Authority will, in all cases refer the matter to the CVO irrespective of the scale/ grade of the employee.

(HAL/P&A/19(3)/2010 Dated18 Oct 2010)

CONSULTATION WITH VIGILANCE DEPARTMENT

1. In accordance with instructions issued vide CO HR Lr No HAL/P&A/ 19(3)/2010 Dt.18.10.2010.

2. Vide Para (c) of the ibid letter, the Enquiry Report is to be sent to the Vigilance heads where General Manager is the DA and to the CVO where MDs/ FDs and Chairman are the DA for scrutinizing the same and offer comments

regarding acceptance, non acceptance or partial acceptance of the Enquiry Report and in advising the DA about the imposition of a major/minor penalty. In practice, it has been observed that the above two conditions are not being fulfilled. It will therefore be ensured that Vigilance HODs while commenting on the Enquiry Report received from the DA will invariably mention regarding acceptance/non acceptance or partial acceptance with adequate justification. Also, the HOD will comment upon the imposition of a major/minor penalty or administrative action. These recommendations will be sent to CO, Vigilance, along with the Enquiry Report. Feedback to the DA is to be given only after receipt of feedback from the CO, Vigilance.

(HAL/CO/VIG/47/2012/1850 Dated 05 July 2012)

JURISDICTION OF CVC

1. As per the Gazette Notification No. 1109 DT. 13.9.2007 issued by Ministry of Personnel, Public Grievances & Pensions, CVC's jurisdiction in Schedule-A PSUs extend to the Chief Executives and Executives on the Board and to other Officers in E-8 and above (Grade-IX and above in HAL).

2. Accordingly, in HAL, all Officers in Grade-IX and above are covered under the jurisdiction of CVC.

(HAL/P&A/22(1)-9/1/2011 Dated 14 Feb 2011)

VIGILANCE ADMINISTRATION : INITIATION OF PARs AND QUARTERLY VIGILANCE COMMITTEE MEETINGS:

1. Reference this Office Lr No HAL/CO/VIG/47/2009/1111 Dt.14 Oct 2009.

2. HODs of Complex will be overall responsible for Vigilance Administration of all divisions under the Complex. They will supervise and monitor the vigilance activities of all the Divisions in the Complex. All reports and investigations including administrative matters will be routed through the Complex HODs. Complex HODs will be the Initiating Authority for all Officers under them.

3. Sr Manager (Vig), MiG Complex will be the IA in respect of Sr Manager (Vig), AMD and AURDC, Nasik, Vigilance Officer, AOD, Nasik, Manager (Vig), Engine Division, Koraput and Dy Manager (Vig), Sukhoi Engine Division, Koraput.

4. Chief Manager (Vig) Accessories Complex will be the IA in respect of Manager (Vig), Lucknow & Korwa,. Manager (Vig), TAD Kanpur Division, Dy Manager (Vig) Avionics Division, Hyderabad, Dy Manager (Vig), SLRDC.

5. Complex HODs will compulsorily attend the QVCM of all the divisions under the Complex. They are also required to visit the divisions under the Complex at least once in a quarter (Apr-Jun, July-Sep, Oct-Dec, Jan-Mar) aside from the QVCM.

6. Complex HODs are hereby directed to submit a monthly Confidential Report w.e.f. April 2011 to be submitted by 07 of the next month, assessing the performance of all officers in the Complex to CVO in a Confidential cover. The assessment on the performance may be sent as per the format enclosed. An overall rating out of 100 will be awarded to each officer. Based upon the rating and moderation by the CO, the Performer of the Month in the Department, will be identified and notified. Complex HODs may note that the rating should be objective and the ratings in the QTS should not reflect a divergent assessment.

(HAL/CO/VIG/47/2011/217 Dated 07 Mar 2011)

EXAMINING WITNESSES IN CORPORATE OFFICE

1. Instances may arise when employees posted in Corporate Office are required to be interviewed / examined in connection with a Vigilance Investigation. In all such cases, the request for their deposition, will be routed to Corporate Office, minimum seven days before the due date.

2. Where only documents in Corporate Office are required for any scrutiny, such requirements will also be sent to the Corporate Office, Vigilance Dept. for facilitating the same.

(HAL/CO/VIG/47/2012/700 Dated 16 Mar 2011)

Speedy Disposal of Disciplinary & Vigilance cases-Recommendations of the Committee of Experts on Disciplinary & Vigilance Inquiries:

1. Reference is made to CO letter of even No. dt.05.01.11 regarding speedy disposal of Disciplinary and Vigilance cases.

2. Further to the above cited letter, CVO, HAL, has brought out the following as per the communication received from DoPT and Ministry of Defence (D-Vig);

a) Where Disciplinary Action is contemplated and if it is decided to initiate disciplinary action, charge sheet is to be issued immediately;

b) All pending cases are to be disposed off by 30.06.11.

3. In addition to the above the Additional Secretary (DP), Department of Defence Production, Ministry of Defence, has taken up the issue of long pending cases and sought Monthly Review and expeditious disposal of the cases.

4. In view of the above, all pending cases, viz: those cases in which disciplinary action is contemplated and those cases which are under process/ pending, etc., are to be acted upon immediately and disposed off as brought out above.

5. A feedback on the monthly Review and steps taken for speedy disposal of the cases as directed by the Addl. Secretary (DP), Department of Defence production, Ministry of Defence is to be incorporated in the monthly Report on pending Disciplinary &Vigilance cases.

6. In addition to the above, an Action taken Report on the cases as Para2 (a) & (b) above along with details of each case is to be submitted to corporate office by 10.07.11 positively in respect the Division under the Complex, in order to keep CVO apprised.

(HAL/P&A/19(3)/CO/2011 Dated 21 Apr 2011)

ACTIVITIES OF PERSONNEL WORKING IN VIGILANCE DEPARTMENT:

1. Reference is made to the instructions issued vide Corporate Office letter No. HAL/P&A/18(5)/SY/10 dated 24.2.2010, in connection with activities of Security & Fire Personnel.

2. Keeping in view the sensitive nature of the tasks performed by the personnel working in the Vigilance Department, the issue regarding participation of employees working in the Vigilance Department in Union activities is examined. It is relevant to mention here that 'Vigilance' forms a part of "Essential Services" under the Certified Standing Orders of various Divisions.

3. Like in the case of personnel of Security & Fire as indicated at Para-5 of the Circular dated 12.01.2010, it is decided that personnel working in the Vigilance Department also cannot participate in Strike, Dharna or other activities carried out by the Union, including contesting elections of any kind.

(NO. HAL/P&A/20(27) PF/2012 Dated 10 Feb 2012)

VIGILANCE ADMINISTRATION : INITIATION OF PARs AND QUARTERLY VIGILANCE COMMITTEE MEETINGS:

1. In supersession of all earlier instructions on the subject, the following may be noted for compliance with effect from 1st Apr 2012.

2. HODs of Complex will be overall responsible for Vigilance Administration of all divisions under the Complex. They will supervise and monitor the vigilance activities of all the Divisions in the Complex. All reports and investigations including administrative matters will be routed through the Complex HODs. Complex HODs will be the Initiating Authority for all HODs under them. In respect of those Divisions where more than one Officer is posted, the HOD of that Division will be the Initiating Authority for the Junior Officer and CVO will be the Reviewing Authority.

3. Complex HODs will compulsorily attend the QVCM of all the divisions under the Complex. They are also required to visit the divisions under the Complex at least once in a quarter (Apr-Jun, July-Sep, Oct-Dec, Jan-Mar) aside from the QVCM.

4. Complex HODs are hereby directed to submit a monthly Confidential Report w.e.f. April 2011 to be submitted by 07 of the next month, assessing the performance of all officers in the Complex to CVO in a Confidential cover. The assessment on the performance may be sent as per the format enclosed. An overall rating out of 100 will be awarded to each officer. Based upon the rating and moderation by the CO, the Performer of the Month in the Department will be identified and notified. Complex HODs may note that the rating should be objective and the ratings in the QTS should not reflect a divergent assessment.

(HAL/CO/VIG/47/2012/613 Dated 12 Mar 2012)

GUIDELINES FOR OBTAINING VIGILANCE CLEARANCE FROM THE COMMISSION

I am directed to refer to the instructions contained in the above mentioned circular of DOPT regarding scrutiny of the antecedents of persons recommended for Board level posts in Public Sector Enterprises. It has been observed that the references received by the Central Vigilance Commission for vigilance clearance from the administrative authorities concerned are mostly inadequate and do not contain complete information, in the absence of which the Commission is finding it difficult to process the cases. In order to streamline the procedure for granting vigilance clearance, the Commission has reviewed the matter and it has been decided that the following information / documents etc should invariably be made available to the Commission for proper scrutiny of the antecedents and expeditious disposal.

(i) The reference for obtaining vigilance clearance should be made by the administrative Ministry/Department concerned through its CVO to ensure that adverse material, if any, is properly reflected in the reference for obtaining Commission's Vigilance Clearance;

(ii) The pro-forma in which the particulars of the officer are to be

indicated by the administrative authority should invariably be authenticated by the CVO; and

(iii) In cases where the officer concerned has served in different organizations during the last ten years, it shall be the responsibility of the Ministry/ Department considering the proposal for higher appointment of the official concerned to collect the details from the vigilance units of the organization in which the officer had worked before making a reference to the Commission.

2. It is requested that all the Chief Vigilance Officers of the Ministries/ Departments may personally ensure that the aforesaid requirements are completely met with while seeking vigilance clearance from the Commission in order to avoid unnecessary delays in the finalization of such cases.

(CVC Letter No 7AA VGC 38 dt 01 Aug 1996)

VIGILANCE CLEARANCE OF GOVT EMPLOYEES WHO ARE TAKEN IN PSUs ON PERMANENT ABSORPTION BASIS

The undersigned is directed to say that the question of vigilance clearance of the Govt employees who are taken on a permanent absorption basis in PSUs have been examined and it has been decided that the vigilance clearance of such an employee should invariably be obtained before he is taken on a permanent absorption basis in PSUs.

2. All the administrative Ministries concerned with PSUs are, therefore, requested to advise the Chief Executives of PSUs under their administrative control for following the above procedure.

(BPE O.M. No 23(13)/88-BPE(GM) dated 01 Nov 88)

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 Apr 99.

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 to 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 the 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 are 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 PSEB 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.

(CVC letter No 3(v)/99/4 dated 12 Jul 1999)

VIGILANCE CLEARANCE

In super session of all the instructions issued in the matter, the Divisions/Offices are requested to ensure that necessary Vigilance clearance in respect of employees is invariably obtained from the Chief Vigilance Officer of the Company namely, the Executive Director (Vigilance), Corporate Office, in connection with the following :-

(a) Recruitment (whether on Regular, Deputation, or Contract, Assignment basis for fixed periods) to posts in all the Disciplines of the Company joining from other PSUs/Government Departments (both Central and State Governments).

(b) Extension of service, period of contract employment, tenure of deputation, re-employment after retirement from Defence services, PSUs and Government Departments (both Central and State Governments) wherever applicable.

(c) Promotions to higher scales against vacancies including selections and appointment against Open Section, excluding promotions under the Time Scale Promotion Scheme/Career Plan Promotion which are not vacancy based.

(d) Confirmation of appointment / promotion.

(e) Compulsory retirement / Pre-mature retirement through review / Superannuation from service (Normal Retirement) / Voluntary retirement/ Resignation / Termination on Medical Grounds.

(f) Issuance of No Objection Certificate for issue of Passport.

(g) Postings including transfers to and from sensitive areas/Departments such as Bills Payable, Pay Rolls, Purchase & Stores, Recruitment and Promotion, Security, Vigilance, Civil Engineering, Plant Maintenance (Mechanical & Electrical), Canteen, Sub-contract Cell.

(h) Deputation to other organisations within the country and for Foreign Assignments including business trips abroad.

(i) Training abroad including Seminars / Conferences abroad.

(j) Awards including National and International Awards.

2. On matters relating to items (c) to (g) above, the Divisional Head of the Vigilance Department will issue Vigilance Clearance in respect of Officers in Grade-III and below. Divisions/Offices are requested to kindly ensure strict compliance of these instructions with immediate effect.

(HAL/P&A/27(1)/POLICY/MPA/2000 dt 03 May 2000)

VIGILANCE CLEARANCE & JOB ROTATIONS IN SENSITIVE AREAS

Please refer to Lucknow Division Memo No HAL-ADL/1169/1/A-Per/2001/506 dated 08 Mar 2001 on the above subject. The doubts raised by the Division have been examined and clarifications on each doubt are given in the Annexure.

Clarifications on doubts raised by Lucknow Divn regarding Vigilance Clearance

Sl No	Doubts Raised	Clarifications
1.	Whether the areas departments added among the Sensitive areas vide referred letter (namely Corporate Office Memo No HAL/P&A/41(6)/ 2000) dt 13 Sep 2000, viz., Audit, Transport, Maintenance, and Welfare including Township administration, are applicable for officers also, or these are only for workmen.	These are equally applicable for officers also.
2.	There is no separate Audit Section/Area in Finance & Accounts Department in the Division. A systems Audit Department is functioning independently under the functional control of Corporate Office and administratively under the Division. Whether the Systems Audit Department of the Division is to be treated as Sensitive area.	Yes. The Systems Audit Department of the Division deals with all aspects of Commercial and finance areas. As such the Systems Audit Department of the Division is also to be treated as Sensitive area.
3.	In our Division, the Township Administration/ Maintenance is under Civil Engineering Depts. The matters/work related to handing/taking over of Township quarters to employees, keeping the records of allotment, repair and maintenance (Masonry, Plumbing, Electrical and Carpentry) and white washing/colouring and painting of houses etc are being handled by Township Office of the Civil Engineering Department, which by itself is a Sensitive Area. Only the work like allotment of quarters to the employees is being done by General Administration Section of the P&A Department. Whether such workmen/ employees of the P&A Department looking after the allotment of quarters etc are to be included in the Sensitive area or otherwise.	Workmen/employees of the P&A Department looking after the allotment of quarters etc in the township are also to be included in the Sensitive Area.

4.	Vide referred letter (Corporate Office Memo No HAL/P&A/27(1)/POLICY/MPA/2000 dated 03 May 2000, TSP and CPP were excluded from the subject matters requiring Vigilance Clearance. However, in the clarification given at Sl No 3 of Annexure-I of the referred letter (Corporate Office Memo No HAL/P&A/27(1)/POLICY/ MPA/2000 DATED 26 Aug 2000), the words "all promotions" have been used. Whether workmen employees of the P&A Department handling TSP/ CPP are to be included under Sensitive Area and whether Vigilance Clearance is required in the cases of TSP/CPP or otherwise.	Vigilance Clearance is required in all the cases of promotion including those under TSP/CPP/ DPC/IMS/ Internal Notification and against Open advertisement. Workmen employees of the P&A Department handling TSP/ CPP are also to be included under the category of people working in Sensitive Area. against Open advertisement. Workmen employees of the P&A Department handling TSP/ CPP are also to be included under the category of people working in Sensitive Area.
5.	In this Division, the transport (bus facility for the employees is looked after by Industrial Relations & Welfare Section provided on contract (covered under Welfare, a Sensitive Area). However, the work pertaining to the deployment of HAL vehicles and drivers on official duties is looked after separately by a Transport Section and the repair & overhaul of HAL vehicles is got done outside on need basis. Whether the Transport Section is to be treated as a Sensitive Area or otherwise.	The Transport Section looking after deployment of HAL Vehicles/drivers, as well as attending to repairs, Overhaul of HAL vehicles from outside is to be treated as Sensitive Area.

(HAL/P&A/27(1)/POLICY/MPA/2001 dated 29 Mar 2001)

STREAMLINING OF ISSUE OF VIGILANCE CLEARANCE

1. Please refer to Corporate Office circulars No.HAL/P&A/27(1)/POLICY/ MPA/2000 dt 03 May 2000 and 26 August 2000.

2. In the recent past, it is observed that Divisions are forwarding letters to Corporate Office directly for seeking vigilance clearance in respect of officers in Gr IV and above. This is resulting in a lot of communication and duplication of work, as the cases are referred back to the local vigilance heads to ascertain whether any vigilance case is contemplated against the officer(s) for whom vigilance clearance is sought by the Divisions.

3. Therefore in order to reduce the delay, the Divisions are requested to forward the vigilance clearances to Corporate Office through the local Vigilance Heads who will forward the same to this office with their comments, if any.

(HAL/CO/VIG/47/2001/576 dated 09 May 2001)

REGARDING "NO OBJECTION CERTIFICATE" FOR THE GRANT OF PASSPORT FACILITIES TO CENTRAL/STATE GOVERNMENT OFFICIALS AND EMPLOYEES OF STATUTORY BODIES AND PUBLIC SECTOR UNDERTAKINGS

The undersigned is directed to inform that in March 2001, the standing committee of Secretaries on Grievance redress had constituted an inter-Ministerial Committee to review the system for issue of passports. This inter-Ministerial Committee established in the cabinet Secretariat made important recommendations to liberalise the issue of passports.

2. This Committee had also examined the requirement of NOC for Government employees and had noted that by making NOC obligatory, the passport system was placing the government employees at a disadvantage vis-à-vis an ordinary citizen. It was also noted that obtaining an NOC for a field level employee may itself be a source of considerable delay and harassment. Considering that the right to hold a passport flows from the fundamental Rights of a citizen, the insistence on an NOC in case of Government servants may not be strictly legal. The Committee, therefore, recommend that an intimation by an employee to the employer that he is applying for a passport and a declaration, duly acknowledged by his head of the office, to the effect that he has informed his employer of his intention to apply for a passport, should be adequate for acceptance and processing of his case in normal course. However, in such cases, the passport should be issued on prior verification of citizenship and character only. Also, the employer will always have an opportunity to issue directions to the employee not to proceed abroad and refuse leave should the circumstances warrant such as action i.e. pendency of a disciplinary enquiry on grave charges etc. apart from advising the RPO concerned not to issue passport on grounds to be specified.

3. Therefore, on the basis of committee's recommendation, it has been decided that henceforth, if Central/State government officials and employees of statutory bodies and public sector undertakings apply for the passports, Passports would be issued on prior verification basis, if only such declaration is submitted. In case, proper "NO OBJECTION CERTICATE" is submitted, then passport will be issued without police verification.

4. All Concerned may please note the above change and follow the revised instructions.

5. This issues in partial modification of this Ministry's O.M. of even No. Dated 14.06.85 on the above subject.

(MEA Lr. No. VI/401/40/83 Dtd 09.07.2002)

ISSUE OF VIGILANCE CLEARANCE

1. Issue of Vigilance Clearance for Superannuation : It is observed that requests are being received for issue of Vigilance Clearance in respect of employees on Superannuation, 2-3 months in advance, which is not in order. It is requested that all concerned may please be apprised that such cases will be processed by the Vigilance dept 30 Days prior to the Superannuation.

2. Issue of Vigilance Clearance for private visit to Foreign Country: Whenever the request for private Visit to foreign country is forwarded the format for" private visit to foreign country" duly filled in, along with the copy of the visa application (duly filled in) are not being forwarded, which are required as per Company Rules. The divisions may please ensure that the above requirement may please be noted and documents sent to avoid delay in processing the vigilance clearance.

(HAL/CO/VIG/47/2003/1644 Dt. 20 Sep 2003)

VIGILANCE CLEARANCE

Presently, employees who intend to go for private visits to Foreign Countries are submitting their applications for obtaining Vigilance Clearance in the Format notified as Annexure-III to Corporate Office Memo dated 26 Aug 2000 referred at (ii) above. It has been decided that employees need to indicate the details of Passport No. and private visits, if any, undertaken abroad during the preceding one year, in the said application, henceforth.

2. Accordingly, the existing Annexure III to Corporate Office Memo dated 26 Aug 2000 under reference is deleted and is substituted with the enclosed Format, with immediate effect.

(HAL/P&A/27(1)/ Policy/MPA/2005 dt 21 Feb 2005)

ANNEXURE – III

Enclosure to C.O. Memo No. HAL/P&A/27(1)/ Policy/MPA/2005 dt 21 Feb 2005

RESTRICTED

Application for Obtaining Vigilance Clearance for a Private Visit to Foreign Country

1.	Name (IN BLOCK LETTERS)	:
2.	P.B. No	:
3.	Designation	:
4.	Department	:
5.	Residential Address	:
6.	Father's/ Husband's Name	:
7.	Passport No	:
8.	Country of Visit (Please indicate address(es) of Place(s) where you intend to visit	:
9.	Purpose of Visit	:
10.	Name of Person(s) and Relationship being visited abroad	:
11.	Arrangements for Stay	:
12.	Duration of stay/visit (vide Serial Nos. 8 & 10 above)	:
13.	Expenditure being incurred for the visit (to include travel and stay expenses separately)	:
14.	Source of finance for the visit	:
15.	Details of previous private foreign travel, if any, undertaken during the last one year.	:
16.	Photocopy of the Visa Application attached	:

Place : SIGNATURE OF THE APPLICANT

Date

VIGILANCE CLEARANCE

Presently, Vigilance Clearance is to be obtained in respect of all candidates joining the Company on appointment, from other PSUs/Government, whether the appointment is on regular basis, deputation, contract or assignment basis for fixed periods, as per Corporate Office letters referred at (i) & (ii) above.

2. Based on Manpower Sanctions issued, Ex-Servicemen/Ex-Service Officers are being inducted in the Company, on Contract Basis, as per the Terms & Conditions notified vide Circular No. HAL/P&A/21(14)/XSM-Contract/ 2003 dt 10-6-2003. The need for obtaining Vigilance Clearance from candidates who join the Company on contract basis, after retirement/pre-mature retirement from the Armed Forces, has been reviewed. Considering that such personnel will be relieved from the Armed Forces with proper clearance only, it has been decided that no Vigilance Clearance need be taken in respect of such personnel who join the Company directly after retirement from the Armed Forces. An attested copy of the Discharge Summary should, however, be taken from such candidates prior to their joining the Company.

(HAL/P&A/27(1)/Policy/2005 dt 09 Mar 2005)

VIGILANCE CLEARANCE

The revised Format (Annexure III) in which employees have to submit their applications for obtaining Vigilance Clearance for private visits to Foreign Countries was circulated vide Corporate Office Memo referred at (iii) above.

2. In line with a recent decision taken by the Government in respect of Government servants, it has been decided that employees need to indicate the details of previous private foreign travel, if any, undertaken during the preceding four years instead of one year, in the subject Application Form.

3. Accordingly, Sl. No. 15 of the subject Format (Annexure-III), circulated vide the Memo dated 21-2-05, is substituted with the following :

> "15. Details of previous private foreign travel, if any, undertaken during the last four years"

(HAL/P&A/27(1)/Policy/MPA/2005 dt 01 Apr 2005)

VIGILANCE CLEARANCE

One of the Divisions has sought a clarification whether Vigilance Clearance needs to be obtained when Ex-Servicemen/Ex-Service Officers are inducted against regular vacancies in the Company, against Sanctioned Manpower.

2. The issue has been examined and it is clarified that Vigilance Clearance needs to be obtained when Ex-Servicemen/Ex-Service Officers are recruited on permanent basis, against Manpower Sanctions, as provided at Sl. No. 2 of Annexure-I of Corporate Office letter No HAL/P&A/27(1)/Policy/MPA/2000 dt 26-8-2000 referred at (ii) above.

(HAL/P&A/27(1)/Policy/2005 dtd. 20 May 2005)

VIGILANCE CLEARANCE

One of the Divisions has sought a clarification whether Vigilance Clearance needs to be obtained before Management Trainees/Executive Trainees/Diploma Trainees/ Technician Trainees are absorbed on completion of the prescribed period of Training.

2. The matter has been examined and it is clarified that Vigilance Clearance needs to be obtained before Management Trainees/Executive Trainees/Diploma Trainees/ Technician Trainees are absorbed on completion of the prescribed period of Training.

(HAL/P&A/27(1)/Policy/2005 dt 14 Jul 2005)

GRANT OF VIGILANCE CLEARANCE – REGARDING INTERIM ADDITIONAL / CONCURRENT CHARGE.

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.

(CVC circular No. 005/VGC/101 Dt. 11 Aug 05)

VIGILANCE CLEARANCE

1. A policy letter was issued by the Management Vide Letter No HAL/ P&A/27(1)2006/95 dtd 09.03.2006 for obtaining Vigilance clearance in respect of officers who are being nominated as Members of the Selection Committee, from the CVO, Corporate Office.

2. It is seen that while concerned authorities are seeking Vigilance Clearance in such cases, adequate time is not being provided to the Vigilance Department to process the matter. In one instance only 02 days were left for the selection to begin when clearance was sought.

3. It is requested that references to Vigilance department be made atleast 15 days in advance in such matters so that CVO gets adequate time to process and issue necessary clearance.

(HAL/CO/VIG/53(2)/2006/382 Dt. 23 Mar 2006)

GUIDELINES FOR OBTAINING VIGILANCE CLEARANCE

1. Of late, it has been observed that the Divisions / complex / CO are asking for Vigilance clearance at very short notice causing unnecessary haste in processing the same, which may lead to issuance of incorrect status. The system of issuing vigilance clearance is followed basically to assist Management in providing status regarding officer's involvement in Vigilance Cases, Disciplinary proceeding etc. and looking in to the size of the organization which is spread across many divisions, adequate time needs to be given to the vigilance department at Corporate Office in processing the same.

2. In order to complete the necessary formalities with regard to issue of Vigilance Clearance at our end, it is desired that at least 07 (Seven) working days time is given by the Division / Complex to process Vigilance clearance. All Divisional Heads are advised to send requests for Vigilance Clearance well in time so as to provide seven days time to process the same at Corporate Office.

(HAL/CO/VIG/47/2006/536 Dt. 07 Jun 2006)

FILLING UP OF POSTS BY DIRECT RECRUITMENTS

In connection with the process of conducting Direct Recruitment activities to fill up of posts by Open Selection, both in Executive and workmen cadre, the following decisions are taken:

i) Vigilance clearance in respect of Officers being nominated as member in the Selection Committees would be obtained from the CVO, Corporate Office, before constituting the Committees.

ii) No changes in the advertised /notified specifications/ criteria would be made, post - facto, after receipt of applications.

iii) Results of Tests/ Interviews would be declared immediately, and in any case before completion of 48 hours of the Tests /Interviews.

(NO. HAL/P&A/27(1)/2006/95 Dated 09 March 2006)

ENGAGEMENT OF EX-HAL EMPLOYEES AS CONSULTANTS ON CONTRACT APPOINTMENT

1. Guidelines were issued by Corporate Office for Engaging of EX-HAL employees as consultants on contract basis vide the letter under reference.

2. It is now felt that the Complexes/Divisions needs to obtain, vigilance clearance in respect of such EX-Officers/ Employees whose names have been recommended for engaging on contract. Accordingly it is decided to obtain vigilance clearance of the EX- Officers/ Employees prior to their engagement on contract.

3. Accordingly, Divisions/Complexes are advised to forward the Vigilance Clearance of the EX-Officers/ Employees along with the proposal for engaging them on contract.

(HAL/P&A/36(28)/2006 dtd. 14 Nov 2006)

VIGILANCE CLEARANCE IN RESPECT OF ENGAGEMENT OF EX-HAL EMPLOYEES AS CONSULTANTS ON CONTRACT APPOINTMENT

1. HODs will ensure that the following information is submitted at the time of submission of application for vigilance clearance in respect of employment of EX-HAL employees as consultant on contract appointments.

(a) Whether the post has been sanctioned by the Corporate Office (Chairman)

(b) Whether the post has been advertised in print media and/ or website and its details.

(c) Information regarding selection by a committee and date of selection Period of engagement (From……..to……)

(HAL/CO/VIG/47/2007/367 Dt.28 May 2007)

VIGILANCE CLEARANCE

1. Presently, Vigilance Clearance is being obtained for various purposes notified vide the Circulars under reference as well as Circulars / clarifications issued on the subject from time to time subsequently.

2. The purposes for which Vigilance Clearance is to be obtained was reviewed by the management Committee at its 213th Meeting held on 04.09.2007, based on the experience gained over a period of time, Accordingly, it is decided that, henceforth, Vigilance Clearance is to be obtained for the purposes indicated below:

a) Promotion to higher Scales against vacancies, including selection & appointment of internal candidates against Open Selection, excluding promotions under the Time Scale Promotion Scheme/Career Plan Promotion Scheme which are not vacancy based;

b) Confirmation on first Appointment;

c) Compulsory Retirement /Pre-mature Retirement through review / Superannuation from service (Normal Retirement) / Voluntary Retirement / Optional Retirement / Resignation / Termination on account of continued ill health;

d) Issuance of No Objection Certificate for obtaining passport;

e) Postings to sensitive Areas/ Departments such as Bills Payable, Pay Rolls, Purchase & Stores, Recruitment, Security, Vigilance, Civil Engineering, Plant Maintenance (Mechanical & Electrical), Canteen and Sub- contract cell;

f) Deputation to other Organizations within the Country and for Foreign Assignments;

g) Training Abroad including Seminars/ Conferences;

h) Private visit to Foreign Countries;

i) Permanent absorption of Government Servants.

3. It is also decided that Vigilance Clearance would be given by the Vigilance Department, within 72 hours of receipt of the letter seeking the Clearance. If the Clearance is not received within 72 hours, it will be presumed that clearance is given.

4. If at any stage it is found that the Government instructions on the subject are at variance with the above instructions, the Government instructions on the subject would prevail.

(NO.HAL/P&A/27 (1)/POLICY/2007/01 Dated 30 October 2007)

VIGILANCE CLEARANCE

1. All letters seeking Vigilance clearance are to be accompanied with a line of confirmation from the P&A department in the division regarding the submission of latest APR by the affected individuals.

2. HODs may accordingly inform their respective P&A Dept for necessary implementation in future.

(HAL/CO/VIG/47/2008/236 dtd. 06 Mar 2008)

VIGILANCE CLEARANCE

As per the instructions issued vide Corporate Office Circular No. HAL/P&A/27 (1)/ Policy/2007/01 dated 30th October 2007, vigilance clearance needs to be obtained amongst others, for the following purposes.

(a) Deputation on Foreign Assignments;
(b) Training Abroad including Seminars/Conferences;
(c) Private visit to Foreign Countries.

2. In this connection, clarifications have been sought whether leave availed by employees abroad, prefixed and/or suffixed to the period of deputation/assignment abroad, need to be indicated while seeking Vigilance Clearance.

3. Considering that Vigilance Clearance is to be obtained for private visits abroad also, it is clarified that the period of leave availed abroad, prefixed and/or suffixed to the period of deputation/assignments abroad, should be indicated while seeking Vigilance Clearance. In other words, the entire duration of stay abroad should be indicated while seeking Vigilance Clearance. In other words, the entire duration of stay abroad should be indicated while seeking the clearance.

(HAL/P&A/27(1)/Policy/2009 dtd. 12 May 2009)

RESTRICTED

Application for obtaining Vigilance Clearance for a Private visit to Foreign Country.

1.	Name (IN BLOCK LETTERS)	:
2.	Staff No.	:
3.	Designation	:
4.	Department	:
5.	Residential Address	:
6.	Father's/Husband's Name	:
7.	Pass Port No.	:
8.	Country of Visit (Place indicate address(s) of Place(s) where you intend to visit)	:
9.	Purpose of visit	:
10.	Name of Person(s) and Relationship being visited abroad	:
11.	Arrangements for Stay	:
12.	Duration of Stay/Visit (Vide Serial Nos. 8 & 10 above)	:
13.	Expenditure being incurred for the visit (to include travel and stay expenses separately)	:
14.	Source of Finance for the visit	:
15.	Details of Previous Private foreign travel, if any, undertaken during the last four years	:
16.	Photocopy of the Visa application attached	:

PLACE :
DATE : SIGNATURE OF APPLICANT

VIGILANCE CLEARANCE

Reference is made to Corporate Office Circular No. HAL/ P&A/ 27(1)/ Policy/2002/01 dated 30.10.2007, on the subject.

2. In modification of Para-3 of the said circular, it is decided that the Vigilance Dept would issue Vigilance Clearance within 15 days of receipt of the letter seeking the clearance. In case, clearance is not received within 15 days, it will be presumed that clearance is given.

3. Further, it is decided that Vigilance Clearance in respect of officers being nominated as Members in Selection Committees would be obtained hence forth, before constituting the Committees, as was notified vide Circular No. HAL/P&A/27(1)/2006/95 dated 09.03.2006.

(HAL/P&A/27(1)/2009 dtd. 05 Jun 2009)

VIGILANCE CLEARANCE

1. The matter pertaining to issuance of Vigilance Clearance has been reviewed and it has been decided to standardize the procedure for issuance of Vigilance Clearance. The procedure for issuance of Vigilance Clearance is enumerated in the succeeding paragraphs. This will come into effect from the date of issuance of this letter.

(a) All categories of employees in whose case Vigilance report has been sent by the Division/Complex will be referred to the CVO.

(b) Vigilance Clearance in respect of officer's upto Grade-V will be issued by the HOD of the concerned Division.

(c) Vigilance Clearance in respect of officers in Grade – VI will be issued by the Vigilance HOD of concerned Complex. In case, the vacancy, at vigilance Department of Complex is unfilled, Vigilance Clearance to CO in respect of officers in grade – VI will be sent along with the comments for further action.

(d) Vigilance Clearance in respect of officers in Grade – VII and above will be referred to this office along with the recommendation.

(e) In case of doubt regarding issuance of Vigilance Clearance the same will be referred to CVO for advice.

(HAL/CO/VIG/53(2)/2009/1021 dtd. 11 Sep 2009)

APPLICATION FOR VIGILANCE CLEARANCE

1. Vigilance Clearance is required to be obtained for various purposes as mentioned in the Circulars under reference.

2. In this regard, Vigilance Department has stated that the existing format seeking the Vigilance Clearance is inadequate resulting in delay in issuing the Vigilance Clearance.

3. The application for seeking the Vigilance Clearance is, therefore, revised and the same is enclosed. Henceforth, Officers/ Employees seeking NOC for obtaining /renewing passport, seeking permission for private visit to Foreign Countries etc. may fill the information in the prescribed format, along with the relevant form, as applicable.

(No. HAL /HR (47-2)/2010 Dated 14 July 2010)

VIGILANCE CLEARANCE

Further to the Circulars under reference, it is decided that vigilance Clearance would be obtained for the purposes indicated below also:

i) Officers being nominated as Members of Selection Committees constituted for effecting promotion in the Officers & workmen cadre (both under Vacancy based promotions and Time Bound promotions (CPP,TSP&CPS Schemes);

ii) Officers & workmen who are being considered for promotions under the Time bound promotions schemes (viz: under CPP, TSP & CPS Schemes).

(HAL/P&A/27(1)/10 Dated 01 Sep 2010)

VIGILANCE CLEARANCE: STATUS REPORT

1. The Policy regarding intimating the status of current and past Vigilance Cases against an individual for whom Vigilance Clearance is sought, has been reviewed and the following decisions taken:-

(a) All Vigilance cases which have been disposed off after the issuance of a Major Penalty /Minor Penalty will be reflected in the Vigilance Clearance for duration of the currency of the effect of such penalty with effect from the date of issuance of the Punishment Order by the Disciplinary Authority. It means that the same will continue to be reflected up to 3 years for Major Penalty and 2 years for Minor penalty from the date

of issuance of the Punishment order. Vigilance Clearance will therefore be withheld in such cases.

(b) Any advisory will be reflected for a period of one year from the date of issuance of the advisory.

(c) Vigilance cases under investigation in which the involvement of the individual is suspected, same will not be reflected in the Vigilance Clearance.

(d) Vigilance investigation report submitted to Disciplinary Authority recommending initiation of Disciplinary Action and where the concerned DA is contemplating to initiate disciplinary action, in such cases, status report will be mentioned.

(e) For the specific purpose of obtaining or renewal of passports or for the purpose of issuance of NOC by the HR Department to visa applicant desirous of private visits abroad, unless such an individual fall under the category which calls for withholding Vigilance Clearance, it will be issued, but will categorically mention "for the specific purpose of obtaining passport/ renewal of passport/ Visa purposes only", as applicable.

(f) For the specific purpose of obtaining or renewal of passports or for the purpose of issuance of Vigilance Clearance to candidates whose names are called for interview before the PESB, the complete Vigilance Statues for the last 10 years or any period as specified will be reflected. The status report for PESB will invariably include details of all punishments and advisory, if any, issued to the individual during the check period of last 10 years.

2. HOD's are required to maintain a database and regularly monitor the vigilance status of affected persons in their respective Divisions /Complexes. This status will be intimated to the corporate Office as per instructions laid down vide letter No. HAL/CO/VIG/47/2010/570 dated 23.04.2010 In respect of individuals who are transferred, the guidelines issued vide letter No.HAL/CO/VIG/ 47/2009/975 dated 04.09.2009 shall be followed.

(HAL/CO/VIG/47/2011/2626 Dated 31 Jan 2011)

VIGILANCE CLEARANCE

1. CVO, HAL has recently brought out certain shortcomings in the process of obtaining Vigilance Clearance for various purposes. A few of these are as follows:

(a) Applications for Vigilance clearance are not being sent in the appropriate form. All the columns are not filled as applicable. It is mandatory to indicate against the column on submission of APR for the current year (in case of officers).

b) Applications are not being routed through proper channel.

c) 15 days time for processing the application is not being followed.

d) In case of superannuation, applications are required to be sent only during the last month (when 30 days are left). Application are being sent 2 to 3 months prior to the date of superannuation.

e) The factual status /history of past disciplinary action /penalty/ administrative action are not brought out in the appropriate column.

f) Department/ PB No are not mentioned.

2. HR Heads Divisions/Offices are requested to ensure that the above are noted and necessary corrective actions are taken in the process.

(HAL/P&A/19(3)/2011/771 Dated 02 March 2011)

VIGILANCE CLEARANCE : STATUS REPORT AMENDMENT REGARDING:

1. Please refer this Office Lr No HAL/CO/VIG/47/2011/2626 Dt.31 Jan 2011.

2. Amendment to the ibid policy letter as follows may please be noted for future guidance :-

Para 1(a) : All Vigilance cases which have been disposed off after the issuance of a Major Penalty/Minor Penalty will be reflected in the Vigilance Clearance for duration of the currency of the effect of such penalty with effect from the date of issuance of the Punishment Order by the Disciplinary Authority. It means that the same will continue to be reflected upto 3 years for Major Penalty and 2 years for Minor Penalty from the date of issuance of the punishment order, in respect of Officers. Vigilance Clearance will therefore be withheld in such cases. In the case of workmen for whom, Standing Orders apply, the status of punishments awarded will be reflected for Six months for Minor penalty and One year for Major penalty and Vigilance Clearance withheld for the applicable duration.

(HAL/CO/VIG/47/2011/2009 Dated 14 Nov 2011)

VIGILANCE CLEARANCE BEFORE RETIREMENT/SUPERANNUATION:

1. It has been observed that information regarding initiation of a vigilance case against an individual has been received just prior to his superannuation and after the issuance of Vigilance Clearance for Superannuation. Delay / failure to report the factual status at the time of seeking Vigilance Clearance causes administrative inconvenience besides reflecting adversely on the vigilance functioning. To avoid such instances in future, following directions are issued :-

(a) Whenever a Vigilance Case is contemplated, the date of Superannuation of the individual / retirement date will be noted for handling on priority basis.

(b) In case of those reaching Superannuation shortly/seeking retirement, investigation will be completed at the earliest and the report submitted to the Corporate Office minimum one month before the date of their Superannuation/ retirement.

(c) Corporate Office will be kept informed about the status of individuals who are close to superannuation/retirement against whom vigilance case is contemplated/has been initiated. Complex HODs will also monitor the progress of such cases.

(HAL/CO/VIG/53(2)/2012/300 Dated 02 Feb 2012)

VIGILANCE CLEARANCE : STATUS REPORTS

1. It has been noted that the current practice of providing details while mentioning the status report to the HR is not serving the intended purpose. Therefore, in partial modification to the instructions issued vide Lr No HAL/ CO/VIG/47/2011/2626 Dt.31.01.2011, following actions will be adopted hereafter :

(a) Cases in which Vigilance Clearance is required to be withheld, only WITHHELD will be mentioned. Explanatory notes or reasons for withholding will not be mentioned in the communication to the HR Department. However, while forwarding applications for Vigilance Clearance to CO, Vigilance, all details will be required to be mentioned as hitherto fore. Also in the noting sheet at Corporate Office, all details will continue to be reflected. Vigilance Clearance will be withheld by Corporate Office, Vigilance only.

(b) Where an individual has been issued an advisory, the status ADVISED will only be mentioned. The practice of mentioning details of pending issues etc. against the officer in the status report stands discontinued with immediate effect.

(c) Where a major/minor punishment was awarded and whose currency has since been exhausted, the status will continue to be intimated by the Division/Complex to CO, Vigilance and also brought out in the internal notings on file at the Corporate Office. However, this status will not be brought out in the communication with the HR Department.

2. It will be ensured that actions preceding the initiation of disciplinary proceedings/contemplation by DA for issuance of a Charge sheet, are not brought out in any communication to the HR Department. However, it will continue to be mentioned in the internal correspondence and notings on file.

Note : It may be inferred that initiation of disciplinary case is contemplated by a DA when the draft charge sheet is sent to Vigilance Department for the purpose of vetting. In such cases, Vigilance Clearance may be withheld.

3. In cases wherein HR Department reflect an award of a Major/Minor punishment which is in currency in the application for Vigilance Clearance, but not arising out of a Vigilance case, HOD will take cognizance of the same and take appropriate action as prescribed for Vigilance cases.

4. II. **Issuance of Vigilance Clearances:**

a) All categories of employees in whose case Vigilance investigation report has been sent by the Division/Complex will be referred to the CVO.

b) Vigilance Clearance for workmen and Officers upto **Grade-III** will be issued by the **Divisional Vigilance HOD**.

c) Vigilance Clearance of Officers from **Grade-IV, V & VI** will be issued by the **Complex Vigilance HOD**.

d) Vigilance Clearance in respect of Officers in **Grade-VII** and above will be referred to **Corporate Office** along with recommendations. Vigilance Clearance in respect of workmen and officers up to Grade-III posted in Corporate Office, HMA and Liaison Offices will be issued by Manager (Vig), CO and in respect of officers from Grade-IV, V and VI, Vigilance Clearance will be issued by DGM (Admn-Vig), CO.

e) In case of doubt regarding issuance of Vigilance Clearance the same will be referred to CVO for advice.

f) Vigilance Clearance will be submitted in the application prescribed. All the details are required to be filled before submission to the next higher office.

5. This Office Lr No HAL/CO/VIG/ 53(2)/2009/1021 Dt.11 Sep 2009 will be treated as cancelled.

(HAL/CO/VIG/47/2012/2036 Dated 23 July 2012)

VIGILANCE CLEARANCE FOR SELECTION COMMITTEE MEMBERS FOR RECRUITMENT

1. Reference Para 1(a) of HR Lr No HAL/P&A/27(1)/2006/95 Dt.09.03.2006 and our Lr No HAL/CO/VIG/47/2012/2036 Dt.23.07.2012.

2. As per the above policy, Vigilance Clearance in respect of Officers being nominated as Members of Selection Committee for Recruitment, would be obtained from the CVO, Corporate Office. As such, Vigilance Clearance of all Officers of Grade-I & above was being issued by the Corporate Office. The same has been reviewed at Corporate Office and henceforth, changes and the following revised status on similar lines to the Promotion Committees is re-iterated :-

a) All cases of Withholding of Vigilance Clearances will be referred to Corporate Office, irrespective of the Grade/Scale.

b) Vigilance Clearances / Status Reports in respect of workmen and Officers up to **Grade-III** will be issued by the **Divisional Vigilance HOD** for all cases.

c) Vigilance Clearances / Status Reports of Officers of **Grade-IV, V & VI** will be issued by the **Complex Vigilance HOD**.

d) Vigilance Clearance in respect of Officers in **Grade-VII** and above will be referred to **Corporate Office** along with recommendations. Vigilance Clearance in respect of workmen and officers up to Grade-III posted in Corporate Office, HMA and Liaison Offices will be issued by Sr Manager (Vig), CO and in respect of officers from Grade-IV, V and VI, Vigilance Clearance will be issued by DGM (Admn-Vig), CO.

e) In case of doubt regarding issuance of Vigilance Clearance the same will be referred to CVO for advice.

(HAL/CO/VIG/110/2013/92 Dated 17 Jan 2013)

LAUNCH OF ON LINE VIGILANCE CLEARANCE (OLIV):

On Line Vigilance Clearance has been introduced in the Company, w.e.f. 01.12.2012, as a step towards Green endeavour and enhancing the efficiency through leveraging technology, by the Corporate Vigilance Department. The same is being effectively used by all the Divisions/Offices across the Company. The aim of this initiative is to ensure prompt issuance of Vigilance Clearances. Henceforth, hard copies of Vigilance Clearances will not be required. Keys features of OLIV are as follows :-

(a) All users in HR & Vigilance Department have been provided with individual User ID & Password and option has been provided to change Password and User information;

(b) Each Vigilance clearance request will have unique ID number, which is system generated;

(c) Controlling, monitoring & Supervision of OLIV has become more easy at all the stages.

(d) On logging in, user can access Vigilance Clearance Requests (VCRs) pending at one's desk for processing and also the current status of VCR generated by the user;

(e) Provision is given to user to search a particular OLIV ID by clicking on 'Open VCR' in respect of VCR generated by that user;

(f) Option has been provided only to users in Vigilance Department to pull a clearance request (VC) pending with a subordinate desk, who might not be present for any reason;

(g) All users have been provided with the columns for recording their comments before forwarding the same to next level, i.e. similar to the noting being made in physical files;

(h) Vigilance data base has been created and integrated to OLIV, which recognises the currency of punishment imposed and generates system recommendations either to issue / withhold a Vigilance Clearance Request (VCR) or issue a status report, in a structured format.

(i) OLIV has been integrated with HR portal to pick the employee data, while creating new VCR by HR department;

(j) On issue of Vigilance clearance by Vigilance Department, HR department can take a print of such clearances for their records;

(k) Provision is also given for the users to return the clearance for want of certain information by using "Send Back" button;

(l) HR Help file has been placed on log-in screen for the benefit of users in HR department. The document provides guidelines for using OLIV.

2. Accordingly, HR Heads are requested to please note the above guidelines for seeking Vigilance Clearance, in order to implement the programme/initiative successfully.

(HAL/CO/VIG/47(2)/2013 Dated 29 Jan 2013)

VIGILANCE CLEARANCE

1. Further to Circulars under reference, it is decided that Vigilance Clearance would be obtained in respect of Officers who are being considered for assignment/ posting as Offg. Executive Director/ Offg. General Manager /Offg. Chief of projects/ Offg. Chief Designer, before such assignment /posting.

(HAL/P&A/27(1)/2013 Dated 15 Feb 2013)

VIGILANCE COMMITTEE MEETING
RECONSTITUTION OF VIGILANCE COMMITTEES

1. According to para 7 Chapter-I of Vigilance Manual, a Vigilance Committee shall be constituted in each Division comprising of the General Manager, who will be the Chairman and Chief / Senior Manager (S&V) who will be the Member-Secretary and other officers to be appointed by Chairman/Director (Personnel) as Members. Consequent to the bifurcation of Vigilance Department and considering the geographical location of the various complexes/ Divisions the officers who will constitute the Vigilance Committee is given as per Annexure-I enclosed. Hereafter Vigilance Head of the Complex/division will be the Member-Secretary of the Vigilance Committee Meeting.

2. The Committee constituted as above will meet once in 3 months as indicated in our letter No HAL/ED(S&V)/64/96 dated 25th Apr 96. The general guidelines on conduct of Vigilance Committee Meeting will be as per Annexure II.

(HAL/CO/VIG/55/99/66 dated 12/16 Feb 99)

ANNEXURE-II

GENERAL GUIDELINES FOR VIGILANCE COMMITTEE MEETING

The Vigilance Committee constituted should strictly adhere to the time schedule with reference to the periodicity fixed for the Meeting, draw out agenda

points well before the meeting/decide the same for the next meeting before conclusion of the current meeting so that fruitful purpose is served by holding such important meetings. While the Committee may include any other relevant agenda points, some of the points which should be discussed are given in the subsequent paras.

Agenda Points :

2. Review of Pending Vigilance Cases. The committee should identify the problem areas in various vigilance cases, find a solution for speedy disposal and if required may call the Enquiry Officer to attend such meeting with a view to ensuring that the Disciplinary proceedings are finalized within the stipulated time frame viz six months from the date of appointment of Inquiry Officer, in this connection attention to Chairman letter issued vide No HAL/P&A/97/1753 dated 16.12.97 is also invited.

3. Scrutiny of Annual property Returns. Subsequent to the issue of instructions from the CVC, Corporate Office has issued a communication vide No HAL/P&A/19(2)/98/99 dated 17.10.98 to the Vigilance Officers to scrutinize the property returns which the committee can discuss particularly non-filing of Property Returns and make such suggestion/comments on the issue which would improve the functioning of the existing system.

4. Streamlining of Procedures. There are numerous cases pertaining to false LTC, TA/DA, Medical Claims etc. Similarly numerous lacunae observed in Purchase Manual and Contracts etc, could be discussed by the Vigilance Committee during the meeting. The Chairman of the Committee can also ask Vigilance and P&A Department to study problem areas for improving effectiveness through the laid down procedures and suggest remedial measures to plug the loopholes in the procedures. This will go a long way in improving the effectiveness of work being carried out in our Company.

5. CTE's Observations. CVC (CTE's Organisation) carry out intensive examination of various works under execution / executed in HAL and they forward observations /irregularities noticed by the team for rectification. It has been noted that undue time is taken by the Divisions concerned to settle these observations which does not speak well of the Company. Vigilance Committee could therefore discuss such issues and find solution to such observations so that the matter could be settled well in time which will not only bring about necessary improvement in our functioning in all important matters concerning the organization but also enhance the prestige of the Company in the eyes of Central Vigilance Authorities. The Committee may also go into details of irregularities pointed out which may be incorporated in the respective procedures for future implementation by the Civil Works Engineering Department.

6. Job Rotation. This is a very important aspect and requires particular attention because due to non-implementation of job rotation policy not only increase chances of mal-practices but also acts as a hindrance to individual employee's growth & Organisational development. Annual programme of job rotation should therefore be drawn in the respect Head of Department by each Division/Complex which should also be monitored/reviewed during the Vigilance Committee Meeting. The job rotation within / inter Division should take place normally in April/May each year.

7. Vigilance Inspection/Surprise Checks. Observations made by VOs during the Vigilance Inspections/Checks, if discussed comprehensively will ensure that the concerned departments follow the laid down procedure more scrupulously; and also act as an effect feedback mechanism for carrying out necessary corrections.

8. Progress in CBI Cases. It is noticed that cases taken up for investigations by CBI are generally left to be handled/finalized by the Agency. There are therefore cases which are pending for more than two-three years and concerned division should make an all out effort to get it finalized by adhering to the stipulated time table.

CONCLUSION

9. At the end of the meeting the Committee could also draw out action plan/agenda for the next three months to be progressed vigorously by the concerned Department/Divisions, and monitor the same. A six-monthly report should be prepared by the Head of Vigilance of the Division concerned highlighting the Action Plan made for each period of three months vis-à-vis performance achieved. Reasons/constraints for not achieving targets/Action Plan and measures to be taken to overcome should be brought out in the half yearly report to be submitted to ED (Vigilance) Corporate Office so as to reach him by 5th January and 5th July covering preceding six months period.

RECONSTITUTION OF VIGILANCE COMMITTEES

1. Refer to this Officer letter No HAL/CO/VIG/55/99/66 dt 12 Feb 1999.

2. As per our above letter, Vigilance Committees were reconstituted and the same were forwarded to all the Divisions/Complexes. However, difficulties were experienced in conducting the Quarterly Vigilance Committee Meetings due to the non-availability of Officers due to either official commitment or changes in departments of the members nominated earlier. To ensure the meetings of the Vigilance Committee are held on regular basis the same

are reconstituted as under: -

(a) General Manager of the Division – Chairman
(b) Additional General Manager – Preferably senior most or in the Rotation (This may be decided by the Chairman of the VCM of the Division).
(c) Head of P&A of the Division.
(d) HOD of Vigilance Department – Member Secretary
(e) Representative of ED(V), Corporate Office
(f) HOD of Commercial
(g) HOD of Finance
(h) HOD of Civil Engg

3. The HOD of Vigilance Department of the Complex/Divisions will co-ordinate the dates and timings for the Quarterly Committee Meetings and forward the same to the Corporate Office. The quarters for the conduct of meetings will be Apr-Jun, July-Sept, Oct-Dec, Jan-Mar. The dates of meetings decided in consultation with the Chairman of the Vigilance Committee, will be conveyed to the Corporate Office well in advance.

(HAL/CO/VIG/47/2000/570 dt 03 Jul 2000)

QUARTERLY VIGILANCE COMMITTEE MEETING

1. Refer this office letter No. HAL/CO/VIG/55/99/66 dt. 12 Feb 1999, and HAL/CO/ VIG/47/2000/570 dt. 03 July 2000.

2. It has been noticed that while in some Divisions 'Quarterly Vigilance' Committee Meetings are held on regular basis whereas in certain cases frequency has been erratic, yet in another case not even single meeting has been held for the last almost three years. Now holding Quarterly Vigilance Meeting has benefited the Divisions tremendously with the inputs provided on vigilance cases, procedures and system failures, and reduction in pendency of Disciplinary cases, etc.

3. It is reiterated that Quarterly Vigilance Committee Meetings may please be held on regular basis and in future copy of the minutes of the meeting among others endorsed to the Managing Director of the Division.

(HAL/CO/VIG/47/2001/143 dated 31 Jan 2001)

QUARTERLY VIGILANCE COMMITTEE MEETING

1. Enclosed please find a copy of the letter No. HAL/CO/VIG/47 /2001/ 143 dt 31 Jan 2001 on the subject for perusal.

2. As Secretary of the vigilance committee you are requested to ensure the following in your Division:-

(a) The Vigilance Committee meetings are conducted on a regular basis for every quarter.

(b) Agenda points related to Divisions are prepared for vigilance related matters which are to be brought to the notice of Management for action I review.

(c) Follow-up of Disciplinary Cases for timely disposal as per Corporate Office instructions.

(d) Streamlining procedures and systems with respect to functioning of various departments for effective implementation of laid down procedures / guidelines.

(e) Minutes of the vigilance committee meeting are forwarded to this office for review promptly.

3. In future dates proposed may please be sent to this office for co-ordination and confirmation. As far as Lucknow, Korwa and Kanpur Divisions are concerned the dates may please be mutually tied up to ensure that CO Representative is deputed only once in a quarter to that area to save time and money of the Company. For this purpose HOD Vigilance Lucknow will be responsible for co-ordination.

(HAL/CO/VIG/47/2001 dated 06 Feb 2001)

CONSTITUTION OF VIGILANCE COMMITTEE MEETING

1. Please refer to this office letter No HAL/CO/VIG/47/2001/143 dt 31 Jan 2001 regarding Vigilance Committee Meeting. Following decisions are taken with regard to Constitution and conduct of Vigilance Committee Meeting.

(a) Vigilance Committee Member. In case a member of the Vigilance Committee is involved in any vigilance case, he will not be allowed to attend the Vigilance Committee Meeting till the case is finally disposed off.

(b) Rep of ED(V) for Vigilance Committee Meeting. Though rep of ED(V) for Vigilance Committee Meeting is deputed for all the Quarterly meetings, but in certain cases due to some unforeseen reasons, the rep could not attend. Due to commitments at the Corporate Office and to

ensure that representative contributes positively, it is decided to depute rep of ED(V) for Vigilance Committee Meeting in the Divisions once in 6 months instead of present practice of detailing for each quarter. Notwithstanding above, Divisions are requested to continue with the Quarterly Vigilance Committee Meeting as per guidelines issued earlier, and forward copy of the Minutes of the meetings to this office on regular basis.

(HAL/CO/VIG/47/2001/599 dated 15 May 2001)

VIGILANCE COMMITTEE MEETING

1. Dealing officer of respective Complexes at Corporate Office are nominated as Corporate Office representative of Chief Vigilance Officer for the specific purpose of attending the Quarterly Vigilance Committee Meetings in respective complexes.

2. Complex / Divisional HoDs may liaise with the concerned officers before fixing / finalizing the dates of QVCMs.

(HAL/CO/VIG/47/2010/2269 Dated 21 Dec 2010)

QUARTERLY VIGILANCE COMMITTEE MEETINGS (QVCMs)

1. From April 2011 onwards HODs will ensure that QVCM are held during the first month of every quarter i.e. during the months of April, July, October and Jan for the quarters Apr-Jun, July-Sept, Oct-Dec and Jan-Mar 2012.

2. The dates for the next QVCM will be decided during the current meeting and the same also reflected in the Minutes of the QVCM.

(HAL/CO/VIG/47/2011/2438 Dated 06 Jan 2011)

QUARTERLY VIGILANCE COMMITTEE MEETINGS:

1. Reference this Office Lr No HAL/CO/VIG/47/2011/2438 Dt.06 Jan 2011 and Lr No HAL/CO/VIG/47/2011/2269 Dt.21 Dec 2010.

2. The periodicity of the attendance by the representatives of CVO from Corporate Office during the QVCM has been revisited. It has now been decided that the representation from CO will attend the QVCM during the QVCM scheduled for the second and fourth quarter (during the months of July and January – i.e for the Quarter July – Sept and Jan – March).

(HAL/CO/VIG/47/2011/1650 Dated 30 Sept 2011)

PROCEEDINGS OF QUARTERLY VIGILANCE COMMITTEE MEETING

On scrutiny of minutes of Quarterly Vigilance Committee Meetings received from Divisions / Complexes, it has been observed that Vig HoDs are raising the issue of Job Rotation without having specific data like number of persons overstaying beyond mandated limit, etc. CVO has taken note of this inadequacy and desired that Vig HoDs be well equipped with specific data so that Management representatives are engaged in meaningful responses. It is desired that the discussions should specifically pin point cases and the result of implementation and also ask for reasons in case of job rotation was not implemented. All the discussions should be based on real time data and not generic statements.

(HAL/CO/VIG/47/2011/2298 Dated 09 Dec 2011)

VIGILANCE COMMITTEE MEETINGS

1. Reference is made to letter No. HAL/CO/VIG/55/99/66 dated 16th February 1999, on the above subject.

2. As the Divisions are aware, in order to ensure transparency in line with the directives of CVC, procedures like e-procurement, e-payment, e-auction, etc have/are being adopted by the Divisions across the Company. Validation of communications by the concerned officials through 'digital signature' is also in the process of implementation.

3. In the above background, it is decided that there is a need to sensitise the HODs of the IT Depts of the Divisions towards the Vigilance perspective.

4. Accordingly, Divisions are advised to nominate the Head of IT of the Divisions as a permanent member of the "Divisional Vigilance Committee". Further, HODs of Vigilance Departments of the Divisions/Offices are also to be provided access to the ERP System of the Divisions/Offices.

5. Actions taken as at para-4 need to be confirmed by the Divisions/Offices to Corporate Office on or before 30.06.2012.

(HAL/P&A/19(3)/2012 Dated 14 Jun 2012)

QUARTERLY VIGILANCE COMMITTEE MEETING

All Officers of the Division will attend the Quarterly Vigilance Committee Meeting and their names reflected in the Minutes of the QVCM. It has been observed that in those Divisions having more than one Officer, attendance by all the Vigilance Officers of that Division is not complete.

(HAL/CO/VIG/47/2012/1889 Dated 06 Jul 2012)

LAPTOPS

1. Laptops have been provided to all the Officers at Corporate Office and to all the Complex Vigilance HODs. These laptops have been issued to the Officers for the discharge of their official duties and will be handed over to the next incumbent at the time of posting/transfer from that Office.

2. Officers are hereby permitted to carry their respective laptops from their place of work to the residence in order to enable them to carry out official tasks.

(HAL/CO/VIG/47/2012/873 Dated 03 Apr 2012)

USE OF FOUR WHEELERS

1. In order to regulate the use of Four Wheeled vehicles held by the Divisions and to enable the Vigilance Staff that do not have dedicated vehicles in the Divisions for their official duties, the following decisions are taken:

(a) In respect of Divisions co-located with the Complex Office, Complex HODs will centrally control their use and maintain the Car Diary / Log Books. Vehicles may be provided by Complex HOD after receipt of requisition. Proper records will be maintained at the Complex Office. The vehicles will be stationed at the office of Complex HoD.

(b) In respect of Divisions that are not co-located with the Complex Office, HODs will exercise due diligence in the use of official transport, and maintain the log books.

(HAL/CO/VIG/47/2012/1827 Dated 04 July 2012)

DISCLOSURE OF MOVEMENT/TOUR DETAILS OF THE OFFICERS/ OFFICIAL WORKING IN THE VIGILANCE DEPARTMENTS OF THE GOVT ORGANIZATIONS.

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 Nib Ranjan Banerjee. CVO & Ski Bidya Nand Mishra. DGM Vig).*

Coal Indian 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 Organization has been considered/debated by the *Central Information Commission.* 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 appellant, 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 extraordinary 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 Organization should not be disclosed, keeping in view the provisions contained under Section 8(l)(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 officer/officials working in the vigilance organizations. (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).

(Circular No. 26/07/010 dated 15.07.2010)

HAL TA/DA RULES - MOVEMENT ON TEMPORARY DUTY BY OFFICERS OF THE VIGILANCE DEPARTMENT

1. Vigilance Officers in the Divisions/Offices are required to carry out investigations/ inquiries/ verifications/briefings etc., on the direction of Corporate

Office Vigilance, which occasionally involve movement out of their Headquarters Station. For this purpose, necessary directions in writing, duly sanctioned by the CVO, are sent to them.

2. In this connection, it is clarified that when movement out of the Headquarters is sanctioned by the CVO, Divisions/Offices need not again obtain separate administrative approval from the Head of Division / Office, for grant of TA/DA Advance, Booking of Tickets etc. The Movement Order, Tour Proposal and Advance Request etc. will be issued by the HoD of Vigilance, enclosing a copy of the approval received from the Corporate Vigilance for the movement out.

3. The concerned GM/ED/MD will, however, be kept duly informed by the HoD of Vigilance of the Division/Office about the movement of the concerned officer.

4. "Functional and Administrative Control over Vigilance Officials" indicated under Sl No.4 of Chapter-3 of Vigilance Manual - 1 also refers in this regard.

(No. HAL/P&A/11(17)/12 Dated 21 Dec 2012)

ACTIVITIES OF PERSONNEL WORKING IN VIGILANCE DEPARTMENT

Reference is made to the instructions issued vide Corporate Office letter No. HAL/P&A/18{5)/SY/10 dated 24.2.2010, in connection with activities of Security & Fire Personnel.

2. Keeping in view the sensitive nature of the tasks performed by the personnel working in the Vigilance Department, the issue regarding participation of employees working in the Vigilance Department in Union activities is examined. It is relevant to mention here that 'Vigilance' forms a part of "Essential Services" under the Certified Standing Orders of various Divisions.

3. Like in the case of personnel of Security & Fire as indicated at para-S of the Circular dated 12.1.2010, it is decided that personnel working in the Vigilance Department also cannot participate in Strike, Dharna or other activities carried out by the Union, including contesting elections of any kind.

4. Further necessary action may be taken to issue necessary instructions to the concerned in this regard, for strict adherence.

(Circular No. HAL/P&A/20(27)/PF/2012/ dated 10th February 2012)

POWERS AND FUNCTIONS OF THE CVC IN RELATION TO PSUs

In the Government of India Resolution No 24/7/64-AVD dated 11 Feb 64, setting up the CVC, it has been stated that the powers and functions of the Commission would cover `Corporate Central Undertakings'. Even though jurisdiction of the Commission thus covers all employees of Public Undertakings, the Commission is actually exercising its powers only in respect of a small percentage of these employees viz officers of the status comparable to Gazetted Officers, and even here only in those cases where integrity is involved. Cases involving purely administrative or technical lapses for example, late attendance, disobedience, insubordination, negligence, lack of supervision and irregularities etc are not referred to the Commission.

2. In consultation with the Ministry of Industrial Development and Company Affairs and the CVC, it has now been decided that only Vigilance cases of personnel of PSUs who could generally be regarded as belonging to the Officer Grade and drawing approximate basic pay of Rs 1000/- p.m. or above and of Government servants on deputation to PSUs, need be referred to the Commission. The cases of persons drawing a salary of less than Rs 1000/- p.m. and that therefore these cases will not ordinarily be referred to the Commission, will not, in any way, curtail the jurisdiction of the Commission over the Public Sector as a whole as this jurisdiction has been assigned to the Commission by the Government by its Resolution setting up the Commission.

3. These instructions may kindly be communicated for compliance to the PSUs under the various Ministries. In cases where, it is considered necessary, the Boards of Public Sector Undertakings may be requested to pass resolutions to give effect to these instructions. As a last resort, if it becomes necessary to do so, Ministries concerned may kindly issue appropriate directives.

(MOH O.M. No 118/7/66-AVD dt 28 Sep 67)

POWERS AND FUNCTIONS OF THE CVC IN RELATION TO PSUs

The undersigned is directed to refer to the Ministry of Home Affairs OM No 118/7/66-AVD dated 28 Sep 67 on the subject mentioned above according to which vigilance cases of only those personnel of PSUs, who can generally be regarded as belonging to the Officer grade and drawing approximate basic pay of Rs 1000/- p.m. or above and of Government servants on deputation to PSUs need be referred to the CVC. The instructions have now been reviewed in consultation with the CVC.

2. Keeping in view

(a) the large increase in the number of personnel coming under the jurisdiction of the CVC, particularly, as a result of the

nationalization of banks and on account of number of other organizations also accepting the jurisdiction of the Commission; and,

(b) the revision of pay scales of employees in public sector, it has been decided that, in future, vigilance cases of only those employees of public enterprises, including nationalized banks, who are drawing pay in scales of pay whose minimum is not less than 1800/- per month, need be referred to the Commission for advice. However, vigilance cases of Gazetted Government Officers on deputation to public enterprises will continue to be referred to the CVC, as hitherto for advice.

3. It is also clarified that the convention that the Commission will not normally deal with cases of employees of public undertakings who are in scales of pay, whose minimum is less than Rs 1800/- p.m. and that, therefore, those cases will not ordinarily be referred to the Commission will not, in any way, curtail the jurisdiction of the Commission over the public sector as a whole.

4. These instructions may kindly be communicated for compliance to the PSUs including nationalized banks under the various Ministries/Departments. Wherever it is considered necessary, the Boards of PSUs etc., may be requested to pass necessary resolutions to give effect to these instructions.

5. These instructions will apply to fresh cases, which become due for reference to the CVC. In regard to these cases, which have already been referred to the CVC and/or are in the process of correspondence with the CVC, the advice of the CVC should be obtained by the public undertakings and considered before taking a final decision.

(MOH O.M. No 118/6/81-AVD.I dt 05 Mar 82)

STRENGTHENING OF DEPARTMENTAL VIGILANCE AND ANTI-CORRUPTION MACHINERY

Government has been considering various measures that are required to be adopted for strengthening the departmental vigilance and anti-corruption machinery in the Ministries/ Departments etc. In this connection attention is invited to my predecessor's DO letter No 321/1/85-AVD.III dated 01 Feb 85, wherein a three-pronged strategy for tackling corruption had been suggested. As a follow-up, the Minister of State in this Ministry also held discussions with Secretaries of various important Ministries/Departments in the months of February and March 1985.

2. It needs no emphasis that the tempo and effectiveness of vigilance work in a Department, particularly on the preventive side, depends mainly

on the personality, integrity, initiative, drive and enthusiasm of the CVO. It is, therefore, absolutely essential that the post of CVO in a Department is never allowed to remain vacant and suitable persons are selected and placed in position. It is understood from the CVC that, as on 1.1.1985, out of 376 posts of CVOs in various Ministries/Departments/PSUs, as many as 148 posts (as indicated in the Annexure) were lying vacant. It has, therefore, been decided that special efforts should be made to fill up these post immediately within a period of 6 weeks. Along with this, the other vacancies in the vigilance set up in your organization should also be filled up without any delay.

3. The CVO functions as a special assistant to the head of the Organisation / Chief Executive and may be called upon to handle cases against the senior-most officers/executives of the Organisation. In the interest of effective and efficient discharge of duties by him, he should, therefore, report directly to the head of the Organization/ Chief Executive. PSUs should amend their rules/instructions so that the CVO reports direct to the Chief Executive and acts only on the orders of the latter. This action should be completed by 30 Jun 85 and compliance reported to this Ministry.

4. Besides these, the following measures are suggested to ensure that the post of CVO is not allowed to remain vacant, that proposals for the appointment of CVO's are processed properly and that there is no let-up in the vigilance work of the Department. These measures are based on the instructions which already exist on the subject, and to which reference has been made in the margin.

(i) It has generally been found that, if an officer working as CVO has relinquished charge, it takes a long time to appoint a new incumbent as a result of which the vigilance work suffers. With a view to ensuring that the post of CVO does not remain vacant, the Department should move the proposal for appointment of a new CVO well in advance of the date on which the existing incumbent will be relinquished charge due to retirement.

(Reference: CVC's letter No IL/CVO 6 dated 22 Oct 82)

(ii) The CVOs are to be appointed in consultation with the CVC and no person whose appointment is objected to by the CVC should be so appointed. In Ministries/Departments, officers below the rank of Deputy Secretary should not be sponsored for the post of CVOs. In PSUs, an officer who is in a scale of pay, minimum of which is less than Rs 1800/- p.m. should not be recommended for the post of CVOs.

(Reference: CVC letter No 2/16/64-Coord dt 07 Sep 64 and IL/CVO 6 dated 21 Dec 82)

Those Ministries/Deptts which have to handle a large number of vigilance cases, such as Railway Board, Steel, Defence, Industrial Development, Shipping and Transport, Coal, Works & Housing, Communications, Information & Broadcasting, Supply etc should have CVOs of the rank of Joint Secretary or at least Director.

(Reference : DP&AR OM No 140/4/77-AVD.I dated 20 Nov 78)

In order to be more effective, the CVO should normally be an outsider and should not have been an employee of the organization in the past. Officers of all the services and cadres should be considered and the field of selection should not be restricted to an officer of a particular service or state.

(Reference: CVC letter No IL/CVO 6 dated 17 Feb 82)

(iii) While sponsoring names for the post of CVO, the administrative Department should ensure that the officers so sponsored would as far as possible be available to hold the said post for at least 3 years having regard to their tenure, date of retirement etc. Frequent transfer of officers in these posts is not desirable.

(Reference: DP&AR OM No 122/1/83-AVD.I dated 26 Mar 84)

In the case of PSUs, it has been decided that officers appointed as CVOs need not be permanently absorbed in the Undertakings and that the tenure of officers of organized services appointed as CVOs in the undertakings would be the same as the tenure that would be permissible in their cases on their deputation to the Centre.

(Reference: BPE O.M. No 5(25) 6-BPE (PESB) dated 06 Mar 85)

(iv) In the context of the present emphasis on vigilance and anti-corruption work in the Departments, the CVO should preferably be a full-time officer. Where the quantum of vigilance work does not justify a full-time CVO, the administrative department, while sending proposal to the CVC for appointment of CVOs, should also furnish information in regard to the duties, apart from vigilance work entrusted/proposed to be entrusted to the officer concerned. If any change is desired to be effected in the duties of the CVO, subsequent to his appointment, the CVC should be apprised of the same.

(Reference: CVC OM No 1/15/2-R dated 09 Jan 73)

(v) Whenever it is proposed to change a CVO, except on normal administrative grounds like transfer, end of tenure, retirement etc., CVC should be consulted. Even in the cases of changes due to administrative reasons such as transfers etc the CVC should be informed in advance.

(Reference: CVC letter No 3N/CVO 17 dated 09 May 84)

(vi) It will be useful if the CVO gives a brief note on the vigilance matters in the organization particularly in regard to officers of doubtful integrity and those involved in vigilance cases during the last few years, whenever a new Secretary/ Chief Executive joins the organization.

(Reference: DP&AR OM No 140/4/77-AVD I dated 20 Nov 78)

5. I would also suggest that you may discuss the vigilance matters of your Deptt with the CVC from time to time. Such meetings would facilitate exchange of views periodically and assist you in taking appropriate action to tighten up vigilance measures. A suggestion to this effect was made in our OM No 140/4/77-AVD.I dated 20 Nov 78.

6. You are requested to take suitable action for toning up the departmental vigilance machinery as indicated above. You may also suitably bring these instructions/guidelines to the notice of the attached/subordinate officers and PSUs under the control of your Ministry/ Department.

7. The action taken in the matter of filling up of the posts of CVOs and the posts in the vigilance organizations may be intimated to this Ministry by the end of May 1985. It may also be intimated by 30 Jun 85, whether all the PSUs under your control have amended the rules/instructions as indicated in para 3 above.

(DP&AR DO letter No 122/3/85-AVD.I dated 30 Apr 85)

STRENGTHENING VIGILANCE MACHINERY IN PSUs

The undersigned is directed to refer to the erstwhile Bureau of Public Enterprises (BPE) OM No 16(28)/88-GM dated the 9th June, 1989 on the above mentioned subject and to say that the Govt. has further considered the matter in the light of certain recommendations/suggestions made by a Workshop of Chief Vigilance Officers of some PSUs held in September 1994 and decided as under:-

(i) Executive Director (Vigilance)/CVOs of the level of Joint Secretary to the Government of India and above may exercise such administrative and financial powers which are considered essential for the efficient functioning of the vigilance machinery of the PSU subject to the condition that the financial powers are exercised within the allotted budget to the vigilance unit and in accordance with the financial discipline and accountability, at par with other functional directors.

(ii) Executive Director (Vigilance) / CVOs of the level of Joint Secretary to the Government of India and above may be given a status equivalent to that of a functional director in the PSU but it is not necessary to him to attend Board Meetings even as an invitee, on a regular basis, because in the process his neutral position may be compromised. However, he may attend Board Meetings on rare occasions when an issue relating to Vigilance is discussed.

(iii) Executive Director (Vigilance)/CVOs of the level of Joint Secretary to the Govt of India and above, will henceforth be entitled for such accommodation, which is available to other functional directors in the PSU.

2. It has been noticed that no review of progress of vigilance work/disciplinary cases is being carried out presently by any agency in PSUs. It has now been decided that the Board of Directors of PSUs should undertake such a review at least once in six months.

3. All the Administrative Ministries/Departments concerned with PSUs are requested to take necessary action to implement the above decisions and also advise all PSUs under their administrative control accordingly under intimation to this Department.

EXTRACTS OF GUIDELINES ISSUED BY DEPARTMENT OF COMPANY AFFAIRS VIDE THEIR F.No. 1/1/82-CL-V;23/44/ 79-CL-II, dated 20 January 1983, Circular No 2/82

Appointment of persons styled as Special Directors, Executive Directors, etc.

Instances have come to the notice of the Department where companies have designated executives who are not members of the Board as special director, director administration, etc. Such designations give an impression to public at large and those dealing with these companies and the executives that they are full-fledged directors entitled to act as such on behalf of the companies. If in fact these executives are not directors on the board of the companies, it

will be patently wrong on the part of companies to designate them as directors.

The Department is therefore constrained to advise companies to desist from giving such designations to their executives which tend to mislead.

I am directed to request you to bring this to the notice of all your constituents/ members for information and compliance. The action taken on this communication may kindly be intimated to this Department.

Source : Issued by the Department of Company Affairs, vide their F.No. 1/1/82-CL- V;23/44/79-CL-II, dated 20 January 1983, Circular No 2/82

Section 269: Appointment of persons styled as Special directors, executive directors, etc.

1. I am directed to refer to this Department's Circular No 1/1/82-CL-V dated 20-
1-1983 addressed to all Chambers of Commerce, and to say that many companies are still designating their executives, who are not members of the board of directors, as special director etc.

2. You are, therefore, requested once again to ensure that your constituents/ members do not use such designations; as such designations mislead the members of the public.

(Circular No 11 of 1990 (3/5/89-CL-V), dated 29 May 1990)

STRENGTHENING VIGILANCE MACHINERY IN PUBLIC SECTOR UNDERTAKINGS

The undersigned is directed to refer to the erstwhile Bureau of Public Enterprises (BPE) OM No 16(28)/99-GM dated the 9th June 1989 on the above mentioned subject and to say that the Govt has further considered the matter in the light of certain recommendations/suggestions made by a Workshop of Chief Vigilance Officers of some PSUs held in September 1994 and decided as under:-

(i) Executive Director (Vigilance)/CVOs of the level of Joint Secretary to the Government of India and above may exercise such administrative and financial powers which are considered essential for the efficient functioning of the vigilance machinery of the PSU subject to the condition that the financial powers are exercised within the

allotted budget to the vigilance unit and in accordance with the financial discipline and accountability, at par with other functional directors.

(ii) Executive Director (Vigilance)/CVOs of the level of Joint Secretary to the Government of India and above may be given a status equivalent to that of a functional director in the PSU but it is not necessary for him to attend Board Meetings even as an invitee, on a regular basis, because in the process his neutral position may be compromised. However, he may attend Board Meetings on rare occasions when an issue relating to Vigilance is discussed.

(iii) Executive Director (Vigilance) / CVOs of the level of the Joint Secretary to the Govt of India and above, will henceforth be entitled for such accommodation which is available to other functional directors in the PSU.

2. It has been noticed that no review of progress of vigilance work/disciplinary cases is being carried out presently by any agency in PSUs. It has now been decided that the Board of Directors of PSUs should undertake such a review at least once in six months.

3. All the Administrative Ministries/Departments concerned with PSUs are requested to take necessary action to implement the above decisions and also advise all PSUs under their administrative control accordingly under intimation to this Department.

(DPE OM No 16(48) 87-GM dt 02 Aug 1996)

STRENGTHENING VIGILANCE MACHINERY IN PSUs

In partial modification of this Department OM of even number dated 15 December, 2003, on the above subject, the undersigned is directed to say that the para is of this OM may be read as under:-

"If the CVO of an administrative Ministry asks for a factual report against a Board level appointee from the CVO of the PSE, the latter will send the same to the CVO of the Ministry, after endorsing a copy of the report to the CMD to keep him informed of the development. However, if the CMD himself is the subject matter of the investigation, the CVO of the PSE need not endorse a copy of the report to him. It would thus be the responsibility of the CVO of the Ministry to obtain the version of CMD (qua suspect person) at the appropriate time. The CVO of the Ministry may make reference to the CVC after collecting all the relevant facts and following the prescribed procedure".

(MOH I&PE Or No. 15(7)2002-DPE (GM) Dt. 1 Sep 2004)

STRENGTHENING OF VIGILANCE MACHINERY IN PSUs AND GRANT OF INCENTIVES TO CHIEF VIGILANCE OFFICERS

The undersigned is directed to say that the question regarding strengthening of Vigilance set-up in the Public Sector Undertakings and grant of certain incentives to the CVOs has been under consideration of the Government for some time past.

2. The matter has since been considered and the Appointments Committee of the Cabinet has approved the grant of the following incentives to the Chief Vigilance officers posted in PSUs which are not located in metropolitan cities :-

I. Grant of Allowances:

(i) Grant of special allowance @ 15% of the basic pay to the Chief Vigilance Officers/Executive Directors (Vigilance) of the Public Sector Undertakings (PSUs) except those posted in PSUs located in Metropolitan Cities. Those who are granted such special allowance will not be eligible for special pay/deputation (duty) allowance. Further, the special allowance would be given only to the deputationists posted on a regular basis and not to PSU employees of Vigilance Wing holding additional charge of the post of CVO/ED (Vigilance).

(ii) Appropriate education allowance to be granted by those Public Sector Undertakings, which are located at places other than Metropolitan Cities if such allowances are already available to their own employees of the relevant PSU.

II Regulation of tenure on shifting from Public Sector Undertaking to Central Staffing Scheme:

(i) The tenure of a CVO/ED(Vigilance) posted in a PSU located at places other than Metropolitan cities shall be treated as 50% tenure only, for the purpose of considering such officers for further posting in Government of India under Central deputation; provided the officer has served the PSU as CVO/ED(Vigilance) for at least three years, and provided further that consideration for appointment to the post at level of Joint Secretary under Central Staffing Scheme will be subject to his empanelment for holding a post at the level of Joint Secretary.

(ii) After an initial term of 3 years as Chief Vigilance Officer/Executive Director (Vigilance) in a Public Sector Undertaking located at places other than Metropolitan Cities

posting in Government of India under Central Deputation to be considered on priority basis subject to the condition that the total tenure including the 50% tenure of CVO/ED(Vigilance) shall not exceed 7 years. The calculation of tenure for CVOs/ED(Vigilance) for assignments under Central Staffing Scheme is explained in the Annexure.

(iii) The posts of CVOs/ED(Vig) in various Public Sector Undertakings are to be treated as posts not as but similar to the non-Central Staffing Scheme posts in order to attract officers for manning such posts and therefore, if an officer occupying a post under the Central Staffing Scheme on deputation applies for being considered for appointment of CVO/ ED(Vig) and his request is duly recommended by the Ministry/Department in which he is posted, with the approval of the Minister-in-Charge, at least one year before the expiry of his tenure on the Central Staffing Scheme Post, the officer, if selected, for the appointment may be allowed a tenure of 3 years as CVO subject to maximum of 7 years combined tenure on the Central Staffing Scheme post and the post of CVO.

III. Regulation of tenure on shifting from Central Staffing Scheme to Public Sector Undertaking.

(i) A posting as Chief Vigilance Officer/Executive Director (Vigilance) in a Public Sector Undertaking could be allowed, located at place other than Metropolitan cities in continuation of a posting with the Government of India, subject to the condition that the total period including the earlier tenure, shall not exceed 7 years. Thus, if an officer has served on a post under the Central Staffing Scheme for 4 years and then proceeds on deputation to a post of CVO in a PSU located at places other than Metropolitan Cities, he will be have a tenure of 3 years on the post of CVO subject to an overall ceiling of seven years of combined tenure on the Central Staffing Scheme post and the post of CVO.

IV Cooling Off Period.

Reduction in the “Cooling Off” period from 3 years to 2 years for those officers who had worked as Chief Vigilance Officer/Executive Director (Vigilance) in a Public Sector Undertaking located at places other than Metropolitan Cities immediately before the “Cooling Off” period or an officer on his posting as such immediately after the “Cooling Off” period.

(DOPT letter No 378/3/98-AVD.III dt 11 April 2000)

ANNEXURE

For counting the tenure of CVO as half, towards Central tenure, an officer should have served as CVO for at least three years.

On the basis of the above, the calculation of tenure for shifting from Public Sector Undertaking to Central Staffing Scheme would be as follows:-

(1)	CVO for 3 years	1-1 ½ years towards Central tenure. If he shifts to a Central Staffing Scheme (CSS) Post, he will get a full tenure of 4 years as DS and 5 years as Director/JS as both would not exceed the normal tenure and would be less than the combined tenure of 7 years.
(2)	CVO for 5 years in the same PSU	2 ½ years towards Central tenure. On a shift to a CSS post, he will get a tenure of 4 ½ years as Director/JS as both would not exceed the normal tenure or the combined maximum tenure of 7 years. Tenure as Deputy
(3)	CVO for 6 years in 2 PSUs for 3 years	3 years towards Central deputation tenure. On a shift to a Central Staffing Scheme post he can get 4 years as Deputy Secretary and 4 years as Director/JS as both would not exceed the normal tenure or the continued

OFFICE MEMORANDUM

The undersigned is directed to refer to the OMs of this Department on the subject mentioned above and to state that it has been decided to modify and merge all these guidelines suitably as follows :-

(a) The Chief Vigilance Officer (CVO) of a PSU will report directly to the Chief Executive as required under the approved Action Plan on anti-corruption measures.

(b) It has been observed by the Department of Company Affairs that the practice of designating executives of companies who are not Members of the Board of Directors as Special Director, Executive Directors, etc. is patently wrong as it gives an impression to public at large that they are full-fledged Directors and entitled to act as such on behalf of the company. The Department of Company Affairs has advised companies to desist from giving such designations. Keeping this in view, as decided by the CVC in its latest guidelines circulated vide communication No. 3(V)99/5 dated 27.9.99 all Heads of Vigilance Divisions in the PSEs will be designated only as "Chief Vigilance Officer" irrespective of their status in the present organization.

(c) CVOs in Schedule 'A' and 'B' companies who are of the level of Joint Secretary to the Government of India and above may exercise such administrative and financial powers which are considered essential for efficient functioning of the vigilance machinery of the PSU subject to the condition that the financial powers are exercised within the allocated budget to the vigilance unit and in accordance with the financial discipline and accountability, at par with other functional Directors.

(d) CVOs in Schedule 'A' and 'B' companies who are of the level of Joint Secretary to the Government of India and above may be given status equivalent to that of a functional Director without allowing the scale of pay (of functional Directors) in the PSU but it is not necessary for him to attend Board Meetings even as an invitee, on a regular basis, because in the process his neutral position may be compromised. However, he may attend Board meetings on rare occasions when an issue relating to Vigilance is discussed.

(e) CVOs in Schedule 'A' and 'B' companies who are of the level of Joint Secretary to the Government of India and above will continue to be entitled to such accommodation and staff car facility which are available to other functional Directors in the PSU.

(f) CVOs, being head of the Department of Vigilance in the PSU, may be treated as "key official" and accommodation may, therefore, be arranged by the PSU for the CVOs on the lines admissible to key officials as indicated in DPE OMs No. 2(8)/91-DPE(WC) dated 19.7.95 and 25.6.99 (below Board level) and 2(42)/97-DPE(WC) dated 20.7.98 as applicable.

(g) CVO who are below the rank of Jt. Secretary to Government of India may be provided staff car facilities for official duties including pick and drop at residence as a special case and this facility will be in lieu of car allowance. The officer may be allowed to exercise his option in favour of either of these two.

(h) Progress of vigilance work/disciplinary cases needs to be reviewed periodically and it has been decided that the Board of Directors of PSUs will continue to undertake such review at least once in six months.

(i) In case of difference of opinion between the Chief Vigilance Officer and the CMD in respect of corruption cases and consequent action to be taken against below Board level appointees it will be the responsibility of CMD to bring the case to the Board.

(j) It will be the responsibility of the CMD to inform the Secretary of the administrative Ministry/Department about any major irregularity brought to his notice by the Chief Vigilance Officer.

All the administrative Ministries/Departments are requested to take note of the above consolidated instructions and advise the PSUs under their administrative control to comply with these instructions.

(GOI, DOPE No. 15(7)/2002-DPE(GM)GL-50 dtd. 15 Dec 2003)

References to the Commission for first stage advice – procedure regarding.

The Commission receives preliminary Inquiry reports from the Chief Vigilance Officers (CVOs) of Departments/Organization, 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 are also very often disjointed, casually arranged or 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 CVO's an investigation report should invariably be accompanied by an Assurance Memorandum (Annexure B) signed by the CVO, taking due responsibility and giving assurance of a comprehensive application of mind while submitting the report.

3. In super cession, 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.

(Circular No. 21/8/2008 Dated 6th August 2009)

COMMISSION'S JURISDICTION OVER THE EMPLOYEES OF ORGANIZATIONS WHICH HAVE 50% OR LESS GOVT'S EQUITY.

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.

(CVC circular No. 000/VGL/66 Dt. 24 Jul 03)

Jurisdiction of CVC

As per the Gazette Notification No. 1109 dt. 13.9.2007 issued by Ministry of personnel, Public Grievances and Pension, CVC's jurisdiction in Schedule-A PSUs extend to the Chief Executives and Executives on the Board and to other offices in E-8 and above (Grade-IX and above in HAL).

2. Accordingly, in HAL, all officers in Grade-IX and above are covered under the jurisdiction of CVC.

3. For information Please.

(Circular HAL/P&A/22(1)-9/1/2011 dated 14/2/2011)

CLARIFICATIONS ON COMMISSION'S DIRECTIONS DURING THE MEETING OF THE CENTRAL VIGILANCE COMMISSION WITH CMDs OF PUBLIC SECTOR

(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 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.

(CVC circular No. 98/DSP/9 Dt. 13 Aug 03)

COMMISSION'S ADVICE IN CASES NOT HAVING VIGILANCE ANGLE

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.

(CVC circular No. 004/VGL/3 Dt. 19 Feb 04)

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. 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 wilful 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(a) "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".

(CVC Office Order No. 23/04/04 Dt 13/04/2004 & 74/12/05 Dt 21/12/2005)

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 angel" 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 mis-conduct and the CVO/DA need to take action in these cases, only they need not be referred to the Commission for second stage advice.

(CVC circular No. 004/VGL/18 Dt. 02 Jun 05)

DISAGREEMENT WITH THE ADVICE OF CENTRAL VIGILANCE COMMISSION REFERENCE TO BE MADE TO THE DEPARTMENT OF PERSONNEL & TRAINING.

The undersigned is directed to refer to the Department of Personnel & Administrative Reforms O.M. No. 118/2/78-AVD.I dated 28.09.78 (copy enclosed) envisaging, inter-alia, that the disagreement cases elating to officers of the Public Sector Undertakings in which decisions are to be taken by

the Board of Directors should not be referred to this Department. However, in such cases, copies of the final orders passed by the concerned Public Sector Undertaking, together with a separate note giving reasons for differing from or non-acceptance of any recommendation of the CVC, should be sent to this Department for information as soon as possible.

2. As is evident from the above, the Ministries/Departments are required to send copies of the final orders passed by the concerned Public Sector Undertaking together with a separate note giving reasons for differing from or non-acceptance of any recommendation of the CVC, to DOPT. Recently a Ministry sought a clarification whether Public Sector Undertakings can route above-mentioned copy of final order directly to DOPT. It is clarified that it is imperative for the concerned Public Sector Undertakings to send the copies of the final orders passed by them, in disagreement with the advice of Central Vigilance Commission, to their nodal Ministries/Departments, instead of sending the same to the DOPT directly. The nodal Ministry/Department will duly forward it to DOPT. Department of Personnel & Administrative Reforms O.M. No.118/2/78-AVD.I dated 28-09-78.

3. The Central Vigilance Commission is consulted at various stages of departmental proceedings against gazetted officers of the Central Government and Officers of the Public Sector Undertakings drawing a basic pay of Rs. 1000 or more as well as before a final decision is taken on complaints against such officers. A second reference to the CVC is also required to be made for reconsideration of its advice in cases in which the disciplinary authority proposes to disagree with its advice vide CVC's letter No. 1/14/70- R dated the 20th July, 1970. Thereafter the concerned disciplinary authority takes the final decision.

4. With a view to bringing about greater uniformity of examining on behalf of the president the advice tendered by the CVC and taking decisions thereon, it has been decided that this Department should be consulted before the Ministries/Departments finally decide to differ from/not to accept any recommendation of the Central Vigilance Commission in those cases which relate to Gazetted Officers for whom the appointing authority is the President. Such a reference to this Department in those cases should be made at the following stages:-

(i) Where the Central Vigilance Commission advises action on a complaint or an investigation report, or further investigation into any allegation against an officer but, the concerned administrative Ministry/Department proposes not to take any further action on the complaint/investigation report, and

(ii) The concerned administrative Ministry/Department proposes not to accept the second stage advice of the CVC on (a) a report of an Inquiring Authority or (b) the explanation submitted by an officer in reply to a charge sheet in minor penalty proceedings.

5. Cases in which the Heads of Departments of other authorities like Commissioner of Income Tax, Collector of Central Excise, Chief Engineer, etc. are the disciplinary authorities, need not be referred to this Department.

6. Similar cases relating to officers of the Public Sector Undertakings in which decisions are to be taken by the board of Directors should also not be referred to this Department. However, in such cases, copies of the final orders passed by the concerned Public Sector Undertakings together with a separate note giving reasons for differing from or non-acceptance of any recommendation of the Central Vigilance Commission should be sent to this Department for information as soon as possible.

(DOPT Lr No. 118/2/2004-AVD.III Dt. 12 Mar 04)

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 1st/2nd 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 complains forwarded for inquiry to the administrative

Ministries/ Departments, the CVO concerned will make 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.

(CVC circular No. 002/VGL/161 Dt. 16 Mar 05)

HANDLING OF SECRET COMMUNICATIONS RECEIVED FROM THE CBI – REGARDING

This Department has issued single Directive vide O.M. No 371/13/87-AVD.III dated the 19th September 1988 dealing with facilities/cooperation to be extended by the administrative authorities to the Special Police Establishment (SPE). In terms of Para 4.7(3) prior consultations with the secretary to the Ministry/Department concerned is necessary before the SPE takes up any inquiry (PE or RC) including ordering search in respect of a decision making level officer (Joint Secretary or equivalent or above in the Central Government or such officers who are on deputation to a Public Sector Undertaking, Board level officers in the Public Sector Undertakings and the officers of the Reserve Bank of India of the equivalent level of the Joint Secretary or above and the Chairman and Managing Director and Executive Director of Nationalized Banks). While communicating with the Secretary in this connection the SPE takes utmost care while classifying the communication as Secret. A paper marked Secret from the SPE is, therefore, obviously intended for the perusal only of the officer to whom it is addressed and a very limited number of persons perhaps, whose duty it is to deal with the subject contained in that paper. The addressees of such communications are, therefore, required to maintain absolute secrecy of the contents and exercise utmost circumspection and care while dealing with such references from the CBI in order to avoid any possible leakage of their contents.

(DOPT O.M. No 134/3/94-AVD.I Dated 19 April 94)

SANCTION FOR PROSECUTION

The undersigned is directed to say that, by virtue of entry 20(b) under the Department of Personnel and Training the in the second schedule to the Government of India (Allocation of Business) Rules, 1961, accord of Central Government's sanction for the prosecution of any person in a case

investigated by the Central Bureau of Investigation was centralized in this Department. The said entry read as follows:-

> "Accord of sanction for the prosecution of any person for any offence investigated into by the Delhi Special Police Establishment where such sanction is required to be accorded by the Central Government.
>
> Note: Accord or sanction for the prosecution of any person for any offence not investigated into by the Delhi Special Police Establishment shall be accorded by the Administrative Department where such sanction is required to be accorded by the Central Government."

2. The question whether the work relating to accord of sanction in such cases should continue to vest in this Department has been examined in the context of the Prime Minister's direction that decision making process should be decentralized. It has been found that no particular advantage accrues by this work being centralized in this Department; on the other hand, this contributes to delay in taking a decision in such cases in as much as they are to be examined first by the administrative Department and, thereafter, by this Department on receipt of the advice of the Central Vigilance Commission. It has, therefore, been decided, with the approval of the Prime Minister, that, in order to expedite the disposal of such cases, this function should be centralized and vested in the Ministry/Department concerned. Necessary amendment to the Government of India (Allocation of Business) Rules has accordingly been issued vide Cabinet Secretariat's notification No CV-828/86, dated the 30 Sep 1986 (copy enclosed).

3.1 The Central Bureau of Investigation recommend prosecution of persons only in those cases in which they find sufficient justification for the same as a result of the investigation conducted by them. There are adequate internal controls within the CBI to ensure that recommendation to prosecute is taken only after a very careful examination of all the facts and circumstances of the case. Hence, any decision not to accord sanction for prosecution in such cases should, therefore, be for very valid reasons.

3.2 The following guidelines may be kept in view while dealing with cases of sanction of prosecution.

(i) In cases in which the sanction for prosecution is required to be accorded in the name of the President, the Central Vigilance Commission will advise the Ministry/Department concerned and it would be for that Ministry/Department to consider the advice of the CVC and to take a decision as to whether or not the prosecution should be sanctioned.

(ii) In cases in which an authority other than the President is competent to sanction prosecution, and that authority does not propose to accord such sanction, it is required to report the case to the Central Vigilance Commission and take further action after considering the Central Vigilance Commission's advice, vide para 2(vii) (b) of the Government Resolution by which the Central Vigilance Commission was set up and the Central Vigilance Commission's letter No 9/1/64/DP dated 13 Apr 1984.

(iii) In a case falling under (i) above, if the Central Vigilance Commission advises grant of sanction for prosecution but the Ministry/Department concerned proposes not to accept such advice, the case should be referred to this Department for a final decision;

(iv) In a case falling under (ii) above, if the Central Bureau of Investigation has sought sanction for prosecution and the Central Vigilance Commission has recommended grant of sanction and yet, the competent authority proposes not to grant sanction, the case should be referred to this Department for final decision;

(v) Where two or more Government servants belonging to different Ministries/ Departments or under the Control of different cadre controlling authorities are involved, the CBI will seek sanction from the respective Ministries/ Departments of the respective competent authorities in accordance with the procedure laid down in the above paragraphs. Where sanction is granted in the case of one of the Govt servants but sanction is refused in the case of the other or others, the CBI will refer the case to this Department for resolution of the conflict, if any and for a final decision.

4. It is requested that the Ministry of Agriculture etc may kindly note that the revised procedure laid down in the Cabinet Secretariat Notification No CD-828/86 dated 30 Sep 1986 for accord of Central Government sanction for the prosecution of persons in cases Investigated by the Central Bureau of Investigation.

(DOPT O.M. No 134/2/85-AVD-I dated 17 Oct 86)

SANCTION FOR PROSECUTION

On a careful consideration of the recommendations made by the Committee on Prevention of Corruption under the Chairmanship of Shri K Santhanam, the Government has decided to set up a Central Vigilance Commission which will be headed by the Central Vigilance Commissioner.

2. The powers and functions of the Central Vigilance Commission will be as follows:-

(i) To undertake an inquiry into any transaction in which a public servant is suspected or alleged to have acted for an improper purpose or in a corrupt manner;

(ii) To cause an inquiry or investigation to be made into:-

(a) Any complaint that a public servant had exercised or refrained from exercising his powers for improper or corrupt purposes;

(b) Any complaint of corruption, misconduct, lack of integrity or other kinds of malpractices or misdemeanor on the part of a public servant including members of the All India Services even if such members are for the time being serving in connection with the affairs of a State Government;

(The relevant rules under the All India Services Act will be amended in consultation with the State Governments in order to bring the members of those services under the purview of the Commission).

(iii) To call for reports, returns and statements from all Ministries/ Departments/ Corporate Central Undertakings so as to enable it to exercise general check and supervision over the vigilance and anti- corruption work in the Ministries/ Departments/Undertakings;

(iv) To take over under its direct control such complaints, information or cases as it may consider necessary for further action which may be either:-

(a) To ask the Central Bureau of Investigation to register a regular case and investigate it, or

(b) To entrust the complaint, information or case for inquiry –

(1) To Central Bureau of Investigation;
(2) To the Ministry/Department/Undertaking concerned;

(v) in cases referred to in paragraph (iv)(b) above the report of the inquiry will be forwarded to the Commission so that on a consideration of the report and other relevant records, it may advise the concerned Ministry/Department/ Undertaking as to further action;

(vi) The Central Bureau of Investigation will forward to the Ministry of Home Affairs through the Commission the final report in all cases investigated by the Bureau in which it considers that a prosecution should be launched, provided that sanction for such prosecution is required under any law to be issued in the name of the President; and the Bureau will simultaneously send a copy to the Ministry/ Department/Undertaking concerned for any comments which it may wish to forward to the Commission;

(vii) (a) The Commission will advise the Ministry of Home Affairs, after examining the case and considering any comments received from the concerned Ministry/Department/Undertaking, whether or not prosecution should be sanctioned. (Orders will, thereafter, be issued by the Ministry of Home Affairs in whom the power to accord such a sanction will be vested);

(b) in cases where an authority other than the President is competent to sanction prosecution and the authority did not propose to accord the sanction sought for by the Central Bureau of Investigation the case will be reported to the Commission and the authority will take further action after considering the Commission's advice;

(viii) The Commission will have the power to require that the oral inquiry in any departmental proceedings, except in petty cases, should be entrusted to one of the Commissioners for Departmental Enquiries. (A suitable number of Commissioners for Departmental Enquiries will be attached to the Central Vigilance Commission);

(ix) The Commission will examine the report of the Commissioner for Departmental Enquiries, which will in all cases be submitted by the Commissioner for Departmental Enquiries to the Central Vigilance Commission, and the Commission will forward the record of the case to the appropriate disciplinary authority with its advice as to further action;

(x) In any case where it appears that discretionary powers had been exercised for an improper or corrupt purpose the Commission will advice the Ministry/Department/ Undertaking that suitable action may be taken against that public servant concerned; and if it appears that the procedure or practice is such as affords scope or facilities for corruption or misconduct the Commission may advice that such procedure or practice be appropriately changed, or changed in a particular manner;

(xi) The Commission may initiate at such intervals as it considers suitable review of procedures and practices of administration in so far as they relate to maintenance of integrity in administration;

(xii) The Commission may collect such statistics and other information as may be necessary;

(xiii) The Commission may obtain information about action taken on its recommendations;

(xiv) The Commission will submit an annual report to the Ministry of Home Affairs about its activities drawing particular attention to any recommendation made by it which had not been accepted or acted upon; and a copy of the report together with a memorandum explaining the reasons for non-acceptance of any recommendations of the Commission will be laid by the Ministry of Home Affairs before each House of Parliament;

3. The Central Vigilance Commissioner –

(a) Will be appointed by the President by warrant under his hand and seal;

(b) Will not be removed or suspended from office except in the manner provided for the removal or suspension of the Chairman or a Member of the Union Public Service Commission;

(c) Will hold office for a term of three years:

Provided that the Central Government may, by order, when the public interest so requires, extend the term of the office of the Central Vigilance Commissioner for such further period, not exceeding two years, as may be specified in the order;
(*Amended vide Department of Personnel & A.R. Resolution No 254/8/ 76-AVD.II dated 22-2-1977).

(d) On ceasing to hold the office of the Central Vigilance Commissioner shall not accept any further employment under the Union or a State Government or accept any political public office;

Provided that the Central Government may in exceptional circumstances, when the public interest so requires, permit a person who has held the office of the Central Vigilance Commissioner to accept any such employment or office.

(Reference : Dept of Personnel Resolution No 262/2/ 72-AVD.II dated 15 Feb 1972).

4. The Central Vigilance Commission will, for the present, be attached to the Ministry of Home Affairs, but in the exercise of its powers and functions it will not be subordinate to any Ministry/Department and will have the same measure of independence and autonomy as the Union Public Service Commission.

5. The Central Vigilance Commissioner will be responsible for the proper performance of the duties and responsibilities assigned to the Commission and for generally coordinating the work of and advising the Ministries/Departments/Undertakings in respect of all matter pertaining to maintenance of integrity in administration.

6. The Chief Vigilance Officer in Ministries/Departments will be appointed in consultation with the Central Vigilance Commission and no person whose appointment as the Chief Vigilance Officer is objected to by the Central Vigilance Commission will be so appointed.

7. The Central Vigilance Commissioner will have the power to assess the work of the Chief Vigilance Officers and Vigilance Officers and the assessment will be recorded in the character rolls of the officers.

8. The Central Vigilance Commission will take the initiative in prosecuting persons who are found to have made false complaints of corruption or lack of integrity against public servants.

ORDER

ORDERED that a copy of this Resolution be communicated to all State Governments, all Ministries of the Government of India etc., and also that the Resolution be published in the Gazette of India.

(MOD letter No C-31018/10/Vig/85 dt 18 Jul 88)

Complaint Handling Policy

The Complaint Handling Policy in the Company was notified *vide* Circular No. HAL/P&A/27(1)/Policy/2009/251 dt. *13.5.2009.* In accordance with the said Policy, Vigilance Department would act as the nodal Agency for handling complaints and all complaints are to be forwarded to CVO by the Divisions / Offices.

2. Instances *have* come to notice wherein certain complaints were not forwarded to the CVO as notified *vide* the Circular dt. 13.5.2009. In some cases, enquiry / investigations in to the complaints were also ordered in the Divisions, against the procedure.

3. The Complaint Handling Policy issued *vide* Circular No. HAL/P&A/27(1)/ Policy/2009/251 dt. 13.5.2009 (Copy enclosed) is reiterated for strict compliance. All complaints received are to be forwarded to the CVO, without any action by the Divisions/ Offices.

(HAL/P&A/27(1)/Policy/2011 19th September 2011)

Setting up Committees to handle complaints against Secretaries etc. - CVC's Clarification.

Department of Personnel and Training has issued Circular No. 104/100/2009-AVD.1 dated 14.1.2010 forming a Committee to deal with the 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 11 Mar 2010 forming a Committee to deal with the complaint against CMDs. Functional Directors of PSUs and Banks. It is clarified that:

a) In so far as the complaints received by CVC, the Committee so set up can enquire into complaint 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 been the practice even before the setting up of the Committees, 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 they were sent and report submitted and advice sought from the Commission.

(Circular No.29/07/10 dated 27th July, 2010)

Complaints 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.

The 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(1) of the eve 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, notifications issued by the DoPT under clause (b) of sub-section (2) of Section (8) of the CVC Act, 2(103dated 18.03.2004 and 12.092007 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.

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,

(Circular No. 06/0.3/11 Dated 14tb March, 2011)

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 organization 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 the 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.

(CVC letter No 98/VGL/32 dated 26 Oct 1998)

IMPROVING VIGILANCE ADMINISTRATION RESULT ORIENTED ADMINISTRATIVE REFORMS – STEPS TO BE TAKEN TO DEAL WITH PROBLEM OF CORRUPTION IN CENTRAL GOVERNMENT ORGANISATIONS

Many omissions in purchase procedures are noticed resulting in a number of complaints being received regarding non-observance of extant instructions. In a recent case, an officer of a Cantonment Board made purchases worth lakhs of rupees without calling quotations. In a case of Air Hqrs it was alleged that local purchase involving tens of thousands of rupees were made by a committee of officers, again without calling for quotations. In a case of Ministry, it was found that orders were placed for certain important items without users' trial of the stores. It is possible that there may be many loopholes in the agreements/contracts executed for supplies. To avoid the scope for complaints from all sides and to plug the loopholes, it is necessary that the procedures for supply of stores should be subjected to review by Heads of Departments through a committee of officers and utmost vigilance exercised on procurement of stores.

2. There have also been complaints in areas of local purchases in the DGAFMS and R&D Organization. It would, therefore, be necessary that all local purchases should be monitored properly and procedures are streamlined to minimize the scope for corruption.

3. It is also felt that strict procedure should be evolved for issue of proprietary articles certificates in the matter of purchase of proprietary items. This area has been identified as a sensitive one leading to corruption. As such, it is of utmost importance to monitor and regulate issue of proprietary articles certificates by scrutinizing purchases made under this category. It is suggested that a register be maintained by each office giving full details which can be checked by the Head of Department at any time. It is also suggested that Heads of Departments should review this register at least twice a year

and eliminate deliberate misuse of purchases made under proprietary category and thereby reduce the scope for unscrupulous and corrupt activities.

4. A committee of the officers could be constituted for thorough scrutiny of the purchase procedures and their streamlining etc. Action taken may kindly be intimated so that Central Vigilance Commission/Deptt of Personnel and Administrative Reforms could be suitably informed.

(MOD OM No C-31011/1/85/Vig dated 09 May 1985)

CENTRAL VIGILANCE COMMISSION - EXTENSION OF ITS JURISDICTION TO THE EMPLOYEES OF CO-OPERATIVE SOCIETIES AND OTHER SOCIETIES RECEIVING GRANTS FROM CENTRAL GOVERNMENT

The undersigned is directed to say that a question has been raised as to whether jurisdiction of the Central Vigilance Commission (CVC) extends to the Societies registered under:-

(a) The Multi-State Cooperative Societies Act, 1984
(b) The Societies Registration Act, 1960 and
(c) The Delhi Cooperative Societies Act, 1972

2. According to the Government Resolution No 24/7/64-AVD dated 11 Feb 1964, by which the CVC was set up, the jurisdiction of the CVC extends to matters, to which the executive power of the Union extends in so far as public servants are concerned. Under the Article 73 of the Constitution, the executive power of Union shall extend to matters with respect to which the Parliament has power to make laws. The executive power of the Union is thus co-extensive with the legislative power of the Union. Since the Multi- State Cooperative Societies Act, 1984 has been enacted under Entry 44 in List I (Union List) in the Seventh Schedule to the Constitution, the executive power of the Union extends to the Multi- State Cooperative Societies established under this Act. The Societies Registration Act, 1960, and the Delhi Cooperative Societies Act, 1972 apply to the Union Territories, to which the executive power of the Union extends. The jurisdiction of the CVC, therefore, extends to these Societies.

(DOPT OM No 118/4/85-AVD(1) dated 15 Jun 87)

IMPROVING VIGILANCE ADMINISTRATION - CHECKING CORRUPTION

The Commission has been considering various preventive measures in order to augment the effectiveness of the vigilance machinery. During the process it was observed that a better monitoring of (i) the property returns filed by the

officers and (ii) preparation of Agreed Lists would help to fight corruption and provide a better and cleaner administration.

2. It is, therefore, advised that:-

(a) Necessary steps may be taken immediately to computerize the Property Returns submitted by the officials so that proper monitoring and further follow up could be done effectively.

(b) All CVOs may, while sending their self-assessment/performance report to the Commission every year, invariably include a column in the same entitled "Action taken for the preparation of Agreed List during the year _and details thereof".

(CVC letter No 98/VGL/33 dt 18 Nov 1998)

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-à-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 cautioning against misuse of official powers leading to corruption, directs all Departments/ Organizations under the purview 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)"

(CVC letter No 8(1(g)/99(4) dt 12 Mar 1999)

IMPROVING VIGILANCE ADMINISTRATION - SENSITISING THE PUBLIC ABOUT CORRUPTION

Please refer to the Commission's instruction No 8(1) (g)/99(4) dated 12th March 1999, whereby the Commission had directed all Departments/Organizations under its purview to prominently display a standard notice board at the reception of their office, in English as well as in the vernacular languages, to say "Don't Pay Bribes".

2. It is requested that the notice board may also be displayed in Hindi.

(CVC letter No 99/VGL/16 DT 07 Mar 2000)

IMPROVING VIGILANCE ADMINISTRATION SENSITIZING PUBLIC ABOUT CORRUPTION

The Commission vide its Circular No. 8(1)(g)/99(4) dated 12.03.1999 advised all the departments/organizations etc. about the message of the Commission for not giving bribe to any official etc. along with the said circular, the Commission also instructed the departments to write the CVC's telephone number on the notice board to be installed in the organization. The Commission has now decided that the commission's PABX No. given below may be written on the notice board, replacing the earlier number. The Commission's e-mail address as under may also be shown on the notice board. A compliance report in this regard may be sent at the earliest.

EPABX No.011-24600200 (30 lines)
Email address: cenvigil@nic.in

(CVC circular No. 99/VGL/16 Dt. 17 Jul 03)

IMPROVING VIGILANCE ADMINISTRATION- SENSITIZING THE PUBLIC ABOUT CORRUPTION

The Commission's circular No. 8(1) (g)/99(4) dated 12.3.99 advised all the departments / Organizations etc. about the message of the Commission for not giving bribe to any official etc. Further the Commission vide its letter dated July 2000 had advised replacing the telephone numbers with the EPABX of the Commission. It has been brought to the notice of the Commission that some of the notice boards have displayed the name of Shri P. Shankar, CVC along with his telephone number on the notice board. You may appreciate that it is not possible for the CVC himself/or his office to entertain complaints personally which are many times in nature of grievances rather than vigilance issues.

2. It is, therefore, requested to look into the matter and take immediate steps to ensure that the name of Shri P. Shankar, CVC, is removed from the notice boards immediately. In its place it may be indicated that that all complaints can be lodged in the Commission's office on telephone number '24651008' or can be sent in writing addressed to Secretary, Central Vigilance Commission, Satrarkat Bhawan, INA, New Delhi- 110 023.

(CVC circular No. 99/VGL/16 Dt. 14 May 04)

IMPROVING VIGILANCE ADMINISTRATION - BRINGING IN ACCOUNTABILITY

Accountability is one of the major factors in the effective administration of the Organizations. 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/Organizations under its purview to compulsorily give proper receipt of the complaints being received in person to the complainant, with immediate effect.

(CVC letter No 3(v)/99/1 dated 21 Jun 1999)

CITIZEN'S CHARTER - ADDITION OF A CLAUSE REGARDING CORRUPTION FREE SERVICE

The Government from 1996 has been seriously considering the question of making Government departments responsive to the needs of the people and also have effective administration. This initiative has been taken as a part of the new public management movement, which emanated from UK, Australia, New Zealand etc.

2. As a part of this new public management, nearly 60 departments in Government of India have declared their citizen's charters. The citizen's charter spells out the type of services provided by the government departments and the time limits within which the services will be provided.

3. A sad reality of our government system is the extensive prevalence of corruption. It will be helpful to make the citizen's charter a meaningful exercise if every department is directed to add at the end of its citizen's charter the following clause :-

"All the above services and commitments will be honored without the citizen having to pay any bribe".

4. Explicitly mentioning this condition has the advantage of sensitizing the citizen about the need for checking corruption. It will also cast a responsibility on the Heads of the Department and the public servants of the government department concerned to ensure that the citizen's charter really becomes an instrument for bringing greater transparency and consequently less corruption in public administration.

(CVC letter DO letter No 000/VGL/11 dt 09 Feb 2000)

IMPROVING VIGILANCE ADMINISTRATION

Please refer to para 2.2.1 of the Commission's Communication No 8(1)(h)/98(1) dated 18.11.1998 on the above subject.

2. The Commission had observed that lack of transparency was one of the major sources of corruption and, therefore, had directed that a practice must be adopted by all organizations within the purview of the Commission to publish the details of all cases relating to tenders, or out of turn allotments, or discretion exercised in favor of an employee/party, on the Notice Board as well as in the regular publications of the organizations.

3. It has now been brought to the notice of the Commission that these instructions are not being followed scrupulously by the public sector undertakings. The Commission, therefore, desires the CVOs in the public sector undertakings to ensure and confirm that all instructions issued by the Commission are implemented in its letter and spirit, particularly the instructions regarding transparency in the matters in which some discretion had been exercised.

(CVC letter No 98/ORD/1 dt 28 Sep 2000)

INSTRUCTIONS REGARDING SUBMISSION OF FILES TO DEFENCE SECRETARY / SENIOR OFFICERS

It has been observed by Defence Secretary that files submitted to him as well as to senior officers of the Ministry were not in neat and tidy condition. Inter-alia, the following defects have been noticed:-

(i) Most of the files are kept in a very untidy manner.
(ii) The covers of files are defaced and mutilated. The file flap/board is either not used or is in a shabby condition.

(iii) All kinds of markings are found on the outer cover.
(iv) Jottings on the margin of the note sheets.
(v) The marking of previous references/docketing is incomplete/not done at all which causes a lot of inconvenience to senior officers.

2. Defence Secretary has taken a serious view of repetition of above defects/ Short comings despite issue of instructions from time to time.

3. Defence Secretary desired that with immediate effect, all officers shall personally ensure that every file sent up is clean and tidy and following instructions should be observed for strict compliance:

(i) The files must be kept in a tidy manner.

(ii) File covers should be periodically changed and papers arranged properly.
File flaps/boards should invariably be in a good condition.

(iii) No noting or marking shall be made on the outer file cover.

(iv)Jottings on the margin of the note sheets should not be done.

(v) Previous references mentioned in the various communications should be indicated invariably.

(vi) Priority marking slips will be neatly stapled on the left side of the file board/ file flap (no pin to be used).

(vii) Note sheets and correspondence sheets inside the file will be of a uniform size.

(viii) Flagging will be done properly. Flags should be of a uniform size and stapled and not pinned.

4. In addition to the above, Defence Secretary desired that cutting, pasting and use of paper whitener may be prohibited.

5. It will be the personal responsibility of all officers concerned at all levels in the Ministry to ensure that every file should be in neat and tidy condition.

(O&M letter No I-34(11)/88-O&M dt 28 Jun 1988)

INVESTIGATION OF CASES BY S.P.E. - CONSULTATION WITH THE HEAD OF THE DEPARTMENT OF OFFICE/SECRETARY OF THE CONCERNED MINISTRY/DEPARTMENT

The undersigned is directed to refer to the Department of Personnel & AR OM No 371/5/73-AVD-III dated 05 Sep 1975 forwarded therewith up-to-date version of the Directive regarding investigation of cases by the Special Police Establishment and to say that the question whether the SPE should consult the Head of the Department or Office or the Secretary of the concerned Ministry/Department before registering a case (PE or RC) or ordering a search of the premises of an officer has been carefully considered it has been decided that paras 4.7 (1) and 4.7(2) of the Directive may be substituted by the following :-

> "4.7(1) the SPE should not take up inquiries or register a case where minor procedural flaws are involved. They should also take note of an individual officer's positive achievement in situation, where some procedural flaws may have been found so that a single procedural error does not cancel out life-time of good work."
>
> "4.7(2) the SPE will take into confidence the Head of the Department or office concerned before taking up any enquiry (PE or RC) or as soon after starting the enquiry as may be possible according to the circumstances of each case. This will also apply in case a search is required to be made of an officer".
>
> "4.7(3) In regard to decision making level officers (Joint Secretaries or equivalent or above in the Central Government and Board level officers in Public Sector Undertakings including Chairman and Managing Directors of Nationalized Banks) there should be prior consultation with the concerned Secretary of the Ministry/Department before SPE takes up any enquiry (PE or (RC) including ordering search in respect of them. Without his concurrence, no enquiry shall be initiated by the SPE. In case of difference of opinion, the Director CBI may raise the subject with Secretary, Personnel & Administrative Reforms."

(DOPT OM No 321/3/84-AVD.III dated 16 Aug 1985)

NEED FOR AVOIDING PARALLEL INVESTIGATIONS AND AMENDMENTS IN THE DEFENCE PSUs DISCIPLINE AND APPEAL RULES

CBI had registered a regular case on 29 Oct 82 on the allegation that Shri Subramanya, Sr Clerk, Aero Engine Division, HAL, Bangalore by producing a false certificate claiming himself to be a member of Scheduled Tribe called

`Kadukuruba' while he belonged to `Kurba' caste which is a backward class, gained promotion as Sr Clerk Group `D' from Group `C'. On 17 Oct 83, HAL Bangalore informed this Ministry that they had taken up the case against Shri Subramanya in Feb/Mar 1982 itself i.e., before the CBI registered the case against Shri Subramanya. On completion of the inquiry they found Shri Subramanya guilty of the above charge and accordingly the disciplinary authority imposed the punishment of demotion to the next lower grade on 21 Jun 83.

PROCEDURE TO BE FOLLOWED FOR REFERRING CASES TO THE CBI FOR INVESTIGATION/PROSECUTION

As the Ministry of Finance etc are aware Central Bureau of Investigation is concerned with investigation of cases pertaining to various Ministries etc., CBI is a centralized agency whose services are available to all offices and public undertakings of the Central Govt. Because the administrative control of the CBI vests in this Deptt there appears to be an impression in some quarters that requests for investigation of offences should be referred to the CBI through this Department. In some cases this Department have even been asked to consider the feasibility of undertaking investigations by the CBI. Such references to this Department only result in infructuous delays. The Ministry of Finance etc are accordingly requested to refer all matters concerning them for investigation directly to the CBI whenever such investigation is considered necessary. In this connection, attention is invited to para 4.8 of the directive circulated with this Department's (then Ministry of Home Affairs OM No 371/13/66-AVD-III dated the 25th Jun 1969, (Extract enclosed-Appendix) in which guidelines for referring cases to CBI have been laid down.

2. It has also been observed that notices of Parliament Questions in respect of matters under investigation by the CBI which do not pertain to this Department are being transferred to this Department or their transfer to the Ministry / Department who are administratively concerned with the matter under investigation is not being accepted merely because the CBI comes into the picture. As already stated above, this Department is only concerned with the administrative matters pertaining to CBI. The investigations are taken up and carried out by them independently of this Department. Investigations whether taken up suo-moto by CBI or at the instance of the Ministry etc concerned are the concern of the Ministry to which the matter under investigations pertains.

The Parliament Questions on the matters under investigation of CBI are, therefore, to be dealt with by the Ministry to whom the particular subject has been allotted under the allocation of Business Rules.

(DOP & AR OM No 355/30/71-AVD-III dated 16 Nov 71)

APPENDIX

Extract of Ministry of Home Affairs No 371/13/66-AVD-III dt 25th Jun 69

When any complaint or communication containing allegation of misconduct, etc., against a public servant which merits an enquiry is received by any administrative authority or comes to its notice, it should be considered and decided whether the allegations should be looked into departmentally or whether a police investigation is necessary. As a general rule, allegations involving offence of bribery, corruption, forgery cheating, criminal breach of trust, falsification of records or other serious criminal offences or those requiring expert police investigation such cases in which a number of non-official witnesses are to be examined should be referred to the S.P.E. for investigation. In such cases a prompt reference to the S.P.E is necessary to safeguard against the possibility of a suspect officer tempering with or destroying the incriminating evidence against him.

RECOMMENDATION OF THE COMMITTEE ON PREVENTION OF CORRUPTION – REQUESTS FOR WITHDRAWAL OF PROSECUTION

The undersigned is directed to say that Recommendation No 62 contained in paragraph 8.8 of the report of the Committee on Prevention of Corruption, has been carefully considered in light of the comments received from the Ministries etc. Proposals for withdrawal of prosecution may be initiated by the investigation agency, the Public Prosecutor, etc. for some legal reasons, or they may come up in the form of requests from the accused, in the former class of cases, the correct procedure would be to consult the Ministry of Law and accept their advice. In cases in which prosecution had been sanctioned on the recommendation of the CVC, he should also be consulted before final decision is taken.

2. Requests for withdrawal of prosecution received from the accused should not be generally entertained. There may, however, be a few exceptional cases in which, for instance, attention is invited to some fresh established or accepted facts which alter the whole aspect of the case. Even in such exceptional cases the Ministry of Law should be consulted in the first instance and then the CVC, if the case is one in which prosecution had been sanctioned on his advice.

3. In this connection, attention is invited to Rule 7 of the Government of India (Transaction of Business) Rules read with item (g) of the Second Schedule to those Rules, which provide that any proposal to withdraw, otherwise than in accordance with competent legal advice, any prosecution instituted by or at the instance of the Government of India, should be brought before the Cabinet. In most cases, the "competent legal advice" would

be the advice received from the Ministry of Law. It is unlikely that there would be need to consider withdrawal of prosecution in cases of bribery or corruption on wider considerations of public policy. But if in a rare instance such a need is felt, the CVC should be consulted if the prosecution had been started on his recommendation, and orders of the Cabinet taken as required under the Government of India (Transaction of Business) Rules.

(MOH O.M. No 43/130/54-AVD dated 21 Oct 64)

RECOMMENDATION NO. 61 OF THE COMMITTEE ON PREVENTION OF CORRUPTION REGARDING CIRCUMSTANCES UNDER WHICH A GOVT SERVANT MAY BE PLACED UNDER SUSPENSION

The undersigned is directed to say that Recommendation No 61, contained in paragraph 8.5 of the report of the Committee on Prevention of Corruption, has been carefully considered in the light of the comments received from the Ministries. It has been decided that public interest should be the guiding factor in deciding to place a Govt servant under suspension, and the disciplinary authority, should have the discretion to decide this taking all factors into account. However, the following circumstances are indicated in which a disciplinary authority may consider it appropriate to place a Govt servant under suspension. These are only intended for guidance and should not be taken as mandatory:-

(i) Cases where continuance in office of the Govt servant will prejudice the investigation trial or any inquiry (e.g. apprehended tampering with witnesses or documents)

(ii) Where the continuance in office of the Govt servant is likely to seriously subvert discipline in the office in which the Public Servant is working;

(iii) Where the continuance in office of the Govt servant will be against the wider public interest (other than those covered by (1) & (2) such as there is a public scandal and it is necessary to place the Govt servant under suspension to demonstrate the policy of the Govt to deal strictly with officers involved in such scandals particularly corruption.

(iv) Where allegations have been made against the Govt servant and the preliminary inquiry has revealed that a prima facie case is made out which would justify his prosecution or his being proceeded against in departmental proceedings and where the proceedings are likely to and in his conviction and/or dismissal

removal or compulsory retirement from service.

NOTE:

(a) In the first three circumstances the disciplinary authority may exercise his discretion to place a Govt servant under suspension even when the case is under investigation and before a prima-facie case has been established.

(b) Certain types of misdemeanor where suspension may be desirable in the four circumstances mentioned are indicated below:-

(i) Any offences or conduct involving moral turpitude;

(ii) Corruption, embezzlement or misappropriation of Govt money, possession of disproportionate assets, misuse of official powers for personal gain;

(iii) Serious negligence and dereliction of duty resulting in considerable loss to Govt;

(iv) Desertion of duty;

(v) Refusal or deliberate failure to carry out written orders of superior officers.

In respect of the types of misdemeanor specified in sub-clause (iii), (iv) & (v) discretion has to be exercised with care.

(**MOH OM No 43/56/64-AVD dated 22 Oct 1964)**

RECOMMENDATIONS NO 33(I) OF THE COMMITTEE ON PREVENTION OF CORRUPTION

The undersigned is directed to invite attention to recommendation No 33(i) contained in paragraph 6.20 of the report of the Committee on Prevention of Corruption which is reproduced below :-

"33(i) No official should have any dealings with a person claiming to act on behalf of a business or industrial house or an individual unless, he is properly accredited, and is approved by the Department etc concerned. Such a procedure will keep out persons with unsavory antecedents or reputation. There should, of course, be no restriction on the proprietor or Manager, etc. of the firm or the applicant himself approaching the authorities."

2. This recommendation has been carefully considered in the light of the comments received from the Ministries/Departments. The recommendation was also discussed in the meeting held on the 24th September, 1964 of the Committee of Senior Officers, set up to advise and assist the Home Minister in dealing with the problem of checking corruption. The decisions taken on this recommendation are indicated below:-

(i) The number of representatives accredited for each firm should be restricted to the minimum and if a firm desires to have more than one person as accredited representative, then it should be provided that special permission should be obtained.

(ii) No restrictions should be placed on the proprietor manager or the Resident Director of the firm from meeting officers. After each Ministry has prepared a list of representatives accredited it could be sent to the Director, Central Bureau of Investigation, so that he could see whether there is any information against those on the list.

(iii) The Ministry with which a firm has its main work should be the Ministry for granting accreditation to the representatives of the firm. The firm should be asked to give a declaration that they have not applied for recognition of their representatives to any other Ministry, while applying for accreditation. On the strength of the accreditation by the main Ministry, it should be possible for the representatives of the firms to see officers of other Ministries also.

(iv) The persons including whole-time employees of the firms working as representatives should be asked to produce a letter of authority from the firms they are representing. The whole-time employees working as Representatives might be given regular temporary Passes and the Home Ministry might keep an index card for such representatives.

(v) The daily passes issued to those persons seeking ad-hoc interviews and to those persons who are representing more than one firm ad-hoc or on the basis of a standing agreement, should be provided with counterfoils and these counterfoils should be obtained by the officers granting interviews and sent to the Ministry of Home Affairs where they could be scrutinized, if necessary.

(vi) There is no need for accreditation of representatives in respect of the office of the DGS&D, CPW and CCI&E, where the existing arrangements are satisfactory.

(vii) The lists of accredited representatives should be circulated by the Ministry concerned to all other Ministries for their information.

(viii) Such representatives whose record is found to be unsatisfactory should be blacklisted and their particulars circulated by the Ministry concerned to all other Ministries for their information.

(ix) A suitable application form for granting accreditation to the representatives of business houses may be prescribed by the respective Ministries who could make such inquiries as they may consider necessary from applicants for accreditation.

(MOH Affairs O.M. No 43/146/64-AVD Dt 09 April 1965)

RECOMMENDATIONS OF THE CONFERENCE OF CVOs HELD BY THE CBI AND THE CVC IN 1996 AND 1997 RELATING TO CONCULCATION WITH THE CVOs IN POSTING OF OFFICIALS IN VIGILANCE BRANCH

The undersigned is directed to say that the conferences of Chief Vigilance Officers held by the CBI and CVC in 1996 and 1997 had, inter-alia recommended that the Chief Vigilance Officers need to be consulted by the administrative authorities while making changes of officials in their respective vigilance branches. It has been observed that frequent changes of staff in vigilance branches lead to instability, decline in performance of the Deptt, besides resulting in posting of officials of dubious background in the vigilance set up.

2. The Government has, therefore, accepted the recommendations and decided that the Chief Vigilance Officer may invariably be consulted before transfer and posting of officials in the respective vigilance branches.

(DOPT O.M. N. 371/79/97-AVD.III dt 24 Dec 1997)

RE-VERIFICATION OF CHARACTER AND ANTECEDENTS OF CANDIDATES APPOINTED TO CIVIL POSTS UNDER THE GOVERNMENT OF INDIA

Attention of the various Ministries/Departments is invited to this Department's OM No 13011/9(S)/78-Estt.B dated 2.7.1982 in which it has been stipulated that re- verification of officials in selected branches of the Ministries/Departments or those engaged in secret work or holding sensitive appointments has to be carried out once in three years according to the procedure laid down therein.

2. The question of re-verification of character and antecedents of such employees has assured great significance in the light of recent happenings. This Department would, therefore request the various Ministries/Departments to let us know immediately whether such re-verification has been done in respect of their officials. Wherever this has not been done, immediate steps would be taken to have the formalities completed. Simultaneously, the Department would also request the various Ministries/Departments to suitably advise the various Public Sector Undertakings under their control to complete this task. A report on the action taken and progress made may be sent to this Department by the 15th February, 1985 positively.

(DOP & AR OM No 18011/12(5)/83-Estt (B) dated 25 Jan 1985)

PROMOTION OF GOVERNMENT SERVANTS AGAINST WHOM DISCIPLINARY/COURT PROCEEDINGS ARE PENDING OR WHOSE CONDUCT IS UNDER INVESTIGATION – PROCEDURE AND GUIDELINES TO BE FOLLOWED

The undersigned is directed to refer to the Ministry of Home Affairs OM No 39/4/56-Estt.(A) dated 03 Nov 58, and subsequent instructions issued from time to time on the above subject and to say that the procedure and guidelines to be followed in the matter of promotion of Government servants against whom disciplinary/court proceedings are pending or whose conduct is under investigation have been reviewed carefully. Government has also noticed the judgment of the Supreme Court in civil Appeal No 2964 of 1986 – Union of India and another Vs Tajinder Singh decided on 26 Sep 86. As a result of the review, and in supersession of all the earlier instructions on the subject, (OM No 39/3/59-Estt.(A) dt 31 Aug 60, 7/28/63-Estt.(A) dt 22 Dec 64, 22011/3/77-Estt(A) dt 14 Jul 77 and 22011(1)/79-Estt(A) dt 31 Jan 82) the procedure to be followed in this regard by the authorities concerned is laid down in the subsequent paras of this OM for their guidance. Cases of Government servants to whom sealed cover Procedure will be applicable

2. At the time of consideration of the cases of Government servants for promotion, details of government servants in the consideration zone for promotion falling under the following categories should be specifically brought to the notice of Departmental Promotion Committee :-

(i) Government servants under suspension;

(ii) Government servants in respect of whom disciplinary proceedings are pending or a decision has been taken to initiate disciplinary proceedings;

(iii) Government servants in respect of whom prosecution for a criminal charge is pending or sanction for prosecution has been issued or a decision has been taken to accord sanction for prosecution.

(iv) Government servants against whom an investigation or serious allegations of corruption, bribery or similar grave misconduct is in progress either by the CBI or any other agency, departmental or otherwise.

Procedure to be followed by DPC in respect of Govt servants under cloud

2.1 The Departmental Promotion Committee shall assess the suitability of the Government servants coming within the purview of the circumstances mentioned above alongwith the other eligible candidates without taking into consideration the disciplinary case/criminal prosecution pending or contemplated against them or where the investigation is in progress. The assessment of the DPC, including `Unfit for Promotion' and the grading awarded by it will be kept in a sealed cover. The will be superscribed `Findings regarding suitability for promotion to the grade/post of _____in respect of Shri (name of the government servant). Not to be opened till the termination of the disciplinary case/criminal prosecution/investigation against Shri_____.' The proceedings of the DPC need only contain the note `The findings are contained in the attached sealed cover'. The authority competent to fill the vacancy should be separately advised to fill the vacancy in the higher grade only in an officiating capacity when the findings of the DPC in respect of the suitability of a Government servant for his promotion are kept in a sealed cover.

Procedure by Subsequent DPCs

2.2 The same procedure outlined in para 2.1 above will be followed by the subsequent Departmental Promotion Committees convened till the disciplinary case/ criminal prosecution/investigation pending or contemplated against the Government servant concerned is concluded.

Action after completion of Disciplinary Case/Criminal Prosecution

3. On the conclusion of the disciplinary case/criminal prosecution, or an investigation which results in cropping of allegation or complaints against the Government servant, sealed cover or covers shall be opened. In case the Government is completely exonerated, the due date of his promotion will be determined with reference to the position assigned to him in the findings kept in the sealed cover/covers and with reference to the date of promotion of his next junior on the basis of such position. The government servant may be promoted, if necessary, by reverting the junior-most officiating person. He may be promoted notionally with reference to the

date of promotion of his junior but he will not be allowed any arrears of pay for the period preceding the date of actual promotion.

3.1 If any penalty is imposed on the Government servant as a result of the disciplinary proceedings or if he is found guilty in the criminal prosecution against him, the findings of the sealed cover/covers shall not be acted upon. His case for promotion may be considered by next DPC in the normal course and having regard to the penalty imposed on him.

3.2 It is also clarified that in a case where disciplinary proceedings have been held under the relevant disciplinary rules, `warning' should not be issued as a result of such proceedings. If it is found as a result of the proceedings, that some blame attaches to the government servant, at least the penalty of censure should be imposed.

Six-monthly Review of Sealed Cover

4. It is necessary to ensure that the disciplinary case/criminal prosecution/ investigation instituted against any Government servant is not unduly prolonged and all efforts to finalize expeditiously the proceedings should be taken so that the need for keeping the case of a government servant in a sealed cover is limited to the barest minimum. It has, therefore, been decided that the appointing authorities concerned should review comprehensively the cases of Govt servants, whose suitability for promotion to a higher grade has been kept in a sealed cover on the expiry of 6 months from the date of convening of the first Departmental Promotion Committee which had adjudged his suitability and kept its findings in the sealed cover. Such a review should be done subsequently also every six months. The review should, inter alia, cover the following aspects:-

(i) The progress made in the disciplinary proceedings/criminal prosecution and the further measures to be taken to expedite their completion;

(ii) Scrutiny of the material/evidence collected in the investigation to take a decision as to whether there is a prima facie case for initiating disciplinary action or sanctioning prosecution against the officer.

If, as a result of the review, the appointing authority comes to a conclusion in respect of cases covered by item (ii) above that there is no case for taking action against the government servant concerned, the sealed cover may be opened and he may be given his due promotion with reference to the position assigned to him by the DPC.

Sealed cover procedure for Confirmation

5. The procedure outlined in the preceding paras should also be followed in considering the claim for confirmation of an officer under suspension, etc. A permanent vacancy should be reserved for such an officer when his case is placed in a sealed cover by the DPC.

6. In spite of the six monthly review referred to in para 4 above, there may be some cases where the disciplinary case/investigation/criminal prosecution against the Government servant are not concluded even after the expiry of two years from the date of the meeting of the first DPC, which kept its findings in respect of Govt servant in a sealed cover. In such a situation the appointing authority may review the case of the Govt servant, provided he is not under suspension, to consider the desirability of giving him promotion keeping in view the following aspects :-

(a) Whether the promotion of the officer will be against public interest;

(b) Whether the charges are grave enough to warrant continued denial of promotion;

(c) Whether there is no likelihood of the case coming to a conclusion in the near future;

(d) Whether the delay in the finalization of proceedings, departmental or in a court of law or the investigation is not directly or indirectly attributable to the Government servant concerned;

(e) Whether there is any likelihood of misuse of official position which the Govt servant may occupy after adhoc promotion, which may adversely affect the conduct of the departmental case/criminal prosecution.

The appointing authority should also consult the Central Bureau of Investigation and take their views into account when the departmental proceedings or criminal prosecution arose out of the investigations conducted by the Bureau. Where the investigation as contemplated in para 2(iv) above is still pending, the CBI or the other authorities concerned should be consulted.

6.1 In case the appointing authority comes to a conclusion that it would not be against the public interest to allow ad hoc promotion to the Govt servant, his case should be placed before the next DPC held in the normal course after the expiry of the two year period to decide whether the officer is suitable for promotion on ad hoc basis. Where the Government servant is considered for ad hoc promotion, the Departmental promotion Committee should make its

assessment on the basis of the totality of the individuals record of service without taking into account the pending disciplinary case/criminal prosecution/investigation against him.

6.2 After a decision is taken to promote a Government servant on an ad hoc basis, an order of promotion may be issued making it clear in the order itself that:-

(i) The promotion is being made on purely ad hoc basis and the ad hoc promotion will not confer any right for regular promotion; and

(ii) The promotion shall be "until further orders". It should also be indicated in the orders that the Govt reserve the right to cancel the ad hoc promotion and revert at any time the Government servant to the post which he was promoted.

6.3 If the Government servant concerned is acquitted in the criminal prosecution on the merits of the case or is fully exonerated in the departmental proceedings or the investigation did not lead to criminal prosecution/disciplinary proceeding the ad hoc promotion already made may be confirmed and the promotion treated as a regular one from the date of the ad hoc promotion with all attendant benefits. In case the Government servant could have normally got his regular promotion from a date prior to the date of his ad hoc promotion with reference to his placement in the DPC proceedings kept in the sealed cover(s) and the actual date of promotion of the person ranked immediately junior to him by the same DPC, he would also be allowed his due seniority and benefit of notional promotion as envisaged in para 3 above.

6.4 If the Government servant is not acquitted on merits in the criminal prosecution but purely on technical grounds and Government either proposes to take up the matter to a higher court or to proceed against him departmentally or if the government servant is not exonerated in the departmental proceedings, the ad hoc promotion granted to him should be brought to an end.

<u>Sealed Cover applicable to Officers Coming under cloud before Promotion</u>

7. A government servant, who is recommended for promotion by the DPC but in whose case any of the circumstances mentioned in para 2 above arise after the recommendations of the DPC are received but before he is actually promoted, will be considered as if his case had been placed in sealed cover by the DPC. He shall not be promoted until he is completely exonerated of the charges against him and the provisions contained in this OM will be applicable in his case also.

8. In so far as the personnel serving in the Indian Audit and Accounts Department are concerned, these instructions have been issued after consultation with Comptroller and Auditor General of India.

(DOPT OM No 22011/2/86-Estt (A) dated 12 Jan 88)

PROMOTION OF GOVT. SERVANTS AGAINST WHOM PRELIMINARY INQUIRIES ARE PENDING CLARIFICATION REGARDING.

During the meeting of the CVOs (Northern Region) held on 31st August 2001, one of the points that came up for discussion pertained to the manner of according vigilance clearance to those in the zone of consideration for promotion.

2. Para 12.1 to 12.14 of Chapter V and para 6.1 to 6.2 of Chapter III of the Vigilance Manual Vol – I deals exhaustively with the information required to be placed before the Departmental Promotion Committee to enable the DPC to fellow the scaled cover procedure in specified cases. Cases of officials falling in the specified categories, along with those of officers, who are undergoing a penalty when the clearance is sought, are the ones, which require vigilance clearance to be withheld.

3. It may be observed that the circumstances mentioned in these para are: -

(a) Govt. servants under suspension.

(b) Govt. servants in respect of whom disciplinary proceedings are pending or a decision have been taken to initiate disciplinary proceedings.

(c) Govt. servants in respect of whom prosecution for a criminal charge is pending or sanction for prosecution has been issued or a decision has been taken to accord sanction for prosecution.

(d) Govt. servants against whom an investigation, serious allegation of corruption, bribery or similar grave misconduct is in progress either by the CBI or by any other agency, departments or otherwise.

4. The Hon'ble Supreme Court in UOI vs. K.V. Jankiraman (AIR 1991 SC2010) has since ruled on the issued. An employee who is otherwise eligible and who is not undergoing any penalty under the Rules governing disciplinary proceedings should not be denied consideration for promotion by the Departmental Promotion Committee. All such cases will have to considered by the selection committee and sealed cover procedure resorted only to in circumstances which have been enumerated in the above referred judgment. These circumstances are:

a) Government servants under suspension;

b) Government servants in respect of whom a charge sheet has been issued and the disciplinary proceedings are pending; and

c) Government servants in respect of whom prosecution for a criminal charge is pending.

5. It, therefore, follows that vigilance clearance will not be accorded to employees who are undergoing a penalty imposed by a Disciplinary Authority or sentence ordered by a court of law. In the cases of employees who are covered by the circumstances enumerated in para 4 promotions cannot be denied but the selecting authority is required to follow the sealed cover procedure. The sealed cover is to be opened and the decision implemented only if the said employee stand exonerated; should a penalty be imposed, the sealed covered decision will not be implemented and the employee will be considered for promotion afresh after penalty period is over. Therefore in cases where the employee has been placed under suspension, is being prosecuted or has been issued with a charge-sheet, the CVO is to withhold vigilance clearance informing the competent authority about the circumstances that are applicable to the employee concerned.

6. Pending investigations or inclusion in agreed list/list of officers of doubtful integrity will not bar the promotion of an employee and the CVO is to accord unqualified vigilance clearance to these employees. In view of the un-ambiguity of the judgment CVOs are also to ensure that there is no delay in issuing the charge-sheet after a decision has been taken to initiate penalty proceedings. Any delay resulting in promotion of the erring public servant shall be construed as a deliberate attempt to derive undue and unintended advantage form the ruing of the Hon'ble Supreme Court. This is for strict compliance by all CVOs.

(CVC circular No. 3S/DSP/1 Dt. 28/03/02)

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 CVO's/ 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 servant& charged officers *(SPSICOs)* 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 emphasises that the vigilance functionaries as well as administrative authorities concerned should priorities 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.

(Circular No 03/03/11 dated 4/4/2005)

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 victimization of vigilance officials of certain organizations. 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 organization, 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 victimization 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:

(a) 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.

(b) 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.

(c) Since the problem of victimization occurs, if at all, after the reversion of the personnel to their normal line departments, the Commission would reiterate the following:

(i) 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.

(ii) 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.

(iii) All Vigilance personnel on reversion shall be entitled to represent through the CVO and chief executive of the inalization to the Commission if they perceive any victimization 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.

(CVC circular No. 006/VGL/022 Dt. 28 Mar 06)

PUBLIC PREMISES (Eviction of Unauthorised Occupants) Act, 1971 – Parameters to be followed by the PSEs

Reference is invited to the guidelines of even number issued by the DPE on
19.2.92 on the above-mentioned subject (copy enclosed).

It has come to the notice of this Department that in some cases Central PSEs including banks and insurance companies are not adhering to the guidelines thereby causing avoidable hardship to tenants. The administrative Ministries are requested to ensure that these guidelines are strictly observed by the Central PSEs under their administrative charge.

The Insurance Division and the Banking Division of the Department of Economic Affairs, Ministry of Finance are also advised to bring this to the notice of Banks and insurance companies under their charge.

(DPE O.M. No 2(6)/920DPE(WC)-GL-XXXVII dated 19 Jan 2001)

PUBLIC PREMISES (Eviction of Unauthorised Occupants) Act, 1971 – Parameters to be followed by the PSEs

Public Premises (Eviction of unauthorized Occupants) Act, 1971 (referred to as P.P. Act) provides for the eviction of unauthorized occupants from Public Premises by Estate Officers appointed by the Government of the Public authority and provides for a summary procedure of eviction within 15 days of passing the eviction order. The scope of this Act was expanded through an amendment in 1980 in order to bring within its purview the properties of the Companies defined under Section 3 of the Companies Act, 1956, in which at least 51% shares are held by Central Government and the properties of Companies established by or under any Act and owned or controlled by the Central Government. The cardinal principle of this amendment was removing the difficulties faced by these bodies in evicting unauthorized occupants including their employees no longer in service from the premises owned by these institutions.

2. Although the provisions of the PP of eviction of unathorised Act, 1971 have been upheld by the Hon'ble Supreme Court in the case of Ashoka Marketing Ltd Vs Punjab National Bank and various other civil petitions, the Supreme Court had also observed that every activity of the public property should be guided by public interest, and they should deal with their tenants distinctly from private landlords. The matter has, therefore, been further examined in the Government having regard to all the relevant factors, it has been decided that PSEs should not use the P.P. Act to evict genuine tenants, but a person in lawful occupation of any premises should not be treated or declared to be an unauthorized occupant merely on service of notice of termination of tenancy, not should any contractual agreement be wound up by taking advantage of the provisions of the Act. At the same time, it will be open to the public authority to secure periodic revision of rent in terms of provisions of the Rent Control Act in each State, or to move under genuine grounds under the Rent Control Act for resuming possession. In other words, the public authorities would have rights similar to private landlords under the Rent Control Act in dealing with genuine legal tenants;

3. It is necessary to give no room for allegations that evictions were selectively resorted to for the purpose of securing an unwarranted increase in rent, or that a change in tenance was permitted in order to benefit particular individual or institutions in order to avoid such imputations or abuses of discretionary powers. The release of premises or change of tenancy should be decided at the level of Board of Directors of the Public Undertakings.

4. All the Public Undertakings should immediately review all pending cases before the Estate Officer or Courts with reference to these guidelines, and withdraw eviction proceedings against genuine tenants on grounds otherwise

than as provided under these guidelines. The provisions under the P.P. Act should be used henceforth only in accordance with these guidelines.

5. All the Administrative Ministries of the Government of India are requested to bring the above guidelines to the notice of the PSEs under their administrative control for strict enforcement. These guidelines may also be given wide publicity.

(DPE OM No 2(6)/92-DPE (WC) dated 19 Feb 2001)

INVESTIGATION BY CBI

CBI while forwarding their investigation report had recommended regular departmental action for major penalty against Shri Subramanya.

2. While scrutinizing the case in the vigilance division of the Ministry, the following irregularities have come to light:-

(i) HAL had gone ahead with the parallel investigation though there are clear instructions that once CBI takes up the inquiry all departmental or fact finding inquiries should be held in abeyance till such time CBI completes the investigation.

(ii) The penalty of demotion imposed by HAL is no penalty. Shri Subramanya gained promotion to Sr Clerk by producing false certificate. HAL, by imposing the penalty of demotion, has brought him back to a position where he would have been otherwise.

3. Director (Vig) while pointing out that the penalty imposed on Shri Subramanya was not commensurate with the offence, requested HAL to look into the matter afresh and review the penalty already imposed on Shri Subramanya. HAL were also asked to examine whether any action is warranted against the officer who decided to impose the ineffective penalty in this case. HAL have informed that in the HAL rules there is no provision for reviewing `suo moto' the punishment and as such the penalty imposed on Shri Subramanya cannot be reconsidered. The offence committed by Shri Subramanya in gaining promotion by producing a false certificate amounts to fraud and merits the penalty of removal from service. However, in the absence of any provision for review, the undertaking appears to be helpless in the matter.

4. In view of the above, suitable instructions may kindly be issued to all the Defence PSUs:-

(a) To stop all fact finding and departmental inquiries once CBI registered any case for inquiry till such time CBI complete the investigation.

(b) To be careful while imposing the penalties which must commensurate with the gravity of the offence committed.

5. While examining the cases of Public Undertakings it has come to notice that there are several deficiencies in the discipline and appeal rules, of the PSUs which need to be rectified;

(i) In the absence of suitable provision in the standing orders of the undertaking for `suo moto' review of decision taken by the disciplinary authority; even a perverse decision assumes finality. Hence a provision for `suo moto' review of the order of the disciplinary authority by the competent higher authority, should be incorporated in the rules.

(ii) In civil services pension rules there is a provision for taking action against the officials, even after retirement, for the offences committed three years prior to the retirement. There is no such provision in the PSUs disciplinary and appeal rules. A suitable provision is considered essential, so that the offenders do not go scot-free by resigning from service as soon as they come to know of the impending inquiry into any irregularities.

(iii) There should be a provision requiring the officer concerned not to deal with the contract or other cases where he has an interest in case dealings are involved with a firm where his wife, dependents or other relations are partners/employees etc. It should be incumbent on the part of the officer to report this fact to the competent authority. Policy on Conflict of interest should be incorporated in the rules.

(iv) A provision barring employment of wife/dependents in the organizations with which the officer has official dealings, except with prior written permission of the competent authority, should be introduced.

(MOD (DDPS) letter No 49(23)/84/DOII/D(PS/COORD) dt 26 Sep 84)

MONITORING OF COURT CASES PERTAINING TO VIGILANCE DIVISION

This is with reference to the Court Cases pertaining to Vigilance Division from your office. It is felt that a close watch should be kept on such Court cases. It has been seen that often follow-up action on the decisions of the Courts is neglected, leading to Contempt of Court in some cases.

To avoid such a situation, it has been decided with the approval of JS (T&M) & CVO that a copy of the Court Order (final or interim) in cases pertaining to Vigilance Division where Union of India or Secretary, Ministry of Defence is the respondent, should be forwarded to the Ministry of Defence within one week of the date of such an order, for information.

(MOD letter No C-30013/5/Vig/86 dated 30 Aug 90)

POLICY FOR RETENTION OF LIEN ON APPOINTMENTS BELOW THE BOARDLEVEL IN THE CASE OF INDIVIDUALS SELECTED AND APPOINTED TO BOARD LEVEL POSITIONS IN THE PUBLIC SECTOR

The undersigned is directed to refer to this Department's OM No 23(9)/93-GM dated 31.1.1994 on the subject.

2. In modification of the above, the Government has decided that the maximum period for which retention of lien to be permitted in the case of below board level employees of Public Sector Enterprises on their selection and appointment to board level posts in the same or any other Central Public Enterprises will be 5 years.

(DPE letter No 23/19/98/GL-014/DPE(GM) dt 13 Jan 99)

POST-FACTO SCRUTINY OF FILES IN MINISTRIES/ DEPARTMENTS DEALING WITH CONTRACTS/LICENCES, ASSESSMENTS OF TAXES ETC

The undersigned is directed to say that Recommendation No 65, contained in paragraph 8.10 of the report of the Committee on Prevention of Corruption, has been carefully considered in the light of the comments received from the Ministries/ Departments. It has been decided that the Ministries/Departments which deal with the grant of contracts and licenses and which deal with assessment, collection and refund the taxes may carry out a post facto scrutiny of disposed of files to find out the nature of mistakes and irregularities so that such mistakes and irregularities are not repeated. Such an examination may be done on the basis of random selection of disposed of files.

(DOPT O.M No 43/71/64-AVD dated 10 Dec 64)

POST-FACTO SCRUTINY OF FILES IN MINISTRIES/ DEPARTMENTS DEALING WITH CONTRACTS/LICENCES, ASSESSMENTS OF TAXES ETC

The undersigned is directed to say that the Ministry of Railways have suggested that the system of ex-post facto scrutiny of files as laid down in Ministry of Home Affairs O.M. No 43/71/64-AVD dated 10 Dec 64 (copy enclosed for ready reference) may be discontinued as such scrutiny reveals only routine lapses of deviation and non- observance of established procedure. After obtaining the comments of the various Ministries/Departments, the matter has been re-examined in consultation with the CVO and the CVC.

2. The instructions to conduct post facto scrutiny of disposed of files, with a view to finding out the nature of mistakes and irregularities committed in the grant of contracts, licenses, etc., and were issued in pursuance of a recommendation of the Committee on Prevention of Corruption. It is felt that if scrutiny of this nature is undertaken and insisted upon by the Ministries concerned, not only lapses in the award of contracts, licenses, etc come to light but also such a step would ensure a proper examination by the persons dealing with cases of contracts, licenses, etc. While dealing with such cases, they will be conscious of the fact that the actions are subject to a further scrutiny at the later stage. It has, therefore, been decided that the post-facto scrutiny of disposed of files relating to contracts, licenses, etc may continue. With a view to making these instructions more effective and in order to reduce the work relating to scrutiny of files, it has been decided that only the files dealing with contracts, and licenses, assessment, collection and refund of taxes which involve an amount of more than Rs 5 lakhs may hence forth be scrutinized. At the same time, a certificate may be given by the officers concerned in the file that the scrutiny had been done. It may be ensured that this practice of scrutiny does not peter out into a routine practice.

(DOPT O.M. No F 371/3/73-AVD.III dated 19 Jul 75)

PREVENTIVE VIGILANCE - APPOINTMENT OF CONSULTANTS

Detailed guidelines regarding selection of Consultants have been issued by the Bureau of Public Enterprises in 1978. These were reiterated in this Commission's letter No 3L PRO-1 dated 10 Jan 83. Copies of these are enclosed for ready reference.

During inspection of works of Public Enterprises/Banks, it has been observed that there is no standard or uniform procedure for selection of Consultants and, in many cases; instructions issued by the BPE are not being

followed. As a matter of fact, in the Commission's letter dated 10 Jan 83, it was desired that action should be taken to formulate a rational policy for appointment of Consultants. No such action seems to have been taken so far.

The guidelines issued by the BPE are once again brought to the notice of all CVOs to ensure that these are followed for engagement of Consultants. Even though the BPE guidelines were originally issued for Projects involving an outlay of Rs 5 crores or more, in the Commission letter dated 10 Jan 83, it was suggested that even for works less than Rs 5 crores, appointment of Consultants should not be made in an arbitrary or adhoc manner.

(CVC,CTE's Organisation letter No CN-1-CTE-4 dated 29 Dec 89)

PREVENTIVE VIGILANCE - BRINGING OUT OF HAND BOOKS/ NEWSLETTERS ETC. BY ORGANISATIONS/ DEPARTMENTS

The Central Vigilance Commission has been taking various preventive measures for combating corruption. One of the steps, which the Commission has found to have potential in this direction in bringing out of periodical handbooks/bulletins/ newsletters by the Departments/Organisations. Many Organisations/Deptts have come out with such materials which are not only useful for the vigilance personnel but also to everyone and have brought in greater vigilance awareness.

2. It is therefore, advised that all Departments/Organisations, who have not brought out any such material on preventive vigilance may do so periodically to pave a way for a cleaner and healthier administration.

(CVC letter No 99/PRV/1 dated 04 Mar 1999)

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.

(CVC circular No. 008/CRD/008 Dt. 24 Jul 08)

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 ha\'e now been made transparent, managers need only to shed their inhibitions and contribute their best to the organisations 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.

(CVC letter No 3(v)/99/3 dated 07 Jul 1999)

SPECIAL CHAPTER - Clarifications regarding referring the Appeals

1. The Special Chapter on Vigilance Management in Public Sector Enterprises came into force w.e.f. 15.07.99. One of the charges brought in this chapter pertains to extension of the Commission's jurisdiction from Board-level employees to two levels below Board-level appointees. A clarification has since been sought as to whether consultation with the Commission in respect of officers, two levels below the Board level, would be necessary at appeal stage, if the appeal is decided after 15.07.99. In this regard, it is clarified that while it would not be necessary for the organizations to refer all cases involving employees of the level of two levels below Board-level to the Commission at appeal stage, the cases in which the appellate authority proposes to modify the order of the disciplinary authority, after 15.07.99, may be referred to the Commission for its advice.

(CVC O.M. No 98/VGL/51 dt 27 Jun 2000)

SPECIAL CHAPTER - 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 1i1199. In Para 3.2 of the Chapter, tile 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 an 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.

(CVC letter No 98/VGL/51 dated 11 Aug 1999)

SPECIAL CHAPTER – AMENDMENT OF PARA 38.1 THEREOF

In the Special Chapter on Vigilance Management in Public Sector Enterprises notified by the Commission vide letter No. 3(v)/99/3 dated 7/7/99, there is provision available in Para 38.1 for amending the CDA rules of the PSEs for continuation of Disciplinary Proceedings if already initiated during service and initiation of disciplinary proceedings after retirement in respect of grave misconduct which took place not more than four years earlier.

2. The Commission has reconsidered the matter and observed that the provision of initiation of disciplinary proceedings after retirement in respect of grave misconduct committed which took place not more than four years earlier is not practicable due to the fact that the only gratuity which could be withheld/forfeited would have already been paid to the officer if he has already retired. Since there are no pensionary benefits in the PSEs, the Commission has decided to amend para 38.1 of the Special Chapter and the same may be read as:

Para 38.1

"There is no provision in CDA Rules of almost all PSEs to continue with the departmental proceedings after the retirement of an employee. All PSEs should therefore, amend their CDA Rules in this regard to provide for continuation of proceedings after the retirement of the employee if the same was initiated before his retirement".

(CVC letter No 98/VGL/51 dt 26 Oct 1999)

SPECIAL CHAPTER – CLARIFICATION ON PARA 15.1 THEREOF

The Commission has notified the Special Chapter on Vigilance Management in Public Sector Enterprises vide letter No 3(v)/99/3 dated 07.07.1999. Para 15.1 thereof provides that if the CVO of an administrative Ministry asks for a factual report against a Board-level appointee from the CVO of the PSE, the latter will send the same to the CVO of the Ministry, after endorsing a copy of the report to the CMD to keep him informed of the developments. The Commission has received some references seeking clarifications as to whether the CMD should be kept informed of the reports made out by the vigilance units of the PSEs on verification of the allegations against the CMD

himself, received directly by the CVO or through the CVC/Ministry. In this regard, it is clarified that the allegations against the CMD and other Board-level appointees, ordinarily, are to be investigated by the CVO of the administrative Ministry/Department. But, if the CVO of the administrative Ministry/Department asks for a factual report from the CVO of the PSE, the matter is expected to keep the CMD informed of the report sent by him. It is, however, obvious that if the CMD himself is the subject matter of the investigation, it would neither be feasible, nor desirable or practicable, for the CVO of the PSE to endorse a copy of his report to the CMD. In such cases, it would be the responsibility of the CVO of the Ministry to obtain the version of CMD (qua suspect person) at the appropriate time, and forward the same to the Commission for its advice. In the case of all other Board level appointees, CMD may however, be kept informed as provided in the Special Chapter on Vigilance Management in PSEs.

2. In view of the position clarified above, Para 15.1 of the Special Chapter has been amended to read as under:-

> "15.1 If the CVO of an administrative ministry asks for a factual report against a Board-level appointee from the CVO of the PSE, the latter will send the same to the CVO of the ministry, after endorsing a copy of the report to the CMD to keep him informed of the development. However, if the CMD himself is the subject matter of the investigation, the CVO of the PSE need not endorse a copy of the report to him. It would thus be the responsibility of the CVO of the Ministry to obtain the version of CMD (qua suspect person) at the appropriate time. The CVO of the ministry may make reference to the CVC after collecting all the relevant facts and following the prescribed procedure".

(CVC letter No 98/VGL/51 dt 15 Dec 1999)

SPECIAL CHAPTER - AMENDMENT OF PARA 32.3

In the Special Chapter on Vigilance Management in Public Sector Enterprises notified by the Commission vide No.3 (v)/99/3 dated 07.07.1999; there is a provision for review of the progress of vigilance work/disciplinary cases by the Board of Director of the PSEs at least once in six months.

2. This provision has been reviewed in the Commission. It has been observed that while there is a need for review of work done by Vigilance wings but too many reviews is unnecessary. The Special Chapter requires review by CMD and the Secretary of the administrative Ministry, which is appropriate considering that they are the reporting and reviewing officers of the CVO.

3. In the context of reviews by Secretary and CMD, review by Board of

Directors can be done away with. In view of this the Commission had decided to delete the para 32.3 Of the Special Chapter on the PSEs with immediate effect.

(CVC circular No. 98/VGL/51 Dt. 28/03/02)

SPEEDING UP CORRESPONDENCE BETWEEN CVC AND OFFICERS UNDER ADMINISTRATIVE MINISTRIES / DEPARTMENTS

The Central Vigilance Commissioner has recently reviewed the various processes causing inordinate delay while examining cases in the Commission. One such process is the time consumed in routing correspondence to the officers under the purview of the Commission through the concerned Administrative Ministries/ Departments.

2. In order to minimize the delay on this account, the CVC has decided to correspond directly with all the officers and vice versa under its purview, so far as collection of facts/materials etc. are concerned. However, wherever any action has to be initiated or otherwise, the CVC will inform the concerned Departments.

(CVC letter No 98/VGL/32 dt 26 Oct 1998)

STANDARDISED CODE FOR SUPPLIERS AND ASSOCIATION OF CHIEF VIGILANCE OFFICERS WITH WORK OF DEPARTMENTAL DUTIES – HANDLING SENSITIVE MATTERS.

A copy of complete set of Memoranda issued by the Department of Supply relating to the Standardised Code for Suppliers and banning of business dealings with firms is forwarded herewith.

2. Till now, the proceedings to ban business with firms have been conducted by the various Organisations under the administrative control of the Ministry of Defence. This duty is also assigned to the administrative sections in this Ministry. The Department of Personnel & Training, after consulting the CVC, have now issued an OM No 321/77/91- ADV.III dated 09 June 1992 reiterating that CVOs/Vos should not be associated with the administrative work as they may be required to sit in judgment over decisions taken from the vigilance point of view, at a later stage. A copy is enclosed for necessary action.

(MOD, D (VIGILANCE) LR NO. MOD/C-13022/1/VIG-II/92 DATED 19 AUGUST 1992)

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.

(CVC letter No 3(v)/99/14 dt 16 May 2001)

SYSTEM IMPROVEMENT TO FIGHT CORRUPTION THROUGH BETTER SYNERGY BETWEEN CAG & CVC

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 organization. In all such cases immediate action must be initiated against the public servants concerned through the standard practice of referring vigilance cases to CVC.

(CVC Circular No. 001/VGL/5 Dt. 10 Dec 01)

SYSTEM CHANGES IN ORGANISATION TO CHECK CORRUPTION

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.

(CVC Circular No. 3(V)/99/15 Dt. 16 Jan 02)

TRACKING CORRUPTION THROUGH A PROPER FOLLOW UP OF AUDIT REPORTS

Audit is an important tool available for proper control of organisation 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 organisation 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.

(CVC Circular No. 001/VGL/5 Dt. 25 Apr 01)

PROTECTION AND NON-VICTIMIZATION OF SUPPLIERS/ CONTRACTORS

The GOI Resolution on "Public Interest Disclosure and Protection of informer" seeks to provide protection to all complainants from harassment and victimization in the organisation concerned. While special care has been taken to ensure that the names of complaints are not disclosed in actual practice it is seen that sometime it is possible to deduce the identity of the complaints within the organisation. The CVOs have to take special care to ensure that under no circumstances the complaints are harassed simply because they dared to blow the whistle on procedurally incorrect or wrong actions especially on the part of the higher officers.

2. Besides this, the Commission has also decided that the all complaints received by it from the employees of the organisation will be sent only as source complaint" and it would not revel the name of complaint to ensure they are not victimized. However any complaint of perceived victimization by such persons should also be looked into immediately and a report sent to the Commission.

3. The Commission has also received representations that apart from complainants who are members of the staff there are also complainants in the whistle blower category who may be suppliers of material or contractors working for an organisation. It is necessary that this category of complainants is also ensured protection. The CVOs will have to take particular care to inquire into complaints of victimization in future contracts made by the whistle blower suppliers. Such victimization could be in the form of unjustified disqualification in tender application of more than normal inspection of material and works with a view to harass them, delays in payments etc.

(CVC circular No. 005/VGL/5 Dt. 10 Feb 05)

AVAILING TEST FACILITIES FROM M/s NATIONAL TEST HOUSE

1. Reference is made to letter No NTH/CAL/Customer Service/2000 dt 27 Apr 2000, received from M/s National Test House, Calcutta.

2. During the Course of Vigilance Investigation/Enquiries, if it is necessary to get certain items, as listed in the above letter, tested or calibrated, the Heads of the Vigilance Department at Division/Complex Level, may kindly do so by getting in touch with the Regional Centres nearest to them. The addresses of the Regional Centres are given below. The expenses incurred on account of the above testing and calibration may be met from the Imprest Account.

(N T H Lr No NTH/Cal/Customer Service/ 2000 Dated 27 April 2000)

AVAILING TEST FACILITIES

National Test House undertakes testing and Calibration of a wide range of Chemical, Mechanical, Civil, Rubber, Plastics, Textiles, Electrical, Electronics, NDT and Metallurgical products. Facilities are also available in other Regional Centers like Mumbai, Ghaziabad, Chennai, Jaipur and Guwahati (address etc are given overleaf). NTH booklet is enclosed herewith for your ready reference.

If you would like to cooperate in this matter, please let us know in more specific areas you are interested in. On hearing from you, we may send you schedule of testing charges for which Rs 130/- is to be deposited in advance by crossed cheque/demand draft drawn in favour of Director General, National Test House on any Calcutta bank.

NTH NETWORK
Director General National Test House
11/1 Judge's Court Road
Alipore, Calcutta – 700 027
Tele : 033-479 1773
Fax : 033-478 1572

Director
National Test House (ER)
11/1 Judge's Court Road
Alipore, Calcutta – 700 027
Tele : 033-479 1773
Fax : 033-478 1572

Director
National Test House (WR)
Plot No F-10, MIDC
Marol, Andheri (E)
Mumbai – 400 093
Tele : 022-8341483
Fax : 022-8341767

Director
National Test House (SR)
Kamala Nehru Nagar Chennai – 600 113
Tele : 044-2352374
Fax : 044-2351158

Director
National Test House (NR) Tharamani
Ghaziabad – 201 002
Tele : 0575-721493/549
Fax : 0575-721883

Scientist-in-Charge
National Test House
22, Godown, Industrial Area,
Jaipur – 302 006
Tele : 0141-212973
Fax : 0141-212973

Scientist-in-Charge
National Test House
Kalapahar, CITI complex
Guwahati – 781 016
Tele : 0361-546938
Fax : 0361-546938

Sample Collection Centre
Room No 425
Jeevan Tara Building Parliament Street, New Delhi – 110 001
Tele : 011-3361899
Fax : 011-3345536

(HAL/CO/VIG/47/2000/385 dt 05 May 2000)

UTILISATION OF THE INFRASTRUCTURAL FACILITIES CREATED BY I.T.D.C. BY OTHER PUBLIC ENTERPRISES

Bureau of Public Enterprises vide its O.M. of even number dated 09 Apr 1984, 31 July 1985 and 03 Sep 1985 had informed the public enterprises that they should utilize the facilities available with ITDC-hotels, restaurants and other catering facilities in respect of their guests and officers while on tour. These infrastructural facilities had been created at a considerable cost and therefore, should be utilized for hosting official entertainment, making arrangements for accommodation for their guests and officers. Standing arrangements could also be worked out with ITDC hotels for which the ITDC had agreed to provide suitable discount.

2. It has been brought to the notice of the Government that these infra-structural facilities now available with ITDC are not being utilized by the public sector enterprises; instead they have been patronizing non-government hotels and restaurants for arranging official entertainments or making arrangements for the stay of their guests and officers. The Su-Group appointed under the convenorship of Shri GM Bantawalla, Member, Lok Sabha in pursuance of a decision taken by the Prime Minister at the meeting of the Consultative Committee of Ministry of Tourism & Civil Aviation in their report submitted to the Government on the Role and Functions of the ITDC vide paragraph 3, 22(iii) have made the following observations :-

> "All Government and Public Sector business for hotels (including Indian Airlines and Air-India catering business) be channelised to ITDC hotels, diversion of government business to private sector needs to be checked. It should be made incumbent on all Government Departments, public sector undertakings and the like to avail of the facilities of ITDC for stay, entertainment etc to the extent and strict compliance ensured that all bills submitted for payment are duly checked in this respect. The ITDC can also offer appropriate discounts".

3. The above observations have been examined in the Government. It has been decided that public sector enterprises should make maximum use of the infra-structural facilities available with ITDC and its hotels/restaurants and travel lodges. Private sector hotels/ restaurants should not be patronized in places where ITDC facilities are available.

4. Reference is also invited to BPE's OM No 2(49)/76-BPE(CM-I) dated 28 May 82 wherein the public enterprises had been advised that in all cases of deputation abroad where the cost of Air passage was to be borne by the Public Enterprises the persons concerned were required to travel by national carriers i.e. Air India, Indian Airlines etc. A copy of consolidated instructions issued by

the erstwhile Ministry of Tourism and Civil Aviation vide their OM No AV-13025/10/80A dated 05 Mar 82 had been enclosed therewith. The Public Enterprises are again requested to ensure that in all such cases when their employees are required to go abroad and the air passage is borne by them, they should travel by national carriers i.e., Air India/Indian Airlines etc only.

5. Ministry of Industry, Ministry of Petroleum & Natural Gas and Ministry of Agriculture etc are requested to bring the foregoing to the notice of Public Enterprises under their administrative control for necessary action.

(BPE O.M. No 3(15)/79-BPE (WC) dated 29 Mar 88)

UTILISING THE SERVICES OF RETIRED GOVERNMENT OFFICER AS INQUIRY OFFICER IN THE DISCIPLINARY PROCEEDINGS AGAINST THE EMPLOYEES OF BANKS/PSUs

This has reference to the CVC's instructions vide No 8(I)(h)/98(I) dated 18 Nov 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.

(CVC letter No 98/MSC/23 dated 10 Sep 2001)

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 judgment 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 misbehavior 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.

(CVC circular No. 004/VGL/63 Dt. 18 Nov 04)

VERIFICATION OF CHARACTER AND ANTECEDENTS OF CANDIDATES SELECTED FOR APPOINTMENT TO CIVIL POSTS UNDER THE GOVERNMENT OF INDIA – REVIEW OF THE PROCEDURE AND REVISION OF INSTRUCTIONS

Attention of the various Ministries is invited to this Department's OM No 18011/9/ (S)/83-Estt(B) dated 02 Jul 82 as amended by OM No 15014/1/(S)/83-Estt(B) dated 07 Jun 1983 which lays down the criteria and procedure for verification of the character and antecedents of candidates for appointment to civil posts. As the Government takes a very serious view of all offences against women, it has been decided that persons convicted for dowry offences under the dowry Prohibition Act 1961 or under Section 304B of the IPC should be disqualified for being appointed under the Government of India. The Ministries are accordingly requested to apply this criteria also while deciding the suitability of candidates for appointment to civil posts.

2. The above instructions may be brought to the notice of all heads of Departments including heads of Public Sector Undertakings, quasi-Government organizations, autonomous bodies etc where the scheme of verification has been extended and all appointing authorities may be instructed to scrupulously observe the laid down principles in making appointments in their respective offices.

3. While circulating these instructions to the various heads of Departments etc., the Ministries are requested to maintain confidentiality of the same by keeping a proper account of the copies distributed and ensuring their safe custody at appropriate levels.

(DOPT OM No 15014/5/(S)/87-Estt (B) dated 27 Jul 87)

VERIFICATION OF CHARACTER AND ANTECEDENTS OF CANDIDATES SELECTED FOR APPOINTMENT TO CIVIL POSTS UNDER THE GOVERNMENT OF INDIA

The undersigned is directed to refer to the Department of Personnel and AR OM No 18011/7(s)/83-Estt.(B) dated 03 May 83 regarding verification of character and antecedents of ex-servicemen selected for appointment to civil posts. On a review of these instructions it has been decided that the following modified procedure shall henceforth be adopted in their cases :-

(i) No detailed or simple verification is necessary in the case of ex- servicemen re-employed in civil posts if the period of intervening their date of discharge/ retirement from the Army/Navy/Air Force and their date of re- employment in a civil post under the Government of India is less than a year but the appointing authority should satisfy itself about the suitability of the candidates by making a reference to the appropriate quarters that :-

(a) His character and antecedents had been verified by the concerned authorities in Army/Navy/Air Force and the re-verification of antecedents, where required, had also been carried out satisfactorily; and

(b) His conduct during the previous employment did not render him unsuitable for employment under the Government.

(ii) In case where the interval between the date of discharge from the Army/Navy/ Air Force and the date of re-employment in the civil post is more than a year, in addition to action as envisaged at (i) above, verification of character and antecedents in respect of the period after the date of discharge shall also be got done from the district authorities of the places where the ex-servicemen had resided for more than a year after the date of his discharge from the Army/ Navy/Air Force.

2. The above procedure will also be applicable to mutatis mutandis with immediate effect to other ex-Central Government employees who are being considered for re- employment.

(DOPT O.M. No 18011/10/(S)/87-Estt.(B) dated 28 Jul 1987)

VIGILANCE MANUAL, 6th 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	Organization.
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 UPSC in disciplinary matters.
Chapter-XVII	Appeals, Revision, Review, petitions and Memorials.

The chapters are yet to be updated and hence Vol.I edited in 1991 may be referred with respect to these chapters along with 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 finalization 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.

(CVC Circular No. 003/VGL/28 Dt. 28 Nov 05)

WEBSITE OF CVC

The Central Vigilance Commission has recently launched its website. The hardcopies of the directions/instructions and also the publications of the Commission can, henceforth, be downloaded from the Website. Also complaints on corruption cases can be lodged on the Website.

2. The Website address is http://cvc.nic.in

(CVC letter No 98/VGL/29 dated 05 Jul 1999)

DEALING WITH INDIAN AGENTS OF FOREIGN SUPPLIERS

Reference is made to various communications from Corporate Office forwarding the guidelines / instructions on dealings with Indian Agents of Foreign Suppliers issued by Ministry of Defence from time to time.

2. In this regard, we are enclosing copies (Appendix) of the following communications received from MOD :-

2.1 M of D I.D. No 4078/JS(O)/89 dt 28 Feb 97.

2.2 No 70/S/97/D(B&C) dt 14 Mar 97.

3. As per the directive of MOD, Divisions/Complexes are requested to ensure implementation of the instructions by strictly including a Clause as per the enclosed format, in all future contracts with Foreign Suppliers. Also, the existing MOD's guidelines/instructions on dealings with the Indian Agents of Foreign Suppliers should be strictly complied with in letter and spirit.

(CD/748/POLICY/VOL.III/97/360 dt 21 Mar 97)

Appendix

INDIAN AGENTS OF FOREIGN SUPPLIES – INSTRUCTIONS REGARDING

The Raksha Mantri, in a case of procurement of ammunition, directed that the contract to be executed, should include a clause that, if in future, it is discovered that the seller had paid commission to any agent, then the Company would be liable to refund the amount to the government and would also be liable to face appropriate penal action as per our policy. In pursuance of the directions of the Raksha Mantri, a clause as in the attached format was included in the contract.

It is considered desirable that in all future contracts with foreign suppliers, a clause as per the enclosed format be included.

Agents /Agency Commission

FORMAT

The Seller confirm to the Buyer that the Seller is original manufacturer of the stores referred to in this contract and has not engaged any individual or firm whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Government of India, or any of its functionaries, whether officially or unofficially the award of the contract to the seller. Nor has any amount been paid or intended to be paid to any such individual or firm in

respect of any such intercession, facilitation or recommendation. The seller accepts that if it is established that the present declaration is in any way incorrect and if at any later stage it is discovered that seller has engaged any such individual/firm, and paid or intended to pay any amount/commission to such individual/firm and making the payment as commission. In addition, the seller will also be debarred from entering into any supply contract with the Ministry of Defence, Government of India for a minimum period of 5 years. The Buyer shall also consider cancellation of the contract without any entitlement or compensation to the Seller who shall also be liable to refund all payments made by the Buyer in terms of the contract along with the interest at the London Inter Bank Offer Rate (LIBOR) rate.

(MOD ID No 4078/JS(O)/89 dated 28 Feb 97
and No 70/S/97/D(B&C) dt 14 Mar 97)

Consideration of Indian Agents

Ref: Commission's Circular Nos. 12-02-6-CTE/SPI(I)-2 dated 7.01.2003 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 7.01.2003 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.

(Circular No. 03/01/12 dated 13/1/2012)

Purchase of computer systems by Govt. departments/organization

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.

(Circular No.98/ORD/1 dated 5th May 2003)

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.

(Circular No.004/ORD/9 dated 10th December 2004)

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.

(Circular No. 12-02-1-CTE-6 dated 17th December 2002)

Pre-qualification Criteria (PQ)

Guidelines were prescribed in this office OM of even number dated17/12/2002, 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 are clearly stipulated in unambiguous terms in the bid documents.

(Circular No. 12-02-1-CTE-6 dated 7th May 2004)

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 centers 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 natures, 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.

(Circular No. 20/4/04 dated 6th April 2004)

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 Weir system certified by Department of Information Technology.

(Circular 23/06/010 dated 23 June, 2010.)

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 implemeting e-tendering solutions to contain the security related loop holes.

(Circular No 29/9/09 dated 17th September, 2009)

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 organisations 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 organisations 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.

(Circular No 18/04/2010 dated 26/4/2010)

BACK TO BACK TIE UP BY PSUS - INSTRUCTIONS REGARDING

1. Enclosed please find a copy, of Ltr No.06-03-02-CTE-34 dated 20 Oct 2003 on the above subject, received from CVC (CTE's Organisation), Govt. of India, New Delhi, for information and strict compliance.

2. In order to protect the interest of the HAL it is essential that adequate safe guards are provided in the tender document/contract to ensure that PSU's having contract with HAL, adhere to the above enclosed CVC guidelines in selection of

sub-contracts. I t is, therefore, recommended that a clause may be incorporated in the tender document / contract for all such works/procurements in line with CVC guidelines, under intimation to the undersigned.

3. Copy of the instruction can also be downloaded from the CVC web site- www.cvc.nic.in

(Circular HAL,/CO/VIG/41/2003/ 1925 dated 15/11/2003)

IMPROVING VIGILANCE ADMINISTRATION- TENDERS

Please refer to CVC's instructions issued under letter No.8(1)(h)/98(I) dated 18/11/98 banned post tender negotiations except with L1 *i.e.,* the lower tenderer. Some of the organizations have sought clarification from the commission as they are facing problems in implementing these instructions. The following clarifications are therefore, issued with the approval of central vigilance commission.

(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 organizations 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.

(Circular No,98/ORD/1 dated 15/3/1999)

IMPROVING VIGILANCE ADMINISTRATION - TENDERS.

Please refer to the instructions issued by the Commission vide its communication No. 8(1)(h)/98(1) dated 18.1 1.1998, 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.

(Circular No.98/ORD/1 dated 3rd August 2001)

IMPROVING VIGILANCE ADMINISTRATION-TENDERS.

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 expects the organisations to implement its instructions dated 18.11.98, in its spirit and to ensure that the decisions of administrative authorities are transparent.

(Circular No.98/ORD/1 dated 24th August, 2000)

IMPROVING VIGILANCE ADMINISTRATION-TENDERS.

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.

(Circular No.98/ORD/1 dated 15th March,1999)

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.

(Circular No. 2EE-1-CTE-3 dated 15.10.2003)

TENDERING PROCESS NEGOTIATIONS WITH L1

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 L I, 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 H I (i.e. Highest tenderer) if required.

2. All other instructions as contained in the circular of 3.3.2007 remain unchanged.

3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

(Circular No.01/01/10 dated 20/1/2010)

SHORT-COMINGS IN BID DOCUMENTS

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.

(Circular No. 33/7/03 dated 9th July, 2003)

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 atleast 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.

(Circular No. 05-04-1-CTE-8 dated 8.6.2004)

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 organization 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.

(Circular No. 15/3/05 dated 24th March 2005)

REJECTION OF CONDITION TENDERS-QUOTES CONTRARY TO HAL TERMS AND CONDITIONS

Subsequent to the issue policy letter No.HAL/CO/VIG/46/167 dt 20 Apr 1999, banning negotiations with other than L1 parties (Vendors /Contractors) by CVC. it has been observed that in a number of cases conditional tenders/quotes

suitable to contractor /vendor are being accepted , which is contrary to the provisions given in HAL Manuals purchase and works & Contract Procedures.

2. It has also been found that in certain cases two bid or two envelope system is not being followed, in this connection please refer to HAL letter No.HAL/CSV/HO/23/ 88/303 dt 06 May 88. and HAL/CD/617/99 dt.·02 Aug 99.

3. In order to provide transparency in commercial deals and execution of works, it is requested that all concern may kindly be instructed, firstly to adhere to laid down procedure for two bid /envelop system, and secondly, all conditional tenders /quotes must be rejected unless even without the pre-conditions/conditions, the tenders are L1.

(Circular No. HAL/CO/VIG/47/154/2000 dated 19th Feb 2000)

IMPROVING VIGILANCE ADMINISTRATION BY LEVERAGING TECHNOLOGY

Various guidelines have been issued by CVC which have been circulated from time to time on Leveraging Technology for improving vigilance administration. Based on these guidelines & CVC directions, a check list has been prepared which is enclosed.

It is hoped that the check list will facilitate adopting and implementing the various policies issued on the subject. Suitable instructions may therefore be issued and the check list forwarded to the concerned Dept. for necessary action.

(Circular No. HAL/CO/VIG/83/PC/2010/845 dated 18/6/2010)

MATERIAL ISSUED TO SUB-CONTRACTOR

During the course of system Audit, certain shortcomings were noticed in respect of materials issued to Sub-Contractors.

2. To avoid such situations and to safe guard HAL'S interest, it is suggested that the following measures may be taken:

(a) The estimated percentage of scrap and rejection should be indicated in the tender itself to ensure like to like comparison of the offers and the same is to be incorporated in the contract.

(b) If the value of material issued to the sub-contractor exceeds 'Rs. 5.00 lakhs, Bank Guarantee (BG) to the extent of the value of material supplied is to be obtained (instead of indemnity bond) with a validity of atleast 30 days more than the agreed delivery date. The additional 30 days is to facilitate encashment of the BG, if the sub-contractor fails to deliver the material by the scheduled date. 30 days would need to be provided in case of extensions also.

(c) Anticipated date of supply of material by HAL may also be indicated in the contract for identifying source of delay at a later date.

(d) Material should be supplied to the sub-contractor only after the receipt of indemnity bond/Bank Guarantee.

(e) The contract should provide for the return of scrap / rejected material. I f the contractor does not return the same, proportionate recovery is to be effected.

3. The above instructions may be noted for compliance.

4. This issues with the approval of Director (Finance).

(Circular No. SYA/GENL/99-00/009/ dated 5/19/2000)

HOURLY RATES -OUTSOURCING

Please find enclosed .Recommendation of a committee formed for working out the man hour rate to be adopted for outsourcing of various jobs. The same may please be adopted as the basis for evaluating the proposals at the divisions pertaining to outsourcing.

(Circular No. GM (F) BC/ 83-0 1 C /445/05 dated 25th October 2005)

OUTSOURCING OF DESIGN & DEVELOPMENT WORK

The Electronics Divisions of HAL have started outsourcing Design and Development of avionic systems for IJT, Su-30, and ALH. It is seen that the

outsourcing is done on limited tendering basis depending on the sources known at that point of time.

2. The vendor population for electronics based jobs is huge. A systematic evaluation of the vendors for the Design and Development work needs to be carried out to ensure proper selection of vendors. Guidelines evolved for outsourcing work from Design Complex is enclosed for immediate implementation in the two Divisions.

3. GMs of the two Divisions may get the exercise done to identify and register suitable vendors, through cross functional teams including Design and IMM. Efforts may be made to give wide publicity to the Registration of vendors in line with the laid down procedures.

4. The list of registered vendors could be exchanged by the two divisions in order to provide a broader vendor base. The entire exercise is to be completed at the earliest Corporate planning may be kept updated on the status on a monthly basis.

(Circular No.SYA/C0/47/08-09/ 90 dated 5th May 08)

PRODUCTIVITY NORMS FOR IN-HOUSE CAPACITY- DL & MACHINES

The prevailing Productivity Norms for assessment of Capacity of Direct Labour were issued vide Productivity Circular No. 11 dated 4th Jun 1996. Similarly, the Norms for assessing the Capacity and Utilization of Machines were issued in Jan 1992. Subsequently the Norm for assessment of Capacity has been modified to 187.5 SMH/DL/Month and the same is in vogue since 2002. The prevailing Norms in the case of Machines have not been revised despite change in the Shift Timings / No. of hours per Shift.

2. A review of the Norms for both Direct Labour and Machines has been done. It has been decided that the present norms for assessment of In-House Capacity with respect to Direct Labour will be retained. In addition the Norms in the case of Technical Trainees and Ex-Servicemen on Contract will be introduced for clarity. In the case of assessment of Capacity and Utilization of Machines, the Present Norms will be retained not withstanding change in the shift timings. For this purpose, allowances such as Training, Breakdown etc. will be suitably revised downwards.

3. The revised Productivity Norms for assessment of In-House Capacity for Direct Labour and Machines are enclosed. These Norms may be adopted while forwarding the requirements for Direct Labour, justification for new machines etc.

4. This issues with the approval of the competent authority.

(PRODUCTIVITY CIRCULAR No : 12 dated 23rd Oct 2007)

BRIEF SUMMARY OF THE PROPOSAL FOR APPROVAL BY PSC 1 BOARD OF DIRECTORS

Reference is made to Para No.39 of the Item No.7 of Minutes of Board Meeting held on 28th May 2010 wherein it was directed that "henceforth a summary of the main terms and conditions of all procurement proposals be placed alongwith the Board1 PSC brief". (Copy enclosed).

2. In line with the above a draft format for the brief summary has been prepared and enclosed.

3. Divisions are advised to forward the brief summary of the proposal as per the format enclosed alongwith the Board Note 1 brief for approval of Board or PSC as the case may be.

(Circular No. HAL/CD/617(Board Brief)/2010)

CLARIFICATION AND CLEARANCE OF MPRS

Reference is made to letter No. HAB13-8107 dated 21 May 2007 and Minutes of Meeting of Finance, Systems Audit & IMM Heads held an 12.04.07 to 14.04.07.

2. The said decision in the meeting was given in the context of provisioning for Project Materials and therefore pertains only to Project Materials against approved programmes/tasks. It was argued and accepted that Purchase Proposals raised against such MPRs always need to be put up to same or higher authority for approval with Finance concurrence. Therefore, putting up of MPR to CFA separately from putting up of proposal could be avoided.

3. The responsibility for provisioning or project materials for approved programmes/tasks remain with Head of Planning or IMM, as the case may be. The approval of MPR by Head of Planning I IMM is, however, subject to the requirements indicated in the remarks column of DoP.SI.No.9, Annexure-Ill relevant to project materials. For provisioning of maintenance materials, tools and capital items etc. the existing procedure would be followed.

4. Since the revised procedure for provisioning of project materials is not intended to dilute the DOP, amendments to DOP Para-9 & 10 is not required.

(Circular No. HAL/CD/571/2007/761 dated 5/25/2007)

CLEARANCE OF IMPORT CARGO & DEMURRAGE CHARGES

Audit Committee in its 43rd Meeting held on 22-04-2010 has noted that the demurrage charges are being payable by the Divisions due to late receipt of documents from the vendors.

2. In order to avaid payment of demurrage charge , the following instructions are to be adhered to :

i) Divisions should ensure timely receipt and forwarding of Shipment Documents viz. Bill of Lading / Airway Bill, Invoice, Packing List (s), Quality Certificate (s), Warranty /Guarantee Certificate, Certificate of Country of Origin, etc. to the clearing authorities well in a advance along with copy of Purchase order including its amendments.

ii) Division should also co-ordinate in providing timely information such as Technical Write-up, Literature, Clarifications, etc. to the Clearing Authorities wherever required, to speed up clearance.

iii) A clause also is to be incorporated in the purchase Order indicating that any demurrage charges paid by the clearing authority on account of delayed delivery of requisite documents or error in the documents provided by the seller & attributable to seller, the same will be to the account of the seller.

iv) A clause is required to be incorporated in the purchase Order clearly indicating that the seller shall notify the ultimate consignee, the details of

shipment within 24 hours of dispatch of items from the port of shipment in respect of Sea Cargo. One set of shipment documents including Bill of Lading, invoice, packing List (s), Quality Certificate (s), Warranty/ Guarantee Certificate, certificate of country of Origin, etc. is to be sent by air courier /to reach buyer, within seven days of the bill of lading.

v) Port of discharge and place of delivery to be clearly indicated in the PO, whether port of Discharge and place of delivery are not the same in respect of sea cargo.

3. Divisions are directed to take note of this and ensure strict compliance

4. This issues with the approval of D(F).

(Circular No.HAL/CD/G 17/20 10J dated 3 1-05-2010)

ADOPTION OF INTEGRITY PACT-PERIODICAL REGARDING

The Commission in its various circular 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.

(Circular No. 22/08/09 dated 11/8/2009)

ADOPTION OF INTEGRITY PACT-STANDARD OPERATING PROCEDURE

The Commission vide its circular *No* 10/5/09 dated 8.5.09 issued guidelines on Standard Operating Procedure (SOP) for implementation of integrity Pact in ministries/department/organizations section 6.02 of the SOP provides financial impact review through independent agency and physical review through an NGO

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

(Circular No 31/08/10 dated 13/8/2010)

ADOPTION OF INTEGRITY PACT-STANDARD OPERATING PROCEDURE

In continuation of Commission's circular No. 1015109 dated 18.5.09 laying down "Standard Operating Procedure" for adoption of Integrity Pact in major Govt. Department/organizations, the Commission has decided to lay down age criteria for appointment of IEMs. Commission has therefore resolved that at the time of appointment as IEM, the person concerned 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.

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:

> *5.70 At the time of appointment as /EM 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.*

Other provision contained in Commission's circular No. 1015109 dated 18.5.09 would remain unchanged.

(Circular No. 06/07/1 2 dated 23 July, 2012)

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.

2. 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 r' executive, who is either serving or who has retired from the same organization to be an IEM in that organization, although they may have sewed 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.

3. 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 term of three years and another term of two years.

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

(Circular 17/04/10 dated 19/4/2010)

IRREGULARITIES IN THE AWARD OF CONTRACTS.

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.

(Circular No.44/9/03 dated 04.09.2003)

Review of Purchase Preference Policy for Products and Services of Central Public Sector Enterprises(CPSEs) in view of the judgment 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 O.M. No. DPE/13(15)/2007-Fin. Dated 21.11.2007 on the subject cited above which reiterates OPE's earlier guidelines dated 18.07.2005 to the affect that the Purchase Preference Policy would stand terminated w.e.f. 31.03.2008. 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 OPE 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 OPE's O.M 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 OPE Guidelines, the same may be brought to the notice of the Commission.

(Circular No.- 31/10/09 dated 9th Nov., 2009)

CHAPTER VI

PRICE/PURCHASE PREFERENCE 12. DPE/Guidelines/12

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 Limited and Ors dated 18.5.2007. The undersigned is directed to refer to this Department's O.M. no. DPE.13(12)/2003-Fin. Vol. II dated 18.7.2005 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 I 0% 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 field 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 30.6.2005 that the purchase preference policy will be terminated 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)12007-Fin dated 2151 November 2007)

PURCHASE FROM OEMS

Corp. Office vide letter No.HALICD/S. 987/7/2002 dated 02nd Aug 2002 instructed that orders should be placed on OEMs and stockiest should be avoided as far as possible.

2. While forwarding of report of team constituted for ascertaining credential of dealing with a particular vendor from abroad, it is clearly brought out that:

2.1 All Divisions of future orders must take up with the OEM for direct dealing between OEMs/HAL to have direct supply relationship with HAL in order to avoid any loss, legal implications and avoid FEMA etc. violation if any.

2.2 The Divisional IMM heads and General Managers of the Divisions to take up also with all other OEMs for direct dealing between OEMs/HAL, have direct supply relationship with HAL. If OEMs still pursue to deal with /through distributors, the matter needs to be taken at Director's level with highest levels of OEMs.

3. In view of the above, the following instructions are issued for strict compliance.

3.1 Division should send RFQs only to original Equipment Manufacturer. To generate interest from the OEMs, long term requirement based on approved programme / forecast task may be projected with a provision for staggered annual deliveries.

3.2 Divisions should ensure that supplies are directly received from OEMs to HAL.

4. Divisions are requested to take note of this for strict compliance.

(HAL/CD/617(0EM)/2012 Dt. 28th June 2012)

EMPLOYMENT OF FOREIGN NATIONALS BY PRIVATE UNITS SUPPLYING DEFENCE STORES

It was observed recently that a Private Unit supplying Defence stores had employed a foreign national. This was considered undesirable from the security angle. It has, therefore, been decided to amend our Security Instructions to the effect that before a foreign national is permitted to work in a Private Unit having dealings with the Ministry of Defence he should have to be cleared in terms of provisions of Ministry of Home Affairs OM No 25022/61/86-F.1 dated 26 May 86.

2. The following instructions shall be complied with in future by the purchasing agency before placing orders or finalizing contracts with Private Units :-

(a) It shall obtain detailed information from such Private Units regarding the foreign nationals employed by them.

(b) It shall ascertain if the foreigners employed have been `security-cleared' in terms of the MHA OM No referred to in Para 1 above. In case this has not been done such clearance should be insisted upon before finalizing the contract.

(c) The contract may be finalized only after clearance by Military Intelligence Wing/Intelligence Bureau and with the condition that no other foreign national will be employed by the Private Unit after signing of the contract unless similarly cleared and making it clear that the contract would be liable to be cancelled at the discretion of the purchaser if any default comes to light in this regard.

3. Observance of these instructions will be applicable to contracts for classified / sensitive defence stores. Whether the item is classified and sensitive will be decided by the indenter.

(MOD Letter No 614/Security dt 04 May 88)

IMPLEMENTATION OF E-TENDERING SOLUTIONS

References are being received by the Commission regarding the methodology for selection of sole application service provider for the implementation of e-tendering solutions. 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 provider for implementing their e-tendering solutions. The standard guidelines on tendering procedure should hold good for the procurement of these services as well.

(CVC circular No. 009/VGL/002 Dt. 13 Jan 09)

IMPLEMENTATION OF E-PROCUREMENT IN HAL

Reference is made to CO letter No.1 IAI./C D/55 1/201 1 dI.14-07-2011 and Minutes of Meeting held at HMA on 9'11 & 1O'b Sept.2011 issued earlier vide Letter NO.HAL/CD!450/2011 dated 9-09-20 on the' above subject.

2. Accordingly. Divisions were directed to issue RFQs Tenders wherever the estimated value is Rs. 10 Lakhs and above irrespective or type of tenders w.e.f September. 2011 through e-Procurement mode.

3. Further. MoD have been reviewing the progress or implementation of electronic Procurement in DPSlJs & OFB. While reviewing in the recent meeting held on 9.3.2012 MoD have directed that the threshold value needs to be fixed uniformly at Rs 5 lakhs and above and the same should be implemented by all DPSUs & OFB by September. 2012.

4. Accordingly, Divisions are directed to issue RRQs & Tenders wherever the estimated value of procurement is Rs.5 Lakhs and above irrespective or type of tenders w.e.f. 1st September, 2012 onwards through e-Procurement mode.

Divisions are directed to take note of this and ensure strict compliance.

(HAL/CD/617/e-P/2012/232 dated 24.04.2012)

ADVANCE PAYMENT - BANK GUARANTEE

Reference Corporate Office Letter No. CDl4991961244 dated 19th Nov 1996 on the subject. Some of the Divisions have expressed difficulties in adhering to the limit of US$5000 prescribed in 1996. After examining the various issues raised by the Divisions and also the guidelines issued by RBI, the following guidelines are issued for strict compliance:

a) Any advance payments to suppliers shall be made only after receipt of an unconditional Bank Guarantee of equivalent amount from a scheduled commercial Bank (in case of indigenous suppliers) or from an international bank of repute (in case of a foreign supplier).

b) The power to approve advance payment, up to values indicated below, without insisting on Bank Guarantee is delegated to the Managing Directors/General Manager concerned. This is subject to the condition that MD/GM should not sub delegate his power further and every such case will have the approval of concerned MDI GM with due financial concurrence and that waival of Bank Guarantee for advance payment up to amounts indicated is to be agreed to at the specific insistence by the suppliers and not as a matter of routine.

Foreign Vendor	Indigenous Vendor
FDI MD USD 100,000	Rs. 40 Lakhs or equivalent in FE
ED1 GM USD 25,000	Rs. 10 Lakhs or equivalent in FE

c) Advance payment shall be made to the suppliers who are either approved Vendors of HAL or proprietary sources.

d) Further, in case of advance in foreign currency, advance shall be subject to RBI guidelines issued vide "Foreign Exchange Management Act - 1999, Import of Goods into India" as amended from time to time and, in all cases, the requirement for submission of evidence of import within the prescribed time limit, shall be adhered to.

Advance payment in excess of the limits specified at para b above shall be made against a Bank Guarantee only, from an International Bank of repute situated outside India in the case of foreign suppliers and from a scheduled Bank in India in the case of local suppliers.

(Circular No. HAL/CD/499/2005 dated 19/10/2005)

RETURN OF BANK GUARANTEE RECEIVED AGAINST EARNEST MONEY DEPOSIT (EMD) / ADVANCE PAYMENT / PERFORMANCE BANK GUARANTEE.

BANK GUARANTEE Circular No. GM(F) BC/19-03/120/08 dt. 24lh April 2008 provides the. guidelines for acceptance of Bank Guarantee from Contractors and Suppliers.

2. During the investigation of some of the Purchase Orders placed by Divisions, Vigilance has observed that the EMD submitted during 2005-06 by a firm against some of the tenders where they were unsuccessful have not been refunded yet.

3. It is also seen from various correspondence received from Banks to HAL asking return of Original Bank Guarantee either expired or performed to avoid any misuse further.

4. In order to avoid recurrence of such eventualities and to bring accountability, responsibility & transparency the following needs to be followed.

4.1 Once the L1 has been identified after evaluation of tenders, BGs received in lieu of EMD of unsuccessful parties should be refunded forthwith or before placement of purchase order. In case of re-tendering, original BGs shall be refunded to all the vendors within a week from the date of approval accorded by CFA for re-tender. However, if re-tender is resorted due to withdraw of L1 bidder, then BGs received in lieu of EMD from the L1 bidder will be enchased. To ensure the same, it is advised that the proposal being put up to CFA seeking approval for placement of a purchase order / award of contact shall contain a confirmation that BGs of unsuccessful parties has been refunded and the same to be endorsed by the Finance Dept.

4.2 Bank Guarantees received from Suppliers against advance payments shall be returned after getting respective goods and R/Rs are established.

4.3 Bank Guarantees received against Performance of any contract shall be returned after successful performance of the contract.

4.4 Concerned dept.(IMM, Civil, Maintenance, HR, etc.) and Finance departments should maintain a register having details of BGs submitted by the parties & its refund/return and to monitor outstanding cases of non refund/return of BGs. Suggested format for the register is as under. Details of BG submitted

4.5 Finance Dept. should invariably forward the details of BGs refunded/returned to concerned departments (IMM/works/other user Department) for updating their records.

4.6 Records should primarily be maintained electronically and payments (dues in/out) are recorded in the similar means.

5. Generally Bank Guarantees received by Divisions are opened in the name of HAL, Corporate Office. It is very difficult for corporate office to find out the beneficiary division whenever correspondence from banks received. Divisions to take up the matter with Vendors / Suppliers to insert divisions name invariably.

6. Divisions are requested to take note of this for strict compliance

(Circular No. FIN / C-12 / BG / 10-11 dated 1/31/2011)

Acceptance of Bank Guarantees from Contractors / Suppliers

Enclosed please find letter dated 31.12.2007 from the Chief Technical Examiner regarding Acceptance of Bank Guarantees.

2. Commission has noticed forged / fake BGs 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 submission.

3. To streamline the system and to eliminate the possibility of forged/fake BGs, following guidelines to be adhered to strictly :

(a) 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. The standard format for acceptance of Bank Guarantees has been circulated vides Circular No. FIN/C-12/BANKS/04-05/28 dated 19th November, 2004.

(b) It should be insisted upon the contractors, suppliers etc. that BGs to be submitted by them should be sent to HAL directly by issuing bank under Registered Post (AD.),

(c) 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 HAL with a covering letter to compare with the original BGs and confirm that it is in order.

(d) As an additional measure of abundant precaution, all BGs should be independently verified by HAL with the issuing Bank for authenticity/validity of the same w.r.t the purpose for which it has been sought

4. In the light of the above it may be ensured that in all cases.

(i) Bank Guarantee received from banks/vendors are duly vetted by IMM/Works/respective departments for compliance with the Standard Format before acceptance.

(ii) It should be insisted upon the contractors, suppliers etc. that BGs to be submitted by them should be sent to HAL directly by issuing bank under Registered Post (AD.). A proper clause should be inserted in the Purchase Order / Contract accordingly.

(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 HAL with a covering letter to compare with the original BGs and confirm that it is in order.

(iv) After vetting IMM/Works/respective departments should send original Bank Guarantee to bills payable departments for keeping in the safe custody maintained with Cash department after taking proper acknowledgement from B/P department A Xerox copy of the Bank Guarantee may be kept in the respective file.

(v) Before sending original Bank Guarantee to bills payable department for keeping in the safe custody, IMM/Works/respective department must diarize expiry date of the bank guarantee for timely renewal and timely encashment of BGs without fail.

(vi) Cash Department should enter Bank Guarantee Details with expiry date into Bank Guarantee Custody Register and keep the BGs in the safe custody. All Divisions are requested to follow the above mentioned guidelines.

(Circular No. FIN/C-12/BG/07-08 dated 8/2/2008)

Issue of Revised Bank Guarantee Format

Several guidelines on Bank Guarantees have been issued in the past. In order to streamline the operation and administration of Bank Guarantee, a consolidated circular containing various issues including the responsibilities of the concerned Departments viz. IMM, Finance, Works and IT has been formulated and enclosed herewith for implementation with immediate effect.

2. The Bank Guarantee format as per Purchase Manual for advance payment and security deposit mentions that "The validity of Bank Guarantee will automatically stand extended for further period of time that would be taken for the performance of the said Agreement / Contract / Order plus 60 days after such extended period for performance of the contract". Similarly Performance Bank Guarantee format has also a provision for automatic extension.

3. It has been brought to notice by various Divisions that some of the vendors have expressed their inability to comply with the condition, i.e. the validity of Bank Guarantee will automatically stand extended for further period. In view of the above, the issue was taken up with State Bank of India, our legal adviser M/s Sundarswamy & Ramdas. It has been confirmed by them that any B. G. issued by the bank should have defined time period and not to be open ended ..

4. Accordingly, revised format of B. G. was put up to Management Committee for approval. Management Committee vide it's 251st meeting held on 24th August 2012 has approved the Revised format of Bank Guarantee.

5. Divisions are advised to incorporate appropriate clause in the RFQ / Purchase order/Contract w.r.t submission of BG accordingly, in order to avoid any ambiguity in future.

(Circular No. HAL/FINIBG/2012-13 dated 10/10/2012)

BANK GUARANTEE

Several guidelines have been issued by Corporate Office with regard to the genuineness/authenticity of the Bank Guarantees. Formats as well as action to be taken by HAL on receipt of Bank Guarantee were forwarded vide CO letter No. FIN/ C-12/BG/07-08 Dated 08/02/2008 from Director (Finance) with the following guidelines:

(a) Copy of 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 w.r. t prescribed format.

(b) It should be insisted upon the contractor, suppliers, etc that BGs to be submitted by them should be sent to HAL directly by the issuing Bank under Registered Post (A.D.)

(c) 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 (A.D.) an unstamped duplicate copy of the BG directly to HAL with a covering letter to compare with the original BGs and confirm that it is in order.

(d) As an additional measure of abundant precaution, all BGs should be independently verified by the organization.

2. In order to streamline the procedure of handling Bank guarantees by fixing responsibilities of each department and also to eliminate the possibility of acceptance of any forged/fake BGs, the following guidelines are issued for compliance by all divisions, in supersession of all earlier instruction *j* guidelines on this matter.

3 .1 Responsibilities of Works/IMM/any other user department:-

(a) BGs should normally not be accepted by the Divisions directly from contractor/suppliers. It should be insisted upon the contractor suppliers, that BGs to be submitted by them should be sent to HAL directly by the issuing Bank under Registered Post (A.D.). In this regard, a proper clause is to be inserted in the Contract/ Purchase Order. No. Confirmation of B. G. is required to be obtained from issuing Bank, if the B .G. executed by Scheduled *j* Nationalized Banks is received in Banker's sealed envelope. However, in case of BG to be submitted in lieu of EMD, the original BG should be enclosed along with the offer as per the tender condition and a copy of the same to be sent to HAL directly by issuing bank.

(b) 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 (A.D.) an unstamped duplicate copy of the guarantee directly to HAL with a covering letter to compare with the original BGs and confirm that the same is in order. The reasons for receiving BGs directly from the contractor *I* supplier should be recorded in writing.

(c) If Bank Guarantees are received from Foreign Banks, the foreign vendor may submit BG issued by foreign branches of banks operating in India. Where the foreign bank does not have branches operating in India, the BG issued by the foreign banks should be got confirmed by one of the Scheduled Banks in India. The charges for confirmation of the BG should be borne by the foreign vendor. In case of BG to be issued by foreign banks towards EMD, the original BG should accompany with authentication letter received from schedule bank in India. Otherwise the BG submitted by foreign bank will not be considered.

(i) Foreign Bank Guarantee may be obtained as an unconditional, irrevocable standby Letter of Credit or a guarantee from an international bank of repute situated outside India or a guarantee of an AD Category - I bank in India, if such a guarantee is issued against the counter-guarantee of an international bank of repute situated outside India.

(ii) If Foreign Bank Guarantee is received directly from Foreign Bank then it should be ensured that:

(a) Original Bank Guarantee is in SWIFT MT 760 Format.

(b) Any amendment is in SWIFT MT 767 Format.

(c) Any correspondence is in SWIFT MT 799 Format to avoid any forgery.

(iii) Authentication of International Bank of repute should be obtained from AD Category- I bank in India.

(d) It should be ensured that Bank Guarantee shall be free from all typographical error/ deletions/ inclusions, riders etc., requires to be authenticated by Bank's signatory with official seal.

(e) Bank guarantees submitted by bidders/ contractors/ suppliers should be unconditional and be in the specified formats. The standard format has been circulated vide letter No. FIN/C12/BANKS/04-05/28 dated 19.11.2004. The BGs are to be vetted for compliance with the standard format before acceptance. In case of any specific deviations in the Bank

Guarantee submitted by the vendors, approval of the CFA approving the PO is to be obtained.

(f) In case of work contract, Bank Guarantees placed against Security Deposits for the Civil & Capital item procurement cases, should cover the defect liability period and can be returned on expiry of the defect liability period on production of a certificate from Head of the civil/head of the user department. In case of procurement of capital item through Purchase Orders by IMM, Bank Guarantee towards Security Deposit needs to be obtained for the fulfillment of the performance of the contract/ order and can be returned on execution of contract against production of completion certificate from Head of user department. A separate Performance BG to be obtained to cover warranty period before release of final payment and can be returned on expiry of the warranty period.

(g) In order to have genuineness of the BG, the name, designation and code numbers of the Bank officer *j* officers signing the BGs should be incorporated under the signature(s) of the officials signing the BGs.

(h) In respect of the works contracts costing more than Rs. 10.00 Lakhs, a Bank Guarantee in the prescribed format acceptable to HAL may be accepted in lieu of Security Deposit,. Defect Liability Deposit and against mobilization Advance.

(i) On the completion of the work, the contractor submits the final bill duly signed and certified by the Engineer-in-charge alongwith the various documents prescribed under work procedure. One half of the Security Deposit refundable to the contractor is retained as Defect Liability Period and on the expiry of the Defect Liability Period, the Defect Liability Deposit is refunded to the contractor on the basis of the certificate of the Engineer-in-charge that there are no defects and that there are no dues from the contractor. In this regard, the amount is refunded when it was received in the form of Demand Draft. In case of the Bank Guarantee, the contractor may submit one half of the Security Deposit in form of Bank Guarantee covering 60 days more than the Defect Liability Period before expiry of the Original Bank Guarantee which was deposited in lieu of Security Deposit as per the terms & conditions of the contract at the beginning. The new BG will be retained by the division till the expiry of the same.

j) Maintenance of records having details of BGs, prominently the expiry date and retention of Xerox copy in the respective file and to monitor the progress of execution against P.O/Work order vis-a-vis the expiry date of BG concerned.

(k) Initiating/ taking action for renewal/encashment/return of B. G. (1) Forwarding of BG in original along with copy of the confirmation received from the issuing Bank to Bills Payable Section of Finance Dept within 3 working days under covering letter against acknowledgement of section-in-charge for keeping the same in safe custody. A copy of the confirmation received from the issuing Bank is also required to be enclosed with the Original Bank Guarantee while forwarding the same to Bills Payable Section.

(m) Advising Bills Payable section to return the original BG for forwarding it back to the supplier contractor after the transaction is over.

3.2 Responsibilities of Bills Payable Section :-

(a) Receipt of Original Bank Guarantee from Works/IMM/ any other user department under covering letter against the acknowledgement by section-in-charge of Bills Payable.

(b) Authenticity/validity of the Bank Guarantee is to be ensured within 15 working days from the issuing Bank w.r.t. the regard to the purpose for which is has been issued.

(c) Maintenance of a Bank Guarantee Register (in case of Foreign Bank Guarantee, a separate register is to be maintained) in the format available in the Accounts Manual (Annexure1-14).

(d) Retain a Xerox copy of the Bank Guarantee in the respective Contract/ Purchase Order file.

(e) Keeping of the Original Bank Guarantee in the safe custody. BGs are to be kept in an orderly manner in the safety vault & keeping the expired BGs in separate lot. The same is to be forwarded to Cash Section against acknowledgment by the Cash section-in-charge.

f) Section-in-charge of Bills Payable shall monitor maintenance of BG register and put up the same for verification by Finance Head at least once in a month.

(g) Forwarding monthly report of unreturned expired BG to Works/IMM/any other user department with a copy to ED/GM of the division.

(h) Section-in-charge of Bills Payable shall put up a monthly report to Finance Head in respect of the Bank Guarantees getting expired in the next two months. In case of the same is not renewed during the month, the same is to be highlighted in bold letters in the next monthly report.

(i) Finance Head shall forward the monthly report (para g above) to the Works/IMM/any other user department with a copy to ED/GM of the division for seeking the necessary action from their side.

j) Forwarding the Original Bank Guarantees to Works/IMM/ any other user department on their written request after obtaining the full signature with designation of the representative of Works/IMM/ any other user department.

(k) BGs which have expired after discharge of obligations by the contractor /vendors are to be sent to Works/IMM/ any other User department for returning the same to the contractor /vendors. In this regard, a request is to be received from the Works/IMM/any other User department.

(l) In case, the contractor, supplier etc, fails to submit the Security Deposit either in form of Bank Guarantee or Demand Draft, the deduction could be made from the 1st RAR bill to the extent of the Security Deposit amount.

(m) Failing to submit the BG in time would also attract interest at the Bank Overdraft Rates which is to be deducted along with the penalty clause available in the Contract/ Purchase Order.

(n) In respect of Bank Guarantees received in lieu of Security Deposit, Advance Payment, Defect Liability Deposit and Mobilization Advance. If the renewal of Bank Guarantee is not received by Bills Payable section within one week prior to the due date of expiry, action will be taken to inform the issuing bank invoking the Bank Guarantee with the stipulation that the same can be ignored if the Bank Guarantee is renewed. Due intimation to the concerned department could be given in this regard.

3.3 Responsibilities of Cash & Bank Section:-

(a) Receipt of Original Bank Guarantee from Bills Payable Section against the acknowledgement by section-in-charge of Bills Payable.

(b) Maintenance of a Bank Guarantee Register (in case of Foreign Bank Guarantee, a separate register is to be maintained) in the format available in the Accounts Manual (Annexure1-14) wherein the column stating date of handing over to cash section will be mentioned as Date of Receipt from Bills Payable and the column stating Acknowledgement of Cash section will be mentioned Acknowledgement of Bills payable section.

(c) Keeping of the Original Bank Guarantee in the safe custody. BGs are to be kept in an orderly manner in the safety vault & keeping the expired BGs in separate lot.

(d) Section-in-charge of Cash Section shall monitor maintenance of BG register and put up the same for verification by Finance Head at least once in a month.

(e) Forwarding the Original BG to Bills Payable section after obtaining the full signature with designation of the representative of Bills Payable section.

(f) Submitting a monthly report to Finance Head in respect of the expired Bank Guarantees which are kept in a separate lot.

3.4 Responsibilities of IT Department:- IT department need to incorporate suitable provision in the ERP system of the Division for review and monitoring of BGs by all concerned like creation of database for BG containing value of BG as per terms of each Contract, validity period, timely receipt of BG and its value as per terms of Contact, validity of BG, list of BGs expiring during the month and

subsequent month, to ensure extension of BGs in case of extension of time schedule, generation of exceptional list like Contractor/ Vendor who has not furnished BG, BGs received through Contractor but yet to be verified, Contract extended but validity of BG is yet to be extended etc.

3.5 Revised Bank Guarantee formats are enclosed herewith for:

(i) Advance payment Bank Guarantee
(ii) Bank Guarantee for Security Deposit
(iii) Performance Bank Guarantee

ANNEXURE- 01

Format of Bank Guarantee for Advance Payment

1. In consideration of the HINDUSTAN AERONAUTICS LTD., Division (hereinafter called as "HAL") having agreed to make advance payment to _____ [hereinafter called "the said Contractor/ Supplier(s)"], under Agreement! Contract! Order No. dated (hereinafter called "the said Agreement! the said Contract! said Order"), made between _____ _ and for (indicate the scope of supply), for the due fulfillment of the terms and conditions contained in the said Agreement/Contract/Order, on production of a bank Guarantee for (indicate the amount in Rs / Foreign Currency) (Only), We, , (hereinafter referred (indicate the name of the bank) to as "the Bank") at the request of _____ [Contractor/supplier(s)] do hereby undertake to pay to HAL an amount not exceeding. (indicate the amount in Rs / Foreign Currency) against any loss or damage, costs, charges and expenses, claims caused to/ suffered or would be caused to/ suffered by HAL by reason of any breach by the said Contractor/supplier(s) of any of the terms or conditions contained in the said Agreement / Contract/Order.

2. We (indicate the name of the bank) do hereby unreservedly, irrevocably undertake to pay the amounts due and payable under this guarantee without any demur, merely on demand from HAL within fifteen (15) days of such demand stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by HAL by reason of breach by the said Contractor/Supplier(s) of any of the terms or conditions contained in the said Agreement/Contract/Order or by reason of the contractor/Supplier(s)' failure to perform the said Agreement/Contract/Order. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under

this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding (indicate the amount in Rs / Foreign Currency).

3. We undertake to pay to HAL an amount not exceeding (indicate the amount in Rs / Foreign Currency)so demanded notwithstanding any dispute or disputes raised by the contractor(s)/supplier(s) in any suit or proceeding pending before any Court or Tribunal relating thereto, Our liability under this guarantee being absolute and unequivocal.

4. We, (indicate the name of bank) further agree with HAL that HAL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement/ Contract/ Order or to extend time of performance by the said Contractor/Supplier(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by HAL against the said contractor/Supplier(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement/Contract! Order and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor/Supplier(s) or for any forbearance, act or omission on the part of HAL or any indulgence by HAL to the said Contractor/ Supplier(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. We, (indicate the name of bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of HAL in writing and agree that any change in the constitution of the said contactor(s)/Supplier(s) or Bank shall not discharge the Bank of its liability under this deed.

6. The validity of Bank Guarantee shall be upto.. .. ... (dd/mm/yy) and such date shall be 60 days after the last delivery/Services against the contract. The Bank Guarantee shall continue to be enforce able till all the dues of HAL under or by virtue of the said Agreement / Contract/Order have been fully paid and its claims satisfied or discharged or till HAL certifies that the terms and conditions of the said Agreement/Contract/ Order have been fully and properly carried out by the said contractor/supplier(s) and accordingly discharges this guarantee.

7. This Bank Guarantee shall be governed by and constitute in accordance with Indian Law and shall be subject to exclusive Jurisdiction of Indian Courts.

8. Dated the day of ___ _ (indicate the name of the Bank). for _____ _

ANNEXURE - 02

Format of Bank Guarantee for Security Deposit

1. In consideration of the HINDUSTAN AERONAUTICS LTD, Division (hereinafter called as "HAL") having agreed to exempt [hereinafter called "the said Contractor/Supplier(s)"] from the demand, under Agreement/Contract/Order No. dated (hereinafter called "the said Agreement"/ said Contract/said Order), made between _____ _ and for (indicate the scope of supply) of security deposit for the due fulfillment by the said Contractor/Supplier(s) of the terms and conditions contained in the said Agreement/Contract! Order, on production of a bank Guarantee for (indicate the amount in Rs *I* Foreign Currency)(Only), We, _____ ,(hereinafter referred (indicate the name of the bank) to as "the Bank") at the request of _____ _ [contractor/supplier(s)] do hereby undertake to pay to HAL an amount not exceeding _____ (indicate the amount in Rs *I* Foreign Currency) against any loss or damage, costs, charges and expenses, claims caused to/ suffered or would be caused to/ suffered by HAL by reason of any breach by the said Contractor/supplier(s) of any of the terms or conditions contained in the said Agreement/ Contract/ Order.

2. We (indicate the name of the bank) do hereby unreservedly, irrevocably undertake to pay the amounts due and payable under this guarantee without any demur, merely on demand from HAL within fifteen (15) days of such demand stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by HAL by reason of breach by the said contractor(s)/supplier of any of the terms or conditions contained in the said Agreement./Contract/Order, or by reason of the contractor(s)' failure to perform the said Agreement/ Contract! Order. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding (indicate the amount in Rs *I* Foreign Currency)

3. We undertake to pay to HAL an amount not exceeding (indicate the amount in Rs *I* Foreign Currency) so demanded notwithstanding any dispute or disputes raised by the contractor(s)/supplier(s) in any suit or proceeding pending before any Court or Tribunal relating thereto, Our liability under this guarantee being absolute and unequivocal.

4. We, (indicate the name of bank) further agree with HAL that HAL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement/ Contract! Order or to extend time of performance by the said contractor/supplier(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by HAL against the said Contractor(s)/supplier and to forbear or enforce any of the terms and conditions relating to the said agreement/contact/order and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor/supplier(s) or for any forbearance, act or omission on the part of HAL or any indulgence by HAL to the said Contractor/supplier(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. We, (indicate the name of bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of HAL in writing and agree that any change in the constitution of the said contactor(s)/Supplier(s) or Bank shall not discharge the Bank of its liability under this deed.

6. The validity of Bank Guarantee shall be upto .... (dd/mm/yy) and such date shall be 60 days after the last delivery/Services against the contract. The Bank Guarantee shall continue to be enforceable till all the dues of HAL under or by virtue of the said Agreement/contact/order have been fully paid and its claims satisfied or discharged or till HAL certifies that the terms and conditions of the said Agreement/contact/order have been fully and properly carried out by the said contractor(s)/supplier and accordingly discharges this guarantee.

7. This Bank Guarantee shall be governed by and constitute in accordance with Indian Law and shall be subject to exclusive Jurisdiction of Indian Courts.

8. Dated the ____ day of ___ _ for _____ _(indicate the name of the Bank)

Annexure – 3

FORMAT OF PERFORMANCE BANK GUARANTEE

1. HINDUSTAN AERONAUTICS LTD., Division (hereinafter called as "HAL") have entered into Agreement/Contract/Order _____ (hereinafter called "the said Agreement/ the said Contract/ the said Order, with [hereinafter called "the said Contractor / Supplier(s)"], for
_____ (indicate the scope of supply).

2. Whereas under the terms of the said Agreement/ Contact! Order, the contractor/ Supplier is required to furnish a Performance Bank Guarantee for (indicate the amount in Rs / Foreign Currency) (Only) towards the due fulfillment of the terms and conditions during the agreed time period or extension thereof, and also satisfactory performance of the items supplied to HAL during warranty period as per the warranty terms stipulated in the Agreement! Contract/Order.

3. Accordingly We, (hereinafter referred (indicate the name of the bank) to as "the Bank") at the request of [Contractor/supplier(s)] do hereby undertake to pay to HAL an amount not exceeding (indicate the amount in Rs / Foreign Currency) on the failure of Contractor/Supplier in performance of their obligations as per the terms and conditions of the Agreement/Contract/Order including the satisfactory performance of the item during warranty period as per the warranty terms stipulated in the Agreement! Contract/Order.

4. We (indicate the name of the bank) do hereby unreservedly, irrevocably undertake to pay the amounts due and payable under this guarantee without any demur, merely on demand from HAL within 10 days of such demand stating that the amount claimed is due by way of non performance / unsatisfactory performance by the contractor with respect to the terms and conditions of the Agreement / Contract! Order including failure in satisfactory performance of the items supplied / services rendered under the warranty terms stipulated in the Agreement! Contract /Order. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding (indicate the amount in Rs / Foreign Currency).

5. We undertake to pay to HAL an amount not exceeding (indicate the amount in Rs / Foreign Currency) so demanded notwithstanding any dispute or disputes raised by the contractor(s)/supplier(s) in any suit or proceeding pending

before any Court or Tribunal relating thereto our liability under this guarantee being absolute and unequivocal.

6. We, (indicate the name of bank) further agree that the guarantee herein contained shall remain in full force and effect _during the period that would be taken for the performance of the said Agreement/Contract / Order and that it shall continue to be enforceable till all the dues of HAL under or by virtue of the said Agreement / Contract/Order have been fully paid and its claims satisfied or discharged or till HAL certifies that the terms and conditions of the said Agreement/Contract/Order have been fully and properly carried out by the said Contractor/supplier(s) and accordingly discharges this guarantee.

7. We, (indicate the name of bank) further agree with HAL that HAL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said contractor/Supplier(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by HAL against the said contractor/Supplier(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement/Contract/Order and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor/Supplier(s) or for any forbearance, act or omission on the part of HAL or any indulgence by HAL to the said Contractor/Supplier(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

8. We, (indicate the name of bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of HAL in writing and agree that any change in the constitution of the said contactor(s)/Supplier(s) or the said Bank shall not discharge the Bank of its liability under this deed.

9. The validity of Bank Guarantee shall be upto ..... {dd/mm/yy) and such date shall cover the period of warranty of all the supplies and also the period of defect liability/ warranty period for last batch of supplies. The validity of Bank Guarantee will be for a period upto which the contractor is obliged for due performance of the said Agreement /Contract' Order including the warranty period.

10. This Bank Guarantee shall be governed by and constitute in accordance with Indian Law and shall be subject to exclusive Jurisdiction of Indian Courts.

11. Dated the _____ day of ___ _ for _____ {indicate the name of the Bank).

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 Organisation.

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 3 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 atleast 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 area or those having several subsidiaries the commission may consider approving large number of IEMs but not more than two IMEs 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 Commission.

(Circular No.24/8/08 dated 5/8/2008)

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 submission.

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 bank guarantees.

3. The guidelines on this subject issued by Canara Bank provides for an elaborate procedure, which may be found helpful for the organizations 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 (A.D.) 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 AD. card should be kept with the loan papers of the relevant guarantee. At times, branches may receive letters from beneficiaries, 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 included

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 (A.D.).

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 (A.D.) 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 organizations may frame their own detailed guidelines to ensure that BGs are genuine and encashable.

6. Receipt of the above guidelines should be acknowledged.

(Circular No. 1/1/2008 dated 31/12/2007)

PROCEDURES FOR DEFENCE PROCUREMENT

The Central Vigilance Commission vide its letter No 8(1)(h)/98(I) dated November 18, 1998, has circulated guidelines with respect to procurement procedures that shall be followed in the Ministry of Defence henceforth. The guidelines that are to be followed are reproduced below:-

"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 L1 "i.e. lowest tenderer)"

2. The above stated guidelines supersede all existing guidelines, instructions and procedures including those circulated vide MoD I.D.No. 1(1)/91/PO (Def) dated February 28, 1992 particularly with respect to the paragraphs reproduced below on conduct and activities after commercial bids are opened in defence procurement cases:

"19.1 A two bid system of obtaining Technical and Commercial bids should be followed. Thus, before the latter bids are opened, due consideration shall be given to the acceptability of the variations / differences, if any, in the technical characteristics of the equipment offered by various suppliers. By following such procedure, once the price bids are opened, a conclusive and objective view on the lowest bid will not allow scope for any allegation that extraneous factors had been brought to influence the decision in favour of a particular party. Wherever possible (keeping the security and other relevant aspects in view), wide publicity may be given to the proposed procurement through open advertisement in Newspapers and reputed trade journals, and sealed tenders invited with a view to generating maximum competition (such procedure may be appropriate for standard items of purchase but unsuited to the acquisition of sensitive equipment / weapons systems).

18.2 The offers received should be placed in a box which shall be locked and sealed and opened on notified date/time, by the members of the PNC, in the presence of the bidders or their authorized representatives as may choose to be present.

18.3 It must be made clear during the negotiations with the competing firms that their best technical/financial offers should be made by a stipulated date after the initial price negotiations and that, thereafter, they would not be allowed to make any changes in their offers which would be taken as final. Fixing of such a deadline would impart the requisite degree of seriousness to the process of price negotiations, facilitate receipt of the best offers within a definite time-frame and seek to ensure against the complications sought to be created by certain bidders by making unsolicited offers beyond the stipulated date. Even if such bids, offering further concessions, are received from a competing firm, these should be firmly rejected. However, in case it is consciously decided to take into account a concession offered by any firm after the stipulated date for justifiable reasons, then similar

opportunity shall require to be afforded to all the other competing firms. The PNC shall maintain self speaking record of its work in chronological order. This record shall be page numbered, stitched and signed by the Chairman PNC on the opening page which shall indicate the total number of pages in the bound volume, each page of which shall be initialed by Secretary, PNC or the officer nominated by the Chairman, PNC.

(MOD letter No 5774/JS(P&C)/6167/AS(D)/98 dt 16 Dec 1998)

PURCHASE PROPOSALS

Reference is made to letters No D/617/98/718 dt 21 Feb 98 and No CD/617/99/ 1105 dt 25 Feb 98 issuing certain guidelines to be followed by Complex/Divisions while forwarding purchase proposals to Corporate Office.

2. After issuance of above guidelines, over 200 purchase proposals have been received & processed at Corporate Office. It is observed that in spite of issuance of the guidelines, purchase proposals are being received at Corporate Office with number of deficiencies, resulting in calling for additional information/clarifications/ documents from the concerned Division/Complex. This causes delay in processing the purchase proposals.

3. Some of the deficiencies observed have been summarised and are indicated at Annexure-1. It is also observed that in a few cases, Vendor selection is not based on proper assessment of the capabilities as required vide para 3.5 of the Purchase Manual.

4. Complex/Divisions are requested to avoid recurrence of such deficiencies while forwarding Purchase Proposals to Corporate Office and ensure that the proposals are complete in all respects – Technical, Commercial & Financial. This would enable Corporate Office to process the purchase proposals expeditiously.

(HAL/CD/617/99 dt 02 Aug 99)

BLACKLISTING OF FIRMS

I am directed to say that the Standardised Code for suppliers at present contains the following provisions with regard to the reciprocal arrangements between the Central Govt. and the State Govts. :-

"8. Blacklisting orders issued by Central Govt Deptts and State Govts will be given effect to by both on a reciprocal basis provided an undertaking is forthcoming from the State Govts that the provisions of this

Code will be observed by them. Blacklisting orders issued by the State Govts will be vetted by the Ministry of Industry and Supply (Deptt of Supply & Technical Development) and circulated to other Central Govt Deptts."

The Calcutta High Court has, however, in a recent judgment held that Govt. cannot induce any statutory corporation or any other authority outside Govt Organisation to blacklist a firm. In view of this decision, the Govt. of India has been advised that the question of giving effect to the blacklisting orders by the Central Govt. and State Govts on a reciprocal basis, as contemplated in para 8 of the Standardised Code, is not sustainable. In the circumstances, the blacklisting orders issued by the govt. of India will not in future be forwarded to State Govts. And similarly the State Govts. Also should not forward the blacklisting orders issued by them to the Central Govt.

2. Similar reciprocal arrangements had also been introduced between the Central Govt and the Public Sector Undertakings under their control but in view of the above mentioned judgment of the Calcutta High Court, those arrangements have also been discontinued. In this connection this Department's O.M. No 13(7)/64-V dated the 20th August, 1968 also refers for information.

3. Central Govt. has gone in for an appeal against this decision of the Calcutta High Court and results of this appeal would be communicated to the State Governments.

(GOI, Min Of Works, Housing & Sup Dept Of Sup Lr No 13/7/64-V Dt 26.9.1968)

STANDARDISED CODE FOR SUPPLIERS

This is the Code for dealing with suppliers. All Ministries, Departments and offices of the Central Government shall follow this Code and shall not maintain any separate code of their own.

2. No reference to this Code shall be made in any circumstances in any communication to any party outside the Government or in any pleading or affidavit filed in a Court.

APPROVED LIST OF SUPPLIERS

3. (i) Every Ministry/Department/Office which makes regular purchases, should maintain an up-to-date list of approved suppliers, after taking into consideration their financial standard, capacity, past performance, etc.

(ii) As recommended by the Stores Purchase Committee, it is desirable that there should be co-ordination between the Directorate General of Supplies & Disposals and other departments of the Govt of India with a view to the preparation of a common list of suppliers. For this purpose, the Directorate General of Supplies & Disposals will make available to the Ministries/ Departments the list of approved suppliers maintained by them, and also, periodically, the amendments made to that list.

REGISTRATION/REMOVAL

4. The Head of Office, or any other authority nominated by him, will be competent to include the name of a firm in the list of approved suppliers maintained by that office. Such competent authority may also lay down the conditions and formalities, which have to be satisfied by a firm before its name can be included in the list of approved suppliers. Such an authority will also be competent to order the removal of a firm from the list of approved suppliers.

5. A firm may be removed by the competent authority from the list of approved suppliers if, on account of its performance or other disabilities, it is no longer considered fit to remain on the approved list. Such orders will not be endorsed to other Government departments.

6. Removal from the list of approved suppliers may at the discretion of the competent authority be ordered if a firm :-

(a) (b) Fails to execute a contract or fails to execute it satisfactorily.

(c) No longer has the technical staff or equipment considered necessary;

rules and

(d) Is declared bankrupt or insolvent or its financial position has becomes unsound, and in the case of a limited company it is would up or taken into liquidation.

7. (i) Orders removing a firm from the list of approved suppliers communicated to it together with reasons therefore. It shall not be necessary to give them any opportunity of showing cause against the proposed action. It should, however, be made clear in the orders that it is open to the firm hence forwarded to tender as an unregistered firm.

(ii) A firm, with whom business dealings have been suspended or banned, shall be automatically removed from the list of approved suppliers. The fact of such removal should not be communicated to the firm.

8. In respect of a firm which is registered for more than one item, orders regarding removal on account of reasons mentioned at I and (d) of para 6 above shall apply in respect of all items but, in the case of reasons (a) and (b), however, orders regarding removal may be made applicable in respect of one or more items, as may be relevant.

9. Once removed, the name of a firm may not be restored on the approved list unless it satisfies the normal registration requirements and the competent authority is satisfied that the firm should be registered.

10 Tenders received from a firm, whose name has been removed from the list of approved suppliers, may be given the same consideration as is given to tenders from unregistered parties.

SUSPENSION

11. Suspension of business may be ordered where, pending full enquiry into the allegations, it is not considered desirable that business with the firm should continue. Such an order may be passed :-

(i) if the firm is suspected to be of doubtful loyalty to India;

(ii) if the Central Bureau of Investigation or any other investigating agency recommends such a course in respect of a case under investigation; and

(iii) if Ministry/Department is prima facie of the view that the firm is guilty of an offence involving moral turpitude in relation to business dealings which, if established, would result in business dealings with it being banned.

12. (i) (a) An order of suspension on account of doubtful loyalty shall be passed by the Deptt of Supply.

(b) Such an order shall also be endorsed to and given effect to by all Ministries/ Departments. Such an order shall also be extended to all the allied firms.

(ii) (a) An order of suspension for other reasons shall be passed by the Ministry/Department concerned.

(b) Such an order shall cover all the Attached/Subordinate offices of the Ministry passing the order but it shall not be circulated to other Ministries/Departments. The order shall, however, be extended to the allied firm.

13. Banning of business dealing with a firm shall be of two types: -

(i) Banning by one Ministry including its attached and subordinate offices.

(ii) Banning by all Ministries including their attached and subordinate offices.

I. BANNING BY ONE MINISTRY

14. (i) An order of first type for banning business dealings with a particular firm shall be passed by a Ministry/Department concerned. It will, however, be open to it, before such an order is issued, to consult the Department of Supply, if necessary.

(ii) Such an order may be passed in cases where the offence is not considered serious enough to merit a banning order of the second type, but, at the same time, an order removing the name of the firm from the list of approved suppliers is not considered adequate.

(iii) It shall be passed for a specified period.

(iv) It shall be extended to the allied firms also.

(v) It shall not be circulated to other Ministries/Departments but shall cover all the attached/ subordinate offices of the Ministry issuing the order. A copy of the order should, however, be sent to the Department of Supply.

(vi) No contract of any kind whatsoever shall be placed with a banned firm including its allied firms by the Ministry/Department issuing the order and its attached and subordinate offices after the issue of a banning order. Contracts concluded before the issue of the banning order shall, however, not be affected by the banning order.

II. BANNING BY ALL MINISTRIES

15. An order of the second type for banning business dealings with a firm implies that all Departments/Ministries/Offices of the Govt of India are for bidden from dealing with that firm.

16. The grounds on which banning may be ordered are :-

(i) If security considerations including question of loyalty to the State so warrant;

(ii) If the proprietor of the firm, its employee, partner or representative is convicted by a court of law following prosecution by the Central Bureau of Investigation or under normal process of law for offences involving moral turpitude in relation to business dealings;

(iii) If there is strong justification for believing that the proprietor or employee, or representative of the firm has been guilty of malpractices such as bribery, corruption, fraud substitution of tenders, interpolation, misrepresentation, evasion or habitual default in payment of any tax levied by law;

(iv) If the firm continuously refuses to return Govt dues without showing adequate cause, and Govt are satisfied that this is not due to a reasonable dispute which would attract proceedings in arbitration or court of law; and

(v) If the firm employs a Govt servant, dismissed/removed on account of corruption, or employs a non-official convicted for an offence involving corruption or abetment of such an offence, in a position where he could corrupt Govt servants.

17. (i) Banning of firms and the revocation thereof shall be ordered by the Department of Supply.

(ii) A banning order passed in respect of a firm shall be extended to all its allied firms.

(iii) Such an order shall be endorsed to and automatically implemented by all Ministries/ Departments including their attached and subordinate offices.

18. A banning order shall specify:-

(i) The specific period (permanent if required) for which it will be effective; and

(ii) The names of all the partners, directors etc of the firm and its allied concerns.

19. No contract of any kind whatsoever shall be placed with a banned firm, including its allied firms by all Ministries/Departments/offices of the Government of India after the issue of a banning order. Contracts concluded before the issue of the banning order shall, however, not be affected by the banning order. Particular care should be taken to see that the same firm does not appear under a different name to transact business with Govt. Even in cases of

risk purchase, no contract should be placed on a banned firm.

20. Applications for export/import licences from a banned firm will be dealt with in accordance with the provisions of the Export/Import Act and will not be affected by a banning order issued under this Code. It will, however, be open to the Ministry of Foreign Trade as distinct from the CCI&F, to ban business dealings with a firm, which has been guilty of malpractices involving moral turpitude, in relation to its export/import activities.

21. The supply of controlled raw materials, including imported raw materials, will not be denied to a banned firm. The allotment of such raw materials shall be regulated by the law/rules governing their allocation.

22. A banning order will be circulated to all Ministries/Departments in accordance with the following procedure:-

(i) The Department of Supply will circulate it to:-

(a) All other Ministries/Departments of the Central Govt.
(b) All offices under its control.

(ii) Other ministries and Departments will, in their turn, communicate the order to offices under their control.

REVOCATION OF ORDER

23. (i) An order for banning/suspension passed for a certain specified period shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation, except that an order of suspension/banning passed on account of doubtful loyalty or security consideration shall continue to remain in force until it is specifically revoked.

(ii) An order of banning for reasons mentioned at para 16(ii) above may be revoked if, in respect of the same facts, the accused has been wholly exonerated by a court of law.

(iii) A banning/suspension order may, on a review, be revoked by the competent authority if it is of the opinion that the disability already suffered is adequate in the circumstances of the case.

COMMUNICATION TO FIRMS

24. The decision regarding removal from Registration/Suspension/Banning of business dealings taken after the issue of a show cause notice and consideration of representation, if any, in reply

thereto should be communicated to the firm concerned. (The para as corrected by O.M. No 13(38)/65-V dated 9.10.75).

CLEARING & TRANSPORT ORGANISATION

25. Action against clearing and transport organizations may also be taken under the provisions of this Code.

REVIEW

26. The Ministries/Departments concerned may, on representation or appeals from the firms or even otherwise review banning/suspension orders.

MAINTENANCE OF UP-TO-DATE LIST

27. The Ministry of Supply shall be responsible for keeping an up-to-date list of firms against whom orders of banning of the second type have been issued and circulate every quarter a list of additions and deletions during the previous quarter to all other Ministries.

CLASSIFICATION OF ORDERS

28. Banning and suspension orders shall be classified as `Confidential'.

DEFINITIONS

29. (i) Firm : The term `Firm' used in the Code includes an individual or person, a company, a co-operative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.

(ii) Proprietor : This term includes directors of a private limited company, members of a Hindu undivided family, a member of an association of persons and a Director of a Public Limited Company.

(iii) Allied Firm: All concerns which come within the sphere of effective influence of the banned/suspended firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration :-

(a) Whether the management is common;

(b) Majority interest in the management is held by the partners or directors of banned/suspended firm;

(c) Substantial or majority shares are owned by the banned/suspended firm and by virtue of this it had a controlling voice.

(G O I, Min Of Sup & Rehab, Dept Of Sup Lr No 13/38/65-V Dt 14 Sep 1971)

ANNEXURE – I

OFFICE MEMORANDUM

The undersigned is directed to say that Government or India have decided to suspend/ban business dealings, in the non-statutory sphere, with the firm of M/s ____for a period of ____.

2. The particulars regarding the proprietary/partners of the firm are given below:-

3. The following are the allied firms, and the business dealings with them should also be deemed to have been suspended/banned :-

4. the above mentioned facts shall not be conveyed to the firm(s)/persons not concerned.( )Signature of Issuing Authority

STANDARDISED CODE FOR SUPPLIERS

The undersigned is directed to forward herewith a copy of the revised Standardised Code for suppliers. This Code comes into force with immediate effect.

2. In their O.M. No 47/85/CF/69 dt the 24th November 1969, the Cabinet Sectt had informed the Ministries/Departments etc that before a banning order covering more than one Ministry of Department was passed, the matter should be placed before the Committee of Economic Secretaries and its approval obtained. On the basis of its experience, the Committee reviewed the matter and come to the conclusion that such proposals need not be decided by the Ministries/Department of Supply as indicated below :-

(i) In cases where banning is proposed to be limited to a single Ministry, the appropriate orders could be issued by that Ministry. It will be open to it, before such orders are issued, to consult the Deptt of Supply, if necessary. Copies of all such orders should however, be sent to the Deptt of Supply; and

(ii) Where it is proposed to extend the ban beyond the jurisdiction of the particular Ministry, the requisite orders should be issued by the nodal agency, namely, the Department of Supply.

The above proposals of the Committee have since been approved by the Cabinet and these decisions have been incorporated in the revised Code.

3. An order for suspension under para 11(1) of the Code and an order for banning under para 16(i) of the Code on account of doubtful loyalty or security consideration shall be passed only after consultation with the Ministry of Home Affairs.

4. Where a Ministry/Department is of the view that business dealings with a particular firm should be banned by all the Ministries/Departments, that Ministry/ Department should, after obtaining the approval of the Secretary concerned, forward to the Department of Supply a self-contained note setting out all the facts of the case and the justification for the action proposed, along with all the relevant papers and documents. The Deptt of Supply will arrange for the issue of the necessary orders after satisfying itself that the malpractices etc for which the firm is proposed to be banned comes within the four corners of the provisions of the Standardised Code and that the malpractice, etc is of sufficiently serious nature to justify banning by all the Ministries. This scrutiny is intended to ensure uniformity of treatment in all cases.

5. In the order of suspension or banning business dealings with a firm, no reasons therefore should be given and also no indication should be given that a particular order has been passed with the prior approval, or in consultation with any particular authority. An order should merely indicate that it has been passed by the Govt of India. A proforma in which an order may be passed is enclosed.

(DEPT OF SUP LR NO 13/38/65-V DT 14 SEP 1971)

STANDARDISED CODE FOR SUPPLIERS

1. The undersigned is directed to refer to this Department's O.M. No 13(38)/65-V dated 30.6.75 on the above subject according to which an opportunity by way of a show- cause notice is to be provided to any firm against whom action is proposed to be taken whether by way of removal from the approved list of suppliers suspension/banning of business dealings in compliance with the provisions of the Standardised Code for Suppliers. This has become necessary because of the Supreme Court judgment in the Nithiborwala case.

2. A doubt was raised as to whether the procedure for issue of show cause notice etc would not result in delaying taking decision in such cases especially as these proceedings are likely to prolong in the form of a regular trial. The matter was considered and the following clarifications are issued for the guidance of all concerned.

3. The purpose of the O.M. dated 30.6.75 is only that the firms concerned should be given an opportunity to explain their stand before any action is taken by the Government Departments. Earlier no such opportunity used to be provided and banning orders etc were being issued without the knowledge of the firms involved. The Supreme Court Judgment in the Mithiborwala case made it obligatory for the Government to issue a show cause notice to the firms. It is not intended that the proceedings should prolong in the form a regular trial. All that is required in such cases is that the grounds on which action is proposed to be taken should be disclosed to the party inviting representation and after considering that representation orders may be passed. Such orders require only the subjective satisfaction of the authority who passed the final orders.

(GOI, MIN OF SUP & REHAB, DEPT OF SUPPLY LR NO 13(38)/65-V Dt. 11.2.1975)

STANDARDISED CODE FOR SUPPLIERS

The undersigned is directed to refer to the following observations of their Lordships of the Supreme Court in their recent judgment in the Mithiborewala case (AIR1975 SC p266) :-

> "Order of blacklisting has the effect of depriving a person of equality of opportunity in the matter of public contract. A person who is on the approved list is unable to enter into advantageous relations with a Government because of the order of blacklisting. A person who has been dealing with the Government in the matter of Sale and Purchase of materials has a legitimate interest or expectations. The blacklisting order involves civil consequences. It casts a slur. It creates a barrier between the person blacklisted and the Government in the matter of transactions _. Reputation is a part of person's character and personality. Blacklisting tarnishes one's reputation __. Exclusion of a member of the public from dealing with State in sales transactions has the effect of preventing him from purchasing and doing a lawful trade in the goods is discriminating against him in favour of other people _____. Blacklisting has the effect of preventing a person from privilege and advantage of entering into a lawful relationship with the Government for purposes ofgain__. Fundamentals of fair-play require that the person concerned should be given opportunity to represent his case before his put in blacklist".

2. The ratio decided of the Supreme Court decision reproduced above being that before any order/orders depriving the right of any person or firm to enter into controversial relations with the Government is passed, the latter should be given an opportunity of showing cause against any such order being passed,

has an important bearing on the "Standardised Code for Suppliers" circulated under this Department O.M. of even number of Sept 14, 1971. Hence, the question of revision of the Code has been under consideration of this Department in consultation with the Ministry of Law, Justice and Company Affairs (Department of Legal Affairs). In view of that appeals are pending on the points other than ___ and certain other additional points have also been taken up. In this context, it would not be desirable to make piece-meal revision of the Standardised Code but wait till the aforementioned appeals are disposed of so that the benefit of knowing the views of the Court in respect of all the points is available and which incidentally would help in the revision of the Standardised Code.

3. The Standardized Code for Suppliers envisages in main, the following penal action against suppliers/firms in the circumstances indicated therein :-

(a) "Removal" from the list of approved suppliers
(Para 4 to 10 of the Code)

(b) "Suspension" of business dealings
(Paras 11 & 12 of the Code)

(c) "Banning" of business dealings
(Para 13 t0 22 of the Code)

According to the Ministry of Law though suspension order may be said to be of a temporary character but still, the ultimate effect is the same as that of a banning order. It will place the firm in the same position for the reason that it will be denied the benefit of having advantageous relationship with the Government in so far as trade etc is concerned even though it may be for a temporary period. In this view of the matter, before any suspension order is issued the Law Ministry have held it necessary to give an opportunity to the party to represent his case by issuing a show cause notice. Further, removal would also cause similar civil consequences and as such the same reasoning will also apply to this type of penalty. In short, before an order of removal is passed, delinquent firm. Though the use of the word "blacklisting" has been discontinued and the terminology in vogue is "banning" the Ministry of Law have opined that the ratio decision of the Supreme Court decision in the Mithiborowala's case will apply equally to banning orders. Regarding past cases, the advice is not to reopen them, unless a firm makes a request to review the orders in the light of the judgment of the Supreme Court. In such an event, a decision would require to be taken after study of the merits of each case.

4. As the ruling of the Supreme Court is binding on Government, the Ministry of Defence etc are requested to inform all concerned to take immediate steps to provide an opportunity by way of a show cause notice, to the firm against whom action is proposed to be taken whether by way of

deregistration, suspension or banning of business dealings, in compliance with the principle enunciated by the Supreme Court. The show cause notice should indicate clearly and precisely the charges/misconduct which should be based on facts as can be proved as distinct from mere allegations.

(GOI, Min of Sup & Rehab, Dept of Sup Lr No 13(38)/65-V Dated 30.06.1975)

STANDARDISED CODE FOR SUPPLIERS

1. The undersigned is directed to refer to this Deptt O.M. No 13(38)/65-V dated 30.6.75 d\on the above subject wherein instructions have been issued to the effect that Show Cause Notices should be served on the firms concerned and their representations, if any, considered before issue of orders or removal from the approved list/suspension/ banning of business dealings etc are issued. Ministry of Law have since advised that the ultimate decision taken by the Administrative authority concerned on the delinquent firms representation, if any, should be communicated to them. Ministry of Defence etc are requested to note the above advice for compliance.

2. In view of the above decision para 24 of the Standardised Code is substituted by the following :-

> "24. COMMUNICATION TO FIRMS :
> The decision regarding removal from registration/suspension/banning of business dealings taken after the issue of a show cause notice and consideration of representation, if any, in reply thereto should be communicated to the firm concerned".

3. The specimen form used for issue of circulars regarding banning/suspension of business dealings circulated under this Deptt's O.M. No 13(38)/65-V dated 14.9.71 is hereby cancelled. The revised specimen form to be used for the purpose is annexed to this O.M.

(GOI, Min Of Sup & Rehab, Dept Of Sup Lr No 13(38)/65-V Dated 09.10.1975)

ANNEXURE – I

OFFICE MEMORANDUM

The undersigned is directed to say that Government of India have decided to suspend/ban business dealings in the non-statutory sphere, with the firm of M/s _____for the period of ___.

2. The particulars regarding the proprietary/partners of the firm are given below:-

3. The following are the allied firms, and the business dealings with them should also be deemed to have been suspended/banned :-

The above-mentioned facts shall not be conveyed to the firm(s)/persons not concerned. ( ) Signature of Issuing Authority

STANDARDISED CODE FOR SUPPLIERS AND THE ORDERS OF BANNING/ SUSPENSION OF BUSINESS DEALINGS WITH FIRMS ISSUED IN TERMS THEREOF

The undersigned is directed to refer to the Standardised Code for Suppliers circulated under this Deptt's O.M. No 13(38)/65-V dated 14.9.71. The Standardised Code is classified as `SECRET'. Para 28 of the Code further provides that all banning and suspension orders issued in terms of the code shall be classified as `Secret'. The question whether the Standardised Code and the banning/suspension orders should be classified as `Secret' especially in view of the recent instructions contained in this Deptt's O.M. No 13(38)/65-V dated 30..75 and 9.10.75 providing issue of a show cause notice to the delinquent firm and intimating them of the decision taken, was considered and it has been decided that the classification of the Standardised Code and the banning/suspension orders should be downgraded from `Secret' to `Confidential'.

2. In view of the above decision para 28 of the Standardised Code is hereby substituted by the following :-

"28. Banning and suspension orders shall be classified as `Confidential'".

(GOI, Min Of Sup & Rehab, Dept Of Sup Lr No 13(38)/65-V Dated 23 Mar 1976)

BANNING OF BUSINESS DEALINGS WITH FIRMS

I am directed to refer to this Department letter No 13/7/64-V dated 26th Sept 1968 (copy enclosed) on the above subject wherein it has been stipulated that the blacklisting orders (the term blacklisting is no longer in use now; the term currently in use is "Banning of business dealings") issued by the Government of India will not be forwarded to State Govts and similarly State Govts also should not forward the blacklisting orders issued by them to the Central Government. These instructions were issued on the basis of a judgment by the Calcutta High Court. It was, further provided in the said O.M. that Government have gone in for an appeal against the decision of the Calcutta High Court and that the result of this appeal would be communicated in due course.

2. The judgment of the Calcutta High Court referred to above was given by a Single Judge. The appeal preferred by the Govt was admitted by a Division Bench of the High Court. The appeal, however, was not decided on merits, because it became infructuous on account of the expiry of the banning order imposed against the particular firm before it came up for hearing. The question of further course of action to be taken was considered in consultation with the Ministry of Law who have advised that, in view of the fact that the appeal against the decision of the Single Judge became infructuous, there is no authoritative pronouncement by a Division Bench, that the Deptt may proceed on the basis that the judgment of the Single Judge is not a binding precedent, and if the identical case comes up for consideration it would afford an opportunity to the Deptt to obtain authoritative ruling.

3. In view of the above legal advice the instructions contained in this Department letter No 13(7)/64-V dated 26th September 1968 may be treated as cancelled. The banning orders issued by the Govt of India which are applicable to all the Ministries of the Govt of India will hereafter be communicated to all the State Govts. The State Govts are also requested kindly to convey to this Department, copies of the banning orders issued by them and applicable to all the Deptts of the State Govts. While forwarding such copies they may also kindly help in furnishing brief facts of the case on the basis of which the ban imposed.

(GOI, Min Of Sup & Rehab, Dept Of Sup Lr No 13/7/64-V Dated 27 Feb 1977)

CONSIDERATION OF OFFERS ETC. FROM FIRMS INVOLVED IN BRIBERY OR ALLIED CRIMINAL CASES PARTICULARS OF WHICH ARE CIRCULATED BY THE C.B.I.

A question arose whether quotation/tender received from a firm whose name appears in the list of businessmen, industrialists etc. involved in bribery or allied criminal cases which are circulated by the CBI from time to time can be considered Pari Passu with other quotations.

2. In this respect it may be stated that it is necessary to ban or suspend business dealings with the firm before its Quotations/tenders can be left out of consideration. An order banning or suspending business dealings with a firm can be passed only after issuing a notice to show cause to it why this business dealings with it should not be banned or suspended. The notice should contain the grounds on which it is proposed to take the action. The reply of the firm has to be taken into account before passing an order banning or suspending the business dealings. The grounds on which the business dealings can be suspended or banned and the procedure thereof has been indicated in the standardized code issued by this Department.

3. However, valid and entertainable tenders from firms with whom business dealings have not been suspended or banned in accordance with the procedure laid down by the Standardised Code need not be left out of consideration. This position is brought to the notice of all Ministries/Departments and State Govts./Union Territories for their information.

(GOI, Min Of Sup & Rehab, Dept Of Sup O.M. No 13(4)/79-V Dated 19 July 1979)

PARTICIPATION OF CONSULTANTS IN TENDER – GUIDELINES

Consultants are appointed by the organization for preparation of project report. These appointments 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 proved track record.

Further, during the CVOs 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 organizations had made recommendations or 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 affiliated 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.

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 estimate rates as against the awarded rates which were 20% below the estimated cost. Such over dependence on the consultant can lead to wasteful and in fructuous expenditure, which the organization regrets in the long run meticulous and intelligent examination of the consultant's proposal is therefore essential for successful and viable completion of the project.

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.

(CVC circular No. 98/DSP/3 Dt. 24 Dec 04)

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.

(CVC circular No. 000/VGL/161 Dt. 24 Mar 05)

INCORPORATTON OF FORCE MAJEURE CLAUSE IN CONTRACTS

Enclosed please find the following communications on the subject:

1.1 Letter No:819-II/C(HAL)/2001 dt. 25 Jul 2001 from Under Secy., Ministry of Defence:

1.2 MOO 1.0. NO:34(9)/2000/D(GS-IV) dt. 18 Jul 2001 from JS(RMO/O), Ministry of Defence (GS-IV) alongwith Annexure.

2. It has been advise by MOD based on CVC observations that Force Majeure Clause may not be included suo moto in the Contracts forwarded to the Seller. However, when the Seller insists for inclusion of such a Clause, the case should be examined in the light of the CVC observations, referred to in the letter at para-1 2 above. In case where it is decided to include a force majeure clause in the Contract, the clause as per- Annexure to the letter at para-1.2 above which has recently been got vetted from the Ministry of Law, may be used as a standard

clause. This may please be brought to the notice of all concerned in your division for guidance and compliance.

3. Please acknowledge receipt.

(Circular NO.HAL/CD/701-A/2001 dated 8/21/2001)

FREIGHT AND INSURANCE CHARGES

During the course of scrutiny in one of the Division, it is reported that freight & insurance charges were added as certain percentage of the offer / quotation of the vendor unilaterally as the vendor had not added this element while submitting the Commercial Offer. It was also reported that basis on which a particular percentage of freight & insurance added to the price quoted by the vendor is based on a 'convention' that is being followed.

2. Considering a certain fixed percentage on a 'convention basis' appears to be an arbitrary and questionable decision. i.e following guidelines, in respect of freight & insurance charges for evaluation of offers received from different vendors wherever it becomes necessary to consider the freight & insurance charges in absence of non-availability in the quote, needs to be followed :

a) The percentage of freight & insurance to be adopted shall be based on the 'percentage of total freight & insurance paid to purchases during the preceding year'. This percentage will be forwarded by the Divisional Finance to the IMM department of the Division and shall be applicable during the year for the evaluation purpose. These rates shall be announced once in a year in first week of Financial year.

3. Divisions are advised to take note of this and ensure strict compliance.

(Circular No.HAL/CD/617/2010 dated 5th March 2010)

GUIDELINES FOR FORMULATION OF STANDARD TERMS & CONDITIONS OF CONTRACT WITH DEFENCE PSUS.

The formulation of policy guidelines for standard terms and conditions of contract for Defence PSUS for orders placed by Mob for the users services has been considered by the Defence Procurement Board (DPB) in its meeting held on 1.3.2005.

2. Based on the recommendations of the DPB, it has been decided to lay down the following guidelines for the contract with Defence PSUs:

(i) Indemnity Bond for performance guarantee and Warranty :

In cases, where a Defence PSU has been nominated to undertake particular project or a Defence PSU has been given contract *on* a single vendor basis, submission of Bank Guarantee from the concerned Defence PSU need not be insisted upon. However, the Clauses of Performance guarantee and Warranty should be so structured in the contract that the responsibility of the Defence PSU for providing certified equipment and timely replacement/repair as per Warranty period is not diluted in any way.

(ii) Liquidated Damage (LD)Clause

The existing liquidated damages clause should be retained as such. Any specific case of deviation can be considered depending on the merits of the case by the competent authority.

(iii) Interest on Delayed payment

For the projects, which have the approval of the competent financial authority, there should be a provision of interest on delayed payments.

(iv) Exchange Rate Variation (ERV)

MoD(fin) vide their letter No. F142(21)/2004/IF DP. I1 dated 30th November, 2004 have clarified the position in respect of exchange rate variation. Provisions of this letter will be applicable to DPSUs also.

(v) Arbitration :

Since the number of cases of arbitration in respect of DPSUs will be very few, DG(Acq.) will be arbitrator in such cases.

3. This issues with the approval of Defence Secretary.

(Circular No.4/4/Dir.(Acq)2005 dated 9th December, 2005)

INVENTORY ANALYSIS, LIQUIDATION AND CONTROL

There is an increasing trend in the inventory of HAL and is a cause for concern. It is necessary to analyze the inventory held in the Divisions in depth and take necessary corrective actions for control of inventory. In this regard, the following actions need to be taken by the Divisions :

i) An analysis of the project inventory for all items is to be made based on A, B & C classification.

ii) Action to bring down the inventory to less than one year consumption level is to be made.

iii) Detailed analysis report for all A *8* B class items alongwith itemized corrective measures to be made available for the inventory in stores beyond 201 1-12 production requirement with above analysis only, procurement plan for the year 201 0-11, 2011-12 and 2012-13 to be made.

iv) Warranty Spares : Procurement is to be restricted for bare minimum qty. in such a way the spares are consumed within shortest time and piling up should be avoided.

v) Shelf life items : These items are to be procured in bare minimum qty. as far as possible and with maximum shelf life. While ordering, shelf life items can be covered under LTBA with monthly delivery schedule in line with the production requirements thereby avoiding wastage due to life expiry.

vi) Physical verification : Physical verification of stores inventory should be meticulously carried out for all A & B class items and corrective actions for the discrepancies should be taken with due approval of CFA. If required, help of external agencies / sister Division may be taken to accomplish the task. This activity shall be completed by April 2010.

vii) Disposal of Surplus/redundant item : Action should be taken for disposal of surplus I redundant I life expired items held in inventory on top priority. If, the reason for holding such inventory is due to short closure of programme by the customers, the matter to be taken up with them for reimbursement of the same.

2. It is once against emphasized that all efforts are to be made for controlling the inventory and thus increasing the profitability of the Division/Company.

3. First report to be submitted by 30th April 2010 & thereafter quarterly report be submitted by 1st week after the end of each quarter.

4. This issues with the approval of Director (Finance).

(Circular No. HAL/CD/617 (inventory)/2010 dated 4/16/2010)

LONG TERM BUSINESS AGREEMENT FOR MEETING REPAIR, OVERHAUL REQUIREMENTS.

Majority of HAL's purchasing is on proprietary basis from foreign manufactures/licensors/primary vendors. Most of the requirements for production, repair/overhaul are of repetitive nature.

2. Inspite of the specific features of the project purchases as above, it is observed that the purchasing by the Divisions is mainly based on individual enquiry, offer and ordering thereof on yearly basis. This is resulting in extra effort/manpower, enhanced cycle time and high procurement cost.

3. Keeping the above in view, Corporate Office has been emphasizing the need to enter into Long Term Business Agreement with vendors, to achieve following benefits :

- Better price and Terms/Conditions by combining the requirements for 4-5 years.
- Reduction in Cycle Time
- Improved vendor relationship
- Reduction in cost and effort
- Ease of operation.

In this connection Circulars CD/440/ZB-6/97 /582 dated 19 Nov 97 and CD/440/ ZB-6/99 dated 12 Mar 99 refer.

4. Considering the large number of running projects and the need to enter into Long Term Agreement with number of vendors by each Division, GMs/MOs are authorized to finalise Long Term Agreements subject to the following :

a) Clear visibility about the requirement based on consumption pattern, repair, overhaul tasks/forecasts projected by the customers, as per approved firm & forecast tasks.

b) Staggered deliveries synchronising with annual repair/overhaul tasks to avoid build up of Inventory.

c) Value of annual procurement as above being within the relevant DOP of GMs/MDs. If the value of annual procurement exceeds the limits for GMs/MDs as per HAL DOP, then the case should be put up to Corporate Office for approval of Chainman.

d) The base price under the LTA should correspond to the total quantity proposed to be procured over a period of 4-5 years subject to annual escalation to be mutually agreed.

e) As has been the practice with Aeronautical vendors abroad, during negotiations the vendors should be asked to take cost reduction measures to bring down the price at a later stage.

f) Negotiation with vendors by Committee headed by an officer next below in rank to the authority competent to approve the proposal.

g) Compliance with the Guidelines and Draft Agreement enclosed while finalising LTA.

5. Divisions shall continue to submit monthly reports regarding the progress on Long Term Agreements as per formats forwarded vide letter No.CD/440/ZB-6/99 dated 12 Mar 99.

6. This issues with the approval of Chainman.

(Circular No. CD/440-ZB-6/99/ dated 17 NOV 1999)

PARTICIPATION IN APPROVAL PROCESS

CVC, vide Office Order No.71/12/05, Ref.005NGU66 dt. 9.12.05 has advised that 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. It further states that any member having interest in any Company should refrain from participating in the Tender Committee.

2. As per DOP, procurement proposals are approved by GM/ED/MD/CH/ PSC/ Board as per the financial powers delegated to the CFA in DOP. As such, there is no Tender Committee constituted in HAL either for processing the procurement proposals or approval of the same (except for the limited purpose of opening the Tenders).

3. In view of the above, it is directed that officials involved in following processes should give the undertaking on a format, sample as enclosed, at the appropriate time before approval and the same shall be placed in respective purchase file.

a. Tender Opening
b. Technical Evaluation/Acceptance
c. Commercial Evaluation/Acceptance
d. Negotiating Committee
e. Purchase Proposal

(Circular No. HALICDI61712006 dated 2oth May 2006)

PROCEDURE FOR SELECTION OF SYSTEMS FOR FITMENT ON AIRCRAFT/HELICOPTERS.

A large number of systems are being procured for fitment on the Aircraft/Helicopters being developed/licence produced by HAL. Many of these systems are selected from foreign companies and are integrated on the aircraft. The major criteria for selection of the systems has been their technical suitability to meet the desired performance parameters. Maintenance and product support aspects have not been given their due importance at this stage. This results in the supplier quoting abnormally high prices for subsequent supplies, TOT for ROH and also for repair of the units at their works. In order to address this issue, the following procedure is formulated to be followed by all the Divisions of HAL for selection of any system from foreign vendors.

1) RFQ for the system should clearly bring out the anticipated quantity and the period of requirement in addition to all other technical and commercial requirements.

2) Quotes should be obtained for the prototypes and also for the subsequent series production requirements linked to an escalation formula based on recognized price indices.

3) In case the quantity required is high, TOT for manufacture is to be sought. This aspect is to be decided before issue of RFQ based on the product and the likely investments required considering the technology. In case of strategic technologies, TOT is to be insisted upon.

4) In all cases, RFQ should specify the essential need for TOT for ROH in India. Quotes for the licence fee/documentation cost1Royalty is to be obtained along with the cost of facilities for ROH.

5) Suppliers commitment for technical assistance in setting up manufacturing/ overhaul facilities is to be insisted upon.

6) Supplier has to confirm that he would undertake defect investigation and Repair/overhaul, till the facilities are set up in HAL. Cost of DIIROH is also to be quoted in his offer; with escalation formula similar to equipment supplies. The supplier has to also confirm uninterrupted supply of spares for lifetime product support. List and norms of consumption of spares with their individual prices are to be quoted in his offer. In case of Standard Price Catalogues, copy of the same is to be attached.

8) The lead-time for supply of spares is to be clearly defined to ensure timely procurement action.

9) The supplier has to confirm that any documents pertaining to up-gradation of the system during its course of exploitation will be forwarded.

10) In the event of the supplier not meeting the product support requirements, his offer is to be considered as technically invalid.

12) The proposal will be evaluated on the Life Cycle Cost basis. Copy of the earlier guidelines along with sample Draft TOT agreement is enclosed for ready reference.

2. It is requested that the Divisions ensure that the above aspects are clearly spelt out in the RFQIRFP and the vendors are made aware of our requirements. The Divisions are also to ensure that the above requirements are met while evaluating the offers. Any deviation from the above needs to be put up to Chairman for approval.

3. In case of equipment already selected and the TOT and product support aspects have not been addressed so far, Divisions are requested to take up the matter immediately with the vendors. Lists of such equipment with the supplier details and action status may be forwarded to D(CP&M) by 08 Feb 2006.

PURCHASE ORDER RETURNS (POR)

Reference is made to the above subject.

2. Based on the experience gained and keeping in view the requirements form MOD the existing POR format has been revised to cover the additional data.

3. The revised POR format is enclosed herewith.

4. Divisions are directed to take note of this and ensure strict compliance to forward the POR data on Monthly basis as per the revised POR format commencing from the Financial Year 2012-13.

(Circular No.HAL/CD/622/2012/POR/346 dated 18 JUL 2012)

LIST OF ITEMS HAVING SINGLE VENDORS AND JUST TWO VENDORS

Reference is made to MOD's letter No.l587/Dir (A)/10 dated 29/04/2010 (copy enclosed) on the subject which is self-explanatory.

2. In this regard, list of indigenous items having single vendor, based on the information
furnished earlier by the Division, is attached herewith at Annexure for further action at your end.

(Circular No.HAL/CD/801/pc/2010/877 dated 18/5/2010)

USE OF PRODUCTS WITH STANDARD SPECIFICATION

Please find enclosed a copy of CVC circular No. 98-VGL-25 dated 30 April 07

2. Commission has noticed a case where the user department has requisitioned an item of non-standard size. Requisitioning of item with non-standard size resulted in issue of 'Non-availability certificate' by the Store 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.

3. In order to avoid such occurrences, CVC has reiterated that the items with standard specifications only should be stipulated in the bid documents. In case, item with non-standard specifications are to be procured, reason for procuring such items may be recorded and reasonability of rates must be checked before placing order.

4. Divisions are directed to ensure strict compliance with the above instruction.

(Circular No CD/617/2007/789 dated 6/11/2007)

CONSTITUTION OF TECHNICAL EVALUATION COMMITTEE

It is often seen that technical committee is constituted with reps. from various depts. while tendering for systems for the aircraft/helicopter and capital equipment etc. where technical evaluation needs to be done by the Division for selection of technically acceptable bids prior to opening of the commercial bids.

2. On the basis of the proposals received at Corporate Office, it is observed that there is no uniformity in setting up of Technical Evaluation Committee across the Company. The following is, therefore, suggested:

CFA for approval of the proposal	Board/Procurement Sub-Committee/CH/ MD/ Director	General Manager
Head of Technical Committee	General Manger	The 2nd senior most Executive of the Division in the Technical Discipline
Members	Head of Production Planning Dept.	Rep. of Production Planning Dept. (*)
	Head of Quality Dept.	Rep. of Quality Dept. (*)
	Head of User Dept.	Rep. of User Dept. (*)

(a) In case of sanction by Procurement Sub-Committee & Board, Head Of Corporate Planning or his rep. will be member of Technical Committee.

(b) The Head of Technical Committee may co-opt other members from within & outside Divisions based on the expertise required.

(c) (*) The Reps. will be nominated by the respective Head of Dept.

3. The Technical Evaluation Committee's Report in the existing Purchase Proposal Format needs to bring-out in detail compliance report of each technical feature o f the RFQ, deviations, if any and the reasons for selection/ rejection of bids and should be signed by all the members of the Committee. This Report should bring out acceptance or otherwise of the bids without any ambiguity and make clear recommendation.

4, This issues with the approval of Chairman.

5. Please acknowledge receipt.

(Circular NO.HAL/CD/617/2002/ dated 4/20/2002)

TIME BOUND PROCESSING OF PROCUREMENT

Central Vigilance Commission (CVC) has issued instructions on Time Bound Processing of procurement vide Circular No.31/11/08 dated *06th Nov* 2008 (copy enclosed for reference).

2. Specific reference is made to Para-3 of the above circular which is reproduced below:
"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".

3. Divisions are required to take note of and ensure strict compliance with the above instruction.

(Circular No HAL/C0/617/2008 dated 12/5/2008)

ECONOMY MEASURES AND RATIONALIZATION OF EXPENDITURE IN CENTRAL PUBLIC SECTOR ENTERPRISES (CPSEs)

In view of the continuing rise in global crude oil, Hon'ble Prime Minister has appealed to introduce the utmost economy in our own administration and establishment, reduce expenditure on travel and cut out all wasteful expenditures in our own establishments. Government of India have issued directions for economy measures and rationalization of expenditures vide O.Mo No. 7(1) E. Coord/2008 dated 05 June, 2008 (copy enclosed) in Government expenditure.

2. It has been felt that CPSEs have also an important role in controlling the expenditure particularly on foreign travel, office expenses, publicity, seminar, etc. Accordingly, it has been decided that the CPSEs may take guidance from directions on economy and austerity measures issued by Government of India vide O.M. referred supra for observing austerity in expenditure without affecting their growth and production. Agenda for austerity measures/economy measures should be placed before the board and review of such measures should be made in a board meeting on a quarterly basis.

(DPE O.M. F. No. DPE/3(4)/08-Fin Dt. 04 Jul 2008)

EXPENDITURE MANAGEMENT – ECONOMY MEASURES AND RATIONALIZATION OF EXPENDITURE

1. **Background**

Instruction on expenditure management have been issued from time to time by the Ministry of Finance, Department of Expenditure with a view to ensure availability of adequate resources for meeting the objectives of critical development and priority schemes. These measures are intended at promoting fiscal discipline without restricting the operational efficiency of the Government.

2. **Economy Measures**

In view of the commitment of the Government to carry on the process of fiscal consolidation vigorously and to meet the fiscal and revenue deficit targets announced in the Budget 2011-12, there is need for economy and rationalization of expenditure. In this context, the Budget Division, Department of Economic Affairs has, vide Office Memorandum No 4(5)-W&M/2011 dated May 2, 2011 issued instructions on the steps to be taken for fiscal and expenditure management in 2011-12. In continuation of those instructions, the following measures for fiscal prudence and economy will come into force with immediate effect:-

2.1 Seminars and Conferences

(i) Utmost economy shall be observed in organizing conferences/Seminars/ Workshops. The prescribed expenditure ceilings for holding seminars, conferences, workshops etc. Which are absolutely essential, should be held. A 10% cut on budgetary allocations for seminars/conferences shall be effected.

(ii) Holding of exhibitions/seminars/conferences abroad is strongly discouraged except in the case of exhibitions for trade promotion.

(iii) There will be a ban on holding of meetings and conferences at five star hotels.

2.2 Purchase of Vehicles

(i) Except for the operational requirement of Defense Forces. Central Paramilitary Forces and security related organization, purchase of vehicles, including those against condemnation of the existing vehicles, will not be permitted.

2.3 Foreign Travel

(i) It would be the responsibility of the Secretary of each Ministry/ Department to ensure that foreign travel is restricted to most necessary and unavoidable officials' engagements based on functional necessity and extant instructions are strictly followed.

(ii) Ministries/Departments shall lay down quarterly ceilings based on the annual budget under foreign travel expenses which they may not exceed during the quarter in question. This will enable the Ministries/Departments to priorities and phase their expenditure during the whole year.

(iii) Where travel is unavoidable, if will be ensured that officers of the appropriate level dealing with the subject are sponsored instead of those at higher levels. The size of delegation and the duration of visit will be kept to the absolute minimum.

(iv) Proposals for participation in study tours, workshops/conferences/ seminars/ presentation of papers abroad at Government cost will not be entertained except those that are fully funded by sponsoring agencies.

2.4 Creation of posts

There will be a total ban on creation of Plan and Non-Plan posts, except for new organizations which are set up during the course of the current year based on already approved schemes.

2.5 **Consultancy Assignments**

As per the extant/Instructions, consultancy assignments, are to be awarded based on the provisions of the GFRs. In this context, the provisions of GFRs may be strictly followed and consultancy assignments may be awarded only for specific jobs which are well defined in terms of content and timeframe for their completion. Engagement of consultants may be resorted to only in situations requiring high quality services for which the concerned Ministry/Department does not have requisite expertise.

All Ministries/Departments may carry out a review of the Consultants appointed by that Ministry/Department in the light of the provisions of the GFRs, and reduce the number of Consultants to the minimum requirements, where individual Consultants are appointed by nomination, due economy may be observed while determining their fee and such fees may not be disproportionate to the work to be carried out by the Consultant.

3. **Observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level**

3.1 No amount shall be released to any entity (including State Governments), which has defaulted in furnishing Utilization Certifications for grants-in-aid released by the Central Government without prior approval of the Ministry of Finance.

3.2 Ministries/Departments shall not transfer funds under any plan schemes in relaxation of conditionalities attached to such transfers (such as matching funding).

3.3 The State Governments are required to furnish monthly returns of Plan expenditure-Central, Centrally Sponsored or State Plan – to respective Ministries/Departments along with a report on amounts outstanding in their Public Account in respect of Central and Centrally Sponsored Schemes. This requirement may be scrupulously enforced.

3.4 The following specific steps may be adopted:-

(a) The unspent balances available with the States and implementing agencies must be taken into account before further releases are made.

(b) The sanction for payments must clearly specify either that the payee has no utilization certifications as due for rendition under the Rules under the scheme in question or that the payment has been authorized by Department of Expenditure.

(c) For any deviation from the above, the case should be referred to the Department of Expenditure.

(d) The Chief Controller of Accounts must ensure compliance with the above as part of pre-payment scrutiny.

4. **Balanced Pace of Expenditure**

4.1 Rush of expenditure towards the end of the financial year continues to be an area of concern. As per extant instructions, not more than one-third (33%) of the Budget Estimates may be spent in the last quarter of the financial year. Besides, the stipulation that during the month of March the expenditure should be limited to 15% of the Budget Estimates is reiterated. Ministries/Departments which are covered by the Monthly Expenditure Plan (MEP) may ensure that the MEP is followed strictly.

4.2 It is also considered desirable that in the last month of the year payments may be made only for the goods and services actually procured and for reimbursement of expenditure already incurred. Hence, no amount should be released in advance (In the last month) with the exception of the following:-

(i) Advance payments to contractors under terms of duly executed contracts so that Governments would not renege on its legal or contractual obligations.

(ii) Any loans or advances to Government servants etc. or private individuals as measure of relief and rehabilitation as per service conditions or on compassionate grounds.

(iii) Any other exceptional case with the approval of the Financial Adviser. However, a list of such cases may be sent by the FA to the Department of Expenditure by 30th April of the following year for information.

5. **Compliance**

Secretaries of the Ministries / Department being the Chief Accounting Authorities as per Rule 64 of GFR shall be fully Charged with the responsibility of ensuring compliance of the measures outlined above. Financial Advisers shall assist the respective Departments in securing compliance with these measures and also submit an overall report to the Minister-in-Charge and to the Ministry of Finance on a quarterly basis regarding various actions taken on these measures/guidelines.

(Ministry of Finance OM No 7(1) E Coord/2011 Dated 11-07-2011)

GUIDELINES FOR INVESTMENT OF SURPLUS FUNDS BY PUBLIC SECTOR ENTERPRISES

The Joint Parliament Committee (JPC) which enquired into the irregularities in securities transactions had adversely commented on certain investment decisions made by certain PSEs. The Committee had desired that Government should lay down clear guidelines governing investment of surplus funds by Public Sector Enterprises to avoid recurrence of instances of misuse of funds.

2. The Government have considered the observations of the Committee. The undersigned is directed to advise that PSEs should observe the following guidelines in regard to investment of surplus funds.

(i) Investments should be made only in instruments with maximum safety.

(ii) There should be no element of speculation on the yield obtaining from the investment.

(iii) There should be a proper commercial appreciation before any investment decision of surplus funds is taken. The surplus availability may be worked out for a period of minimum one year at any point of time.

(iv) Funds should not be invested by the PSE at a particular rate of interest for a particular period of time while the PSE is resorting to borrowing at an equal or higher rate of interest for its requirements for the same period of time.

(v) Investment decision should be based on sound commercial judgment. The availability should be worked out based on cash flow estimates taking into account working capital requirements, replacement of assets and other foreseeable demands.

(vi) The remaining period of maturity of any instrument of investment should not exceed one year from the date of investment where the investment is made in an instrument already issued. Where investment is made in an instrument newly issued, the final maturity of the instrument should not exceed one year.

(DPE letter No DPE/4/6/94-Fin dt 14 Sep 94)

GUIDELINES ON INVESTMENT OF SURPLUS FUNDS BY PUBLIC SECTOR ENTERPRISES

The Joint Parliamentary Committee (JPC) which enquired into the irregularities in securities transactions had adversely commented on certain decisions of the public sector enterprises in the matter of investment of surplus funds. The Committee had desired that clear guidelines be laid down about investment of surplus funds by public sector enterprises in order to ensure that no misuse of PSU funds recurs. In pursuance of the observations of the JPC, the Government had issued detailed guidelines vide OM of even number dated 14th Dec 94. However, as the guidelines dated 14th Dec 94 was a broad outline of the policies in the matter of investment of surplus funds, a need for clarification on specific points has been felt in view of certain queries made by the PSEs and the financial institutions. The clarifications in continuation of the earlier guidelines of 14.12.94 are given below.

(a) The guidelines dated 14th Dec 94 stipulates in paras 2(i) and 2(ii) that there should be no element of speculation on the yield in respect of investments made by PSUs. It is clarified that PSUs therefore will not be allowed to invest their surplus funds in UTI and other public and private mutual funds as they are equity based and are, therefore, inherently risky.

(b) Para 2(iii) of the earlier guidelines indicated that there should be a proper commercial appreciation before any investment decision of surplus funds is taken and that the availability of surplus funds may be worked out for a minimum period of one year at any point of time. The Government now feels that as the availability of surplus funds with the PSUs is for short duration, the preparation of advance estimates of surplus funds for one year may be difficult. The public enterprises are therefore advised to make their best estimates of the availability of surplus funds in consultation with their administrative Ministry.

(c) Para 2(vi) of the earlier guidelines states that the remaining period of maturity of any instrument of investment should not be exceeding one year from the date of investment where the investment is made in an instrument already issued. The Government have now decided that while one year ceiling on the remaining maturity period shall hold good for the general instruments, the public enterprises can also select treasury bills and Government of India securities up to three years maturity period for the investment of surplus funds.

(d) The guidelines of Dec 1994 have stated that the Term Deposits may be made with any scheduled commercial bank (i.e., bank incorporated in India) and with a paid up capital of at least Rs 100 crores, fulfilling the capital adequacy norm as prescribed by the RBI from time to time. It has now been decided that instead of the condition of Rs 100 crores as paid up capital there will be a condition of Rs 100 crores as `net worth' of the bank, i.e., the paid up capital plus free reserves of the bank should not be less than Rs 100 Crores.

(e) The guidelines of 14th Dec 94 under para 3(ii) envisage that the investment may be made in instruments which have been rated by an established Credit Rating Agency and have been accorded the highest credit rating signifying highest safety, e.g., Certificates of Deposits. Deposit Schemes or similar instruments issued by scheduled commercial bank/term lending institutions including their subsidiaries as well as commercial paper of corporate. It is clarified that credit ratings issued by rating agencies are broadly classified as investment grade and non-investment grade. Since "highest credit rating" would mean the top most in the investment grade which would limit choice and probably lower the overall yield, PSUs will now be free to invest in instruments falling under investment credit rating.

(f) The earlier guidelines also envisage that Inter-corporate loans shall be permissible to be lent only to Central PSUs which have obtained highest credit rating awarded by one of the established Credit Rating Agencies for borrowing for the corresponding period. The Government reiterate that inter-corporate borrowing programme can also be credit rated by rating agencies and the public enterprise may invest surplus funds only on the basis of such ratings. This would help to avoid the instances of the enterprise providing friendly support to other enterprise on considerations other than safety.

2. The public enterprises are advised to keep the above clarifications in view together with the guidelines given in the OM of even number dated 14 Dec 94 before deciding investment of their surplus funds in any instrument. Further, the existing holding of the enterprise in the UTI schemes or similar schemes of various other public sector and private sector mutual funds have to be disinvested to fall in line with these guidelines. Such investment may however be phased out without running the risk of capital loss with due approval from the Boards of the Public Enterprises.

(DPE OM No DPE/4(6)/94-Fin dated 01 Nov 95)

GUIDELINES ON INVESTMENT OF SURPLUS FUNDS BY PSUs

Reference is invited to the OM of even number dated 14.12.94 and the subsequent clarifications issued by DPE vide OM dated 1.11.95 on the above mentioned subject. Through these OMs the PSUs were advised that the investment of surplus funds in UTI and other public and private sector mutual funds should not be made as they are inherently risky. The PSUs were further advised that the existing holdings of the enterprises in UTI or other similar schemes of various other mutual funds be disinvested to fall in line with these guidelines and such liquidation of holdings be phased out without running the risk of capital loss.

2. The matter has been further examined by the government and it has now been decided that the existing holdings of PSUs in various schemes of UTI and similar mutual funds schemes of other public sector and private sector mutual funds may be phased out over a period of three years.

3. The administrative Ministries/Departments are requested to suitably advise the public enterprises under their administrative control to strictly comply with these guidelines.

(DPE letter No DPE/4(6)/94-Fin dated 11 Mar 96)

INVESTMENT OF SURPLUS FUNDS BY PSUs

The Government vide OMs of even number dated 14th Dec 1994, 1st Nov 1995 and 11th March 1996 issued detailed guidelines on investment of Surplus Funds by the Public Sector Undertakings. Para 2 of the guidelines dated 1.11.1995 mentioned “the existing holdings of the enterprises in the UTI Schemes or similar schemes of various other Public Sector and Private Sector Mutual Funds have to be disinvested to fall in line with these guidelines. Such investment may, however, be phased out without running the risk of capital losses with due approval from the Boards of the Public Enterprises”. Further, the OM dated 11.3.96 advised that the existing holdings of PSUs in various schemes of UTI and similar mutual fund schemes of other Public Sector and Private Sector Mutual Funds may be phased out over a period of three years.

2. The Government have further reviewed the situation. Taking into account the various factors regarding establishment and investment activities of UTI and recognition of Units as eligible securities under the Indian Trusts Act, 1882, and the regulatory frame work of SEBI, it has been decided to remove the existing restrictions on investment of surplus funds of PSEs in the Units/Schemes of UTI as contained in the above mentioned guidelines.

3. The above clarifications may please be kept in view by the Boards of Public Sector Enterprises while taking decision to invest/disinvest in the Units of UTI. The administrative Ministries may please advise suitably the PSUs under their administrative control.

(DPE OM No DPE/4/6/94-FIN dated 14 Feb 97)

INVESTMENT OF SURPLUS FUNDS BY PSUs

In this Ministry's circular No 856/Addl.FA(B)/1591/SDPS/93 dated 27 May 93, instructions were issued that cash surplus Defence PSUs in the matter of Inter Corporation Deposits (ICDs) and that interest on such ICDs should be as are applicable to Cash Credit. Since the issue of these instructions, DPEs have issued comprehensive guidelines in their Office Memorandam dated 14.12.94 and 1.1.95. These instructions inter-alia envisage that ICDs should be given to only Credit rated Central PSEs. The idea of credit rating is essentially to ensure the safety of the investments. In the context of inter-Defence PSUs, ICDs there need be no apprehension as to the safety of the investments as all DPSUs come under the administrative control of this Department. While Credit rating will continue to be obtained by the borrowing DPSUs as stipulated in DPE guidelines, it is clarified that surplus DPSUs should continue to accord preference to other needy DPSUs in the matter of ICDs. It is also reiterated that interest on ICDs to the given DPSUs will not be more than the rates applicable for cash credit of the borrowing DPSU. For other Central PSEs it can be at market rates.

2. It is necessary that the DPSUs should keep their borrowing to the barest minimum and not seek ICDs as a matter of course. It is also important that they make repayment of principal and payment of interest on due dates and not ask for renewals as a matter of course.

3. These instructions outlined above may be following scrupulously. The Government Directors of the DPSUs will render necessary assistance in smooth implementation of these instructions.

(MOD (DPS&S) letter dated 15 Apr 1996)

NOTIFICATION

In exercise of the powers conferred by clause (a) of sub-section (3) of section 17 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952) and in supersession of the Notification of the Government of India, Ministry of Labour No S.O.937 dated 27th March, 1997 the Central Government hereby directs that every employer in relation to an establishment exempted under Clause (a) or Clause (b) of sub-section (i) of Section 17 of the said Act or in relation to any employee or class of employees exempted under paragraph 27, or as the case may be, paragraph 27A of the Employees' Provident Funds Scheme, 1952, shall transfer the monthly provident fund contributions in respect of the establishment or, as the case may be of the employee or class of employees within fifteen days of the close of the month to the Board of Trustees duly constituted in respect of that establishment, and that the said Board of Trustees shall invest every month within a period of two weeks from the date of receipt of the said contributions from the employees the provident fund accumulations in respect of the establishment or as the case may be, of the employee or class of employees that is to say, the contributions, interest and other receipts as reduced by any obligatory outgoings in accordance with the following pattern, namely:-

S.No	Investment Pattern	Percentage amount to
(i)	Central Government securities as defined in Section 2 of the Public Debt Act, 1944;	Twenty-five percent
(ii)	(a) Government Securities as defined in Section 2 of the Public Debt Act, 1944 (18 of 1944) created and issued by any State Government; and/or (b) Any other negotiable securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government except those covered under iii(a) below	Fifteen Percent
(iii)	(a) Bonds/Securities of `Public Financial Institutions' as specified under Section 4(a) of the Companies Act; "Public Sector Companies" as defined in Section 2(36-A) of the Income Tax Act, 1964 including public sector banks and the Infrastructure Development Finance Company Limited (IDFC); and/or	Forty Percent
	(b) Certificate of deposits issued by public sector banks.	

(iv)	To be invested in any of the above three categories as decided by the Trustees.	Twenty-five percent
(v)	The Board of Trustees, subject to their assessment of the risk-return prospects, may invest upto 10% out of (iv) above, in private sector bonds/securities which have an investment grade rating from at least two credit rating agency.	

2. Any money received on the maturity of earlier investments reduced by obligatory outgoings, shall be invested in accordance with the investment pattern prescribed in this Notification.

3. Interest received on the Special Deposit Scheme shall be invested in the Special Deposit Scheme itself. Similarly, interest received under other categories shall be re- invested in the same category.

4. The investment pattern as envisaged in the preceding paragraphs may be achieved by the end of a financial year and is effective from the 1st Apr 1998.

(Ministry of Labour Notification No - F.No G-20015/2/93-SS-II dated 07 Jul 98)

PROCEDURE FOR PAYMENT BY CHEQUES

Procedure for payment of cheques is laid down in Para 4.2.2 of Chapter-4 of Accounts Manual. As per the procedure prescribed, the signed cheques are to be sent to Purchase Dept for collection of documents or they are to be sent directly to the parties by the Cash Section. In any case, cheques should not be handed over to the parties who call on at the Cash Office. However, instances have come to the notice of Corporate Office that in some Divisions, cheques are being handed over to parties directly who call on at the Cash Office. Such a system is not in accordance with the accepted procedure and hence it is desirable that such practice should be desisted.

2. In order to bring in uniformity across the Company thereby streamlining the procedure, following guidelines are issued, which also reiterates the procedure prescribed in Accounts Manual.

(a) Signed cheques should not be handed over to the Section passing the vouchers for payment or the Dept who executes the job. To facilitate posting of cheques directly to the payee/suppliers a covering note/letter is to be prepared by the Section passing the Bill and such covering note/letter is to be handed over to the Cash Section to dispatch the cheques. Cashier in turn prepares the cheque, enters the cheque No, date, Bank etc on the

covering note/letter and forwards the covering note/letter alongwith the cheque to Dispatch Section. Dispatch Section, in turn sends the cheques to the addressee only by Registered Post with A/D. Under any circumstances, (except with the written approval of GM, cheques should not be handed over to the parties who call at the Cash Office for collecting cheques except in cases of cheques against delivery).

(b) Cashier should maintain a Register showing the date of receipt of Bills in the Cash Section and date of payment. All Bills should be paid on "first- in-first-out" basis and under no circumstances; discretion should be exercised to give preference to a particular Bill.

(F/FIN/C-28/97/1111 dated 05 Apr 1997)

PROCEDURE FOR PAYMENT BY CHEQUES

Reference is made to Corporate Office Circular of even reference, dated 05 Apr 97 on the subject.

2. The guidelines issued therein have been reviewed in the light of feedback received from some of the divisions with regard to small value miscellaneous payments and remittance to Local authorities / State / Central Govt Depts.

3. In partial modification of the existing guidelines, it is clarified that in the following cases, cheques could be handed over to the parties directly or to the Dept responsible for monitoring the works/services:

* Payment to Auto rickshaw Carrier.
* Payment to small contractors like Washer man, Book-binder, Re-caner, News paper vendors' etc.
* Other similar petty/contingency payments not exceeding Rs 1,000/- each.
* Payment to petrol dealer.
* Cheques relating to fee for participation in local/outside seminars.
* Cheques for releasing of documents from banks.

4. Further, in respect of remittances/payments to local authorities and State/ Central Govt Depts., such as payments to Jal Nigam/Electricity Board/Telephone/ Municipal Corporation/Sales Tax/Income Tax etc. Where it is required to deposit the cheques and obtain the receipt/Challans by deputing company representatives, cheques may be handed over to the concerned Dept of the division responsible for arranging such remittances/ payments.

5. Subject to the above modifications, the other guidelines contained in Corporate Office circular dated 05 Apr 97 should be strictly adhered to.

(FIN/F/C-28/00-01/148 dated 16 Oct 2000)

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.

(Circular No. 4CC-1-CTE-2 dated 8.6.2004)

BANK RE-CONCILIATION STATEMENT

It has come to the notice of the undersigned that despite various letters from Systems Audit, and the dissemination of information on certain frauds that have occurred in one or two Divisions of HAL, the action in respect of regular preparation of BRS is still lying behind schedule by several months.

2. FCs are requested to ensure that BRS is prepared on a regular basis and got coordinated and checked by applicable authorities including the Systems Audit.

3. Urgent action on the matter is requested.

(Circular No. SYAICO/BRS/2012-13 / 157 dated 23rd August 2012)

CHEQUE AGAINST DELIVERY

It was observed during the course of system audit that there have been certain irregularities regarding the payment term "Cheque against delivery". It is seen that in many cases the items are accepted without inspection, cheque handed over to the supplier and later on the items are rejected. The Divisions are not able to get replacement or refund in such cases for long periods of time resulting in blocking up of funds and non-availability of material in time for production.

2. In the first place, this payment term should be avoided and credit terms insisted upon so that outgo of funds of the Company can be properly planned. The Divisions are advised that this payment term should be accepted only in very emergent situations resulting in stoppage of production. Even then, the cheque should be handed over to supplier only after inspection and acceptance of material. In all other situations credit terms must be insisted upon.

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

4. This issues with the approval of Director (Finance)

(Circular No. SYA/CIRCULAR/99/002 /202 dated 9/22/1999)

INTERNAL AUDIT GUIDELINES

The Appointment of the internal Auditors for the period 1st October 2010 to 30 th September 2012 has been finalised on the basis of a two stage tendering process. The first stage involved the technical evaluation of firms on the basis of an invitation for Expression of Interest in the Journal of the ICAI. Around 313 CA firms applied and a shortlist of 104 CA firms was made on the basis of pre-notified selection criteria and marking system. Commercial Tenders were sent to these short listed firms and 93 in time offers were received. Final selection of CA firms was on the basis of L1 for each Division. As a result highly competitive Audit Fees have been obtained.

Reflecting the professional competence of the Company in fine with our mission objectives, certain guidelines in respect of interaction with the internal Auditors are now being given and may be strictly adhered to.

In the light of experience in some of the Divisions in the recent past, it is essential that all efforts are made to ensure that the auditors are not forced to idle waiting for passes etc. while ensuring strict compliance with security procedures. We have asked the Auditors to submit comprehensive lists of their team to streamline the issues relating to passes. Further the entry of auditors at the gate and movement to the Finance department may be looked after by the GMJs office

with the assistance of the finance department. The chief of security in the Division may also be suitably advised by GM on the matter. However laid down security procedures will be followed.

When the auditors initially report, GMs may introduce them to their Committee of Management and explain the organization structure of the Division. They may also meet the Auditors during their stay in the Division to monitor the progress of work. However day to day interactions will be facilitated by the Finance Heads. The Auditors have been instructed to brief the GMs on their Audit findings before submission of their report and the GMs may please facilitate this and avoid situations where the requirement of this meeting delays submission of the Audit report. As many of the Audits will be from outstations, Finance heads may kindly give a realistic time schedule to the Internal Auditors regarding the position of the accounts and threadbare discuss the issues relating to the modus operandi of the Audit. This is essential for ensuring productive use of the time available for the Audit.

The Internal Auditors enable improvement in the quality of the accounts by suggesting measures to more correctly reflect the financial position of the Company, corrections to items like depreciation calculations, errors in capitalization, accounting

treatment issues etc. Consequently it i s imperative that they be given free access to information and serious consideration of their opinions.

Co-operation is requested in the implementation of these guidelines to enable HAL to present a total professional approach to the internal Audit.

(Circular No. SYA/CO/Int. Audit/201 0-12 dated 29/09/2010)

RECOVERY OF TAXES AND DUTIES ON SUPPLIES MADE TO VARIOUS CUSTOMERS

Recently MAB had raised an Audit para on one of the Divisions and the Division had agreed for a firm and fixed price in the PNC which did not cater for the recovery of the taxes payable by HAL, even when there was no mention in the PNC minutes about the taxes nor in the order placed on the Division. The Division did not also refer back to the customer for inclusion of a provision for reimbursement of taxes payable. When the division executed the order and preferred the invoices, it had not included the sales tax in the invoice. Subsequently, when the invoice was raised separately for the sales tax payable by HAL, the customer rejected the invoices on the grounds that the PNC had agreed for a firm and fixed price and the Division had already been paid based on

these agreed prices. On persistent follow up, the customer advised HAL to produce documentary evidence of the payment to re-consider the matter. However, since the Division had not paid the sales tax, and had appealed against the proposition notice issued by Sales Tax Authorities, the documentary evidence could not be presented.

2. All the Divisions are aware that supplies from HAL are exclusive of taxes and duties. The terms and conditions of contract with the customer should clearly stipulate that taxes and duties are payable extra. It needs to be ensured by the Divisions that HAL is not put to any avoidable loss towards statutory levies which are clearly recoverable from the customer in addition to the agreed price.

3. In order to ensure this, the following guidelines are issued.

(a) Quotations issued to the customers should clearly indicate that taxes and duties are payable extra.

(b) During PNC discussions, the Divisions need to emphasize this fad and get the same duly recorded in the minutes.

(c) If any order is issued by the customer which does not cater for payment of statutory levies, the Division should immediately take it up with the customer for proper incorporation of a suitable clause.

(d) The Division should forward the invoice for the supplies made clearly indicating the basic agreed price and taxes and duties leviable separately as per the contract / order and ensure that HAL is not out of pocket in this regard.

(Circular No. SYA/GENL/3/2002/66 dated 5/14/2002)

REGULARIZATION OF BANK CHARGES

The Corporate office has been negotiating concessional rates in respect of various bank transactions and advising them periodically to Divisions. Further while placing Purchase Orders, Divisions have also negotiated with Vendor to bear bank charges in respect of establishment of LCs, Retirement of documents etc. In cases, where Vendors request for extension of time, Divisions invariably try and make the Vendor bear the charges for amendment of LCs.

Accordingly, action may please be taken to ensure that banks are extending these concessional charges to HAL. Further, Purchase Order condition in respect of these bank charges may be carefully examined and strictly adhered to and watched while accepting debits from the bank for these transactions.

Heads of Systems Audit may verify the Bank charges levied by the Bank, after ascertaining the concessional rates, and report to the undersigned regarding the correctness of the charges and compliance with Purchase order condition / amended condition on a monthly basis.

(Circular No. SYA/CO/Circular/08-09/44/136 dated 6/27/2008)

REJECTION ANALYSIS

As a part of the system study, the Systems Audit is carrying out a review on rejections. It is stated that higher rate of rejection beyond the accepted norms results in slippage in production leading to reduction in our targeted sales apart from loss on account of our value addition in addition to material cost. Hence there is a need to keep a close watch on the rejections and its causes needs to analysed and Timely action to be taken to contain rejections within the accepted norms and to ensure progressive reduction in percentage of rejection to VOP year after year.

2. In order to ensure that the study is systematically conducted covering the various aspects of rejection analysis, a questionnaire has been evolved for this purpose and enclosed.

3. The study may be undertaken and draft report based on this study may be issued to the quality and Finance Heads of the division with a copy to AGM(SYA), C.O. This report will summarise the findings duly supported by data listed out in the questionnaire. The same may be discussed at the draft stage with the concerned Quality / Finance Head within a fortnight of issue of the draft report. Thereafter, the draft final report incorporating the views of the audit and giving further views of Audit Cell giving their conclusions may be forwarded to AGM (SYA), C.0 which will be issued to the GM of the division with a copy to concerned MD.

4. The Audit Cell will liaise with the Division, obtain the replies and forward the same to C.O with their views / recommendations to enable C.Oto take further remedial action if need be.

(Circular No. AGM(SYA)/GENL/2000-01 dated 27 Oct /2000)

GUIDELINES OF RECEIPT, RETENTION, RENEWAL AND RETURN OF BANK GUARANTEES

As per direction of the Audit committee in its 13th Meeting held on 18.11.2 004, Systems Audit department carried out a detailed study on the Bank Guarantees (BG) held in the Divisions. The study focused on BGs which have

expired but should have been renewed and thus exposing the Company to financial risk. Other areas covered included maintenance of BG Register, conformance to the standard format for BGs circulated vide letter *No.* / FIN/C-12/Banks/04-05/28 dated 19.11.01, Return of expired BGs to the contractors, etc.

2. Systems Audit has come across few cases where :

(i) BGs needing extension, have not been taken up for renewal before their expiry.

(ii) BGs received are not in line with the standard formats nor deviations approved by CFA.

(iii) BG Register is not updated regularly and authenticated by the officer - in - charge.

(iv) BGs are not kept in safe custody in Cash Office and instead are kept in the files of Purchase Department or Bills Payable section.

(v) BGs are not returned to the vendor / bankers after completion of supplies, expiry of warranty period etc.

(vi) BGs are not properly monitored to ensure initiation of action for renewal of the BGs before expiry wherever required.

3. In the light of above, following guidelines are issued for compliance by all Divisions.

(a) BGs accepted shall be in line with the Standard formats circulated to all Divisions. If any modifications are necessary, the same shall be agreed mutually and the deviation approved by CFA based on PNC's recommendations at the time of approval of proposals.

(b) BGs received Banks shall be only from Scheduled banks.

(c) In respect of BGs from foreign bankers, the foreign vendor may submit BG issued by foreign branches of banks operating in India Where the foreign bank of the vendor does not have branches operating in India, the BG issued by the Overseas Bank should be got confirmed by one of the /schedule Banks in India. The charges for confirmation of the BG should be borne by the foreign vendor.

(d) BGs for advance payment / security deposit or performance Bank Guarantees re received by IMM / Department concerned from the vendors or contractors.

(e) IMM will forward the original BGs to the paying authority i.e. Bills payable in charge with a forwarding memo after vetting the BG with reference to the format etc. (Refer leper dated 19.11.04).

(f) Bills Payable Office in charge shall make an entry in the Register of BG (para 1.5.5 Annexure 1-14 of Accounts Manual).

(g) Bills Payable in charge shall send the BGs to Cash Office for keeping them in safe custody after entering date in the BG register maintained by them.

(h) BGs held in the division are to be monitored periodically by the, officer in charge of Bills Payable Section. A monthly report shall be put up to the Finance Head of division for review and necessary action.

i) Wherever BG needs extension, It shall be taken up with IMM or the user Department for extension.

(j) A monthly Report on the BGs highlighting the expired BGs needing extension as per requirements of contract / purchase order should be placed by Chief of IMM for information of GM.

(k) BGs which have expired after discharge of obligations by the vendors are sent to IMM / user department for return to the vendors / Banker after making an entry in BG register.

4. This issues with the approval of DF.

(Circular No. SYA/GENL/2004-05 dated 1/24/2005)

SUPPLY AND COMMISSIONING OF THE EQUIPMENT

During the course of review, Systems Audit has observed the following shortcomings regarding procurement, supply and commissioning of capital equipment and accounting thereof:

(a) Considerable delay in commissioning of equipment due to non-availability of site, infrastructure facilities, delay in supplies, defective PO terms not clearly specifying time frame for installation and commissioning etc.

(b) In some cases full value of the equipment has been paid to vendors without installation and commissioning.

(c) Loss of Warranty benefit due to delay in installation and commissioning.

(d) Loss of Interest due to delay in commissioning of equipment.

(e) Not holding of Security Deposit till the completion of commissioning.

(f) Retention of Capital WIP in the books of accounts in respect of completed works without capitalization thereby understating the value of Fixed Assets and Depreciation.

2. While delay in delivery and commissioning of the equipment leads to non-availability of the equipment for use as per the plan resulting in possible loss of production which may in turn lead to imposition of Liquidated Damages by the Customers due to delay in supplies, it also results in avoidable blocking of funds and consequential revenue losses on account of financing cost.

3. In order to streamline the system to facilitate timely commissioning of equipment, the following guidelines are issued for compliance:

(a) The schedule of delivery of the equipment and its commissioning should be separately indicated in a specific, clear and unambiguous manner in the purchase Order.

(b) The obligations / responsibility of the supplier and that of HAL under the contract should be clearly stipulated including safety clauses like Security Deposit, Performance guarantee, liquidated damages for delayed deliveries and the time limit within which the commissioning is to be completed etc.

(c) The Division is to ensure that the site and the infrastructure facilities are made available to the supplier and all the obligations on the part of HAL should be fulfilled within the stipulated schedule.

(d) The civil works, if any, required as a pre-requisite for commissioning of the equipment is to be planned in a manner providing adequate margin for delay so that the civil work is completed in time synchronizing with the requirement of installation and commissioning.

(e) In the event of damage during transportation, the matter is to be taken up with the vendor for expeditious replacement / rework.

(f) The Division should, as far as possible, insist for final payment after completion of the task through direct Bank transfer in place of letter of

credit. This will enable the Division to save bank charges and also facilitate recovery of Company dues on account of LD / short and defective supply.

(g) The warranty period should be reckoned from the date of commissioning. (h) Bank Guarantee received by HAL against advance payment should continue to be effective during the extended period of delivery / commissioning and must be released only after securing performance Bank Guarantee.

(i) The Division should insist for Security Deposit / Bank Guarantee towards the performance of the supplier in the execution of the contract, and such security should be released after commissioning and recovery of HAL dues from the supplier.

(j) The Bank Charges on LC extension caused due to delay on the part of the supplier should be borne by the supplier.

(k) The expenditure incurred in the completion of works and Procurement & Commissioning of equipment should be capitalized immediately after completion of work / commissioning and the advances paid if any are cleared.

(i) Periodic review of items reflected under capital WIP as well as advances to suppliers would need to be made by the Head of Finance periodically and exceptional reports of items not capitalized for want of commissioning etc., should be brought to the notice of the Head of the Division for suitable remedy.

(m) Some of the Divisions have indicated that production loss has been avoided by resorting to alternative arrangements. In such cases, there is scope for the Division to recheck the phasing of the requirement of various equipment and this needs to be taken into account for effective planning as well as optimal utilization of the equipment.

(n) Since considerable values are involved in the procurement of capital equipment, care should be taken to ensure that the items procured are commissioned on priority basis to ensure optimal utilization and also avoid blocking of funds leading to avoidable interest incidence.

4. This issues with the approval of Chairman.

(Circular No. SYN/GEN L/2002/68 dated 6th August 2002)

SYSTEM AUDIT – INTERNAL CONTROL TASKS

Further to our letter No.SYA/CO/44/Vol 2/2012/44 dated 26 march 2012 the above subject and as a result of Systems Audit examination of the situation in one of the Divisions, it has been observed that the operations in the IFS meant to ensure internal check have been by passed, allowing *one* individual *to* operate both elements of the internal check.

2. Further, as has been pointed out in earlier letters by Systems Audit, the Systems Audit has not been given access to or training in the IFS System, and also there does not appear to be an Audit module in the IFS System which will enable the Audit to have "Read only access" to various IFS reports in order to detect possible malpractices. This has severely limited the role of the Systems Audit in evaluation of the internal controls.

3. It is requested that the GM's address the issues of Audit module in the IFS. Further, the provision of adequate training to the Systems Audit personnel in the Division, on IFS may kindly be looked into. This is imperative for the Division to fully utilize the Systems Audit resource at its disposal.

(Circular No. SYA/CO/44/Vol 2/2012/49 dated 04 Mar 2012)

SYSTEM AUDIT – INTERNAL CONTROL TASKS

Reference is invited *to* the regular monthly tasks circulated under the System Audit plan for 2011-12. it will be seen there from that *BRS,* review of imprest accounts, review of bank guarantees, and any other aspects *which* the system audit feel needs to be looked into and commented upon.

It has been seen from recent visits to some Divisions that, access to data is highly restricted to the system audit, especially in areas where the Divisions apprehend that errors on their part would get highlighted, or facts brought out unless monitored would put them in a bad light. Generally the overall atmosphere has been to discourage interaction with the System Audit.

It is emphasized that the System Audit department is part of the internal control of the Company and can contribute effectively in checking areas of vulnerability like payments, controls in outsourcing, recruitment, advances to employees, control exercised over Bank Guarantees, confirmation of balances carried over at the year end to the next and the effective operation of internal check etc. where opportunity for undesirable trends to emerge exist. Accordingly isolation and non-interaction with the System Audit and restriction of data can, as has recently been seen, expose the Division to vulnerabilities arising out of weak infernal control.

System Audit chiefs are now being asked to conduct a detailed transaction audit at voucher level initially in respect of all Payments in all the Divisions and GMs are requested to ensure that the Division extends the fullest, co-operation in this regard to ensure that internal control is firmly established. GMs may also review the progress of this audit periodically with the System Audit chiefs to ensure that they are fully aware of the internal control issues, neglect of which may embarrass the Divisions. It is desirable to have these discussions minuted in speaking terms so as to ensure that record of thorough review i s built up to safeguard against untoward incidents and also to establish that such incidents if and when they do occur have done so despite careful efforts at internal control.

By a copy of this letter system Audit chiefs are to be take up a review of all transactions related to payments and liability set up to ensure correctness and also validate that they are in respect of Bona Fiche party's with adequate documentation through purchase orders etc approved by Competent Financial Authority as defined under the Delegation of Powers.

(Circular No. SYA/CO/44/Vol 2/2012/44 dated 26/3/2012)

TAX DEDUCTION AT SOURCE ON INCOME PAYABLE TO COLLABORATORS IN FOREIGN EXCHANGE

During the course of Systems Audit of the payments made to collaborators/ foreign consultants, it is seen that the Income-tax recovery has not been made correctly.

2. In accordance with the Income-tax Act and Rules (Rule 26 under Section 195), for purposes of deduction of tax at source payable in foreign currency, the rate of exchange for calculation of value in rupees of such income payable to an assessee outside India shall be the telegraphic transfer buying rate of such currency on the date on which tax is required to be deducted. It is seen that some Divisions have recovered tax based on TT selling rate instead of TT buying rate resulting in increased tax deduction. This will affect the finances of the Company especially when the payments to collaborators / consultants are net of taxes, besides, the tax recovery being wrong.

3. The Divisions are advised to ensure that in such TDS cases, the TT buying rate is adopted so as to comply with the provisions of the Income-tax Act and rules.

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

5. This issues with the approval of DF.

(**Circular No. SYA/GENL/99/003/213 dated 9/23/1999)**

TIMELY REALISATION OF STAGE / FINAL PAYMENTS DUE TO THE COMPANY

During the course of Audit, it has been observed that there has been considerable delay in preferring the claims to different customers towards stage / final payments for various reasons, leading to avoidable strain on the Ways and Means position and possible loss of interest to the Company. This has attracted avoidable criticism and consequential draft paras. This needs to be avoided.

2. It is pertinent to note that stage / final payments towards deliveries made / reimbursement claims etc., are to be claimed strictly as per the terms of the contract with the customers, as and when due. Many a times, release of stage payments are linked to milestones of physical / financial progress and sometimes on furnishing of information like induction during the previous year, quarterly delivery report as agreed in the pricing policy etc. The claims are preferred by the Divisions without even furnishing this information leading to the return of the claims and avoidable correspondence and delay in realisation.

3. In order to streamline the procedure for claiming payments from the customers, the following action needs to be taken by the Division / Complex.

- A separate register is to be maintained to watch the progress of milestones in respect of each individual sale order or tasks for the year. The register should be reviewed by FC atleast once in a month.

- The Division has to ensure that the completions of milestones are communicated to the Finance to enable preferring of the claim in time.

- The actual inductions of the previous year would need to be furnished to AO (DAD) by 3oth April of every year. This needs to be watched through a register.

- The report on actual delivery in the previous quarter would also need to be furnished to AO(DAD) within the next month after the closure of the quarter.

- The Division should evolve a 'system under which the document necessary for preferring the claim like Form 530 / Q 424 etc., are made available to Finance to enable preferring the claim within 15 days of the signalling out for timely billing.

- The Division needs to maintain a close watch on the ex-list items agreed with the customer, incorporated in the deliveries so that the amount due to the Company for these items are claimed in time, and not lost sight of. This is especially because, HAL does not get advance for these items and have to be claimed only based on actual utilisation.

- It is also seen that some times, the Division wait for the firm task to be received for preferring I stage claim. This is not correct. The policy provides for the issue of firm task by 3oth June of every year and in case it is not received, the policy also provides for payment of the advance based on the forecast task subject to adjustment of receipt of the firm task. The Division therefore needs to prefer the claim of such payment and realise the same in the month of July every year.

- The Divisions should also ensure that stage payments are claimed as per the task letters issued after verification of the rates and quantity wherever details are indicated in the task letters to avoid over / under payment.

- The position of slippage in billing in respect of each project should be reviewed in the monthly COM of the Division and Complex in view of the possibility of

(a) Levy of liquidated damages for delay in delivery / achievement of milestone,

(b) Payment being restricted to the price for scheduled year of delivery and

(c) Loss of interest due to delay in realization

- Wherever delay of delivery is anticipated as compared to the RMS order, the delivering Division should take up the matter with the Customer for amendment of RMSO with a stipulation that no LD is applicable.

4. The Divisions are advised to ensure compliance and realise the payments due to the Company within a reasonable time.

5. This issues with the approval of Director Finance.

(Circular No. SYA/GENL/008/2042 dated 19 May 2000)

ACCEPTANCE OF GIFTS BY GOVERNMENT SERVANTS

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. 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.

(CVC circular No. 002/MSC/70 Dt. 27 Aug 03)

ACCEPTANCE OF GIFTS BY GOVERNMENT SERVANTS

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.

(CVC circular No. 004/MSC/032 Dt. 22 Sep 04)

RESTRICTIONS ON GIFTS TO GOVERNMENT SERVANTS

Please refer to ED(V)'s letter No. HAL/CO/VIG/41/2003/1626 dated 18.9.2003 enclosing therewith a copy of CVC's Circular No. 002/MSC/70 dated 27.8.03, imposing restrictions on the practice of acceptance of gifts by the Government Servants.

2. While noting the advice of CVC as contained in the above communication, Chairman has directed that we should not give any festival gifts to Govt. servants, and further, desired that yearly confirmation be obtained from the Divisions/Complexes by 5th January every year on the information sought by CVC in their letter referred to above.

3. You are requested to instruct the concerned to comply with the instructions and forward the requisite information in the format enclosed at Annexure-I to Corporate Office by 5th January every year (4th January in case 5th January happens to be a holiday) to facilitate us to furnish the necessary inputs to CVC through Corporate Vigilance.

(HAL/P&A/20(28)-2/VG/2003/677 dt 18 Oct 2003)

FESTIVAL GIFTS TO GOVERNMENT SERVANTS BY PSUs ETC.

Please refer to the Commissions letter No. 002/MSC/70 (Office Order No. 40/8/2003) dated 27th August, 2003 and 004/MSC/70 (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 emphasizes 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.

(CVC circular No. 005/MSC/25 Dt.13 Oct 05)

PROGRAMME FOR VIGILANCE AND ANTI-CORRUPTION WORK OF THE CBI - PREPARATION OF "AGREED LIST"

1. As the Ministries/Departments are aware, a Programme for Vigilance and Anti- Corruption work of the Central Bureau of Investigation is drawn up every year and forwarded to the Ministries / Departments selected for that year. The Programme for 1986 has already been circulated to the Ministries

concerned in this Department's O.M. No 325/1/86-AVD.III dated the 24th January 1986. The detailed guidelines issued in this regard in 1966 were also circulated for ready reference along with the above said O.M. One of the important items of work in the programme is the preparation of "Agreed List" of officers whose integrity is in doubt. Relevant extracts from the guidelines regarding the preparation and follow up action to be taken are enclosed.

2. The importance of the work of preparation of the "Agreed List" in the scheme of preventing vigilance cannot be over emphasized. The list should be finalized without delay and as for as possible within the first quarter of the calendar year. In order to facilitate timely preparation of this list Departments should issue necessary instruction to the officers included in the Annual Programme of CBI to identify such officers and collect the information about them and then finalize the list expeditiously. For this purpose, meetings between the Heads of Departments and the CBI should be held. After the lists have been prepared, proper and effective surveillance should be kept on the officers whose names are included in the lists. There appears to be an impression that once the lists are prepared, it is the responsibility of the CBI to keep surveillance and watch. This is not correct and not always possible. On the other hand, it is the primary responsibility of the Ministries/Departments to keep surveillance on such officers in so far as their official's work is concerned. This may be done by the Departments in the following matter: -

(i) Closer and more frequent scrutiny and inspection of their work and performance, particularly, in sphere where there is scope for discretion or for showing favours.

(ii) Quiet check about their reputation and style of living habits contacts etc.

(iii) Scrutiny of the Annual Property Returns and other relevant records. It should be ensured that the concerned has filed his annual return of property under Rule 18(1) (ii) of the CCS (Conduct) Rules or corresponding rules applicable to the officer. Missing returns if any, should be required to be filed. Where necessary, the Officer concerned may be required to furnish under Rule 18(4) of the CCS (Conduct) Rules or corresponding rule a full statement of the movable and immovable property held or acquired by him or in his behalf or by any member of his family including details of the means by which, or the source from which such property was acquired.

3. To the extent their manpower resources would permit, CBI would be keeping surveillance over the officers included in the agreed list. The "Agreed List" should not be very large to enable both the Department and CBI to keep effective surveillance over the activities of the officers included in the list. The

"Agreed List" of officers prepared in consultation with the CBI should, therefore serve as an important instrument to keep a watch on the officers whose integrity, is in doubt.

EXTRACT FROM MIN OF HOME AFFAIRS O.M. NO 130/1/66/AVD DT 05 MAY 1986 - AGREED LISTS OF SUSPECTED OFFICERS

4. Agreed Lists will be prepared of officers of gazetted status against whose honesty or integrity there are complaints, doubts or suspicious after consultations between the officers of the Departments concerned and of CBI. Except in regard to Port Trusts, Public Sector Undertakings and Union Territories the lists will be settled by discussion at Delhi between the Head of the Department concerned and the Addl IGP and DIG (Spl) of the CBI.

The agreed lists relating to Port Trust, Public Sector Undertakings and Union Territories will be sorted out by mutual discussion between the Head of the Port Trust or Public Sector Undertakings or the Chief Secretary of the Territory concerned and the DIG of Police CBI and the S.P. of the Local Branch of the CBI. To achieve the best result it is important that there should be free and frank exchange of information during these discussions.

5. The following action will be taken in respect of officers on those agreed lists by the Departments or the Undertakings by the CBI:-

(i) Closer and more frequent scrutiny and inspect their work and performance by the Departments particularly in spheres there is scope for dishonesty or for showing favours.

(ii) Quite check about their reputation both by the Dept and the CBI.

(iii) Unobtrusive watch of their contacts, style of living etc by the CBI.

(iv) Secret enquiry by the CBI about their assets and financial resources. The Department will make available their property returns and other relevant records to the CBI.

(v) Collection of information by the CBI of specific instances of bribery and corruption practices.

6. If these secret checks and enquiries reveal positive material, open enquiries will be started by the CBI and further action taken in the light of the results of that enquiry. It may be emphasized that no adverse or punitive action is contemplated against any officer on these lists unless these checks, verifications or enquiries bring forth adequate material to reasonably conclude that he is lacking in integrity. These agreed lists will remain in force for one

year from the date of preparation. At the end of this passed period, the list will be reviewed and the names of those officers against whom there are not sufficient evidence to proceed against will be deleted from the list.

7. The CBI Branches may prepare their own lists of officers of non-gazetted status about whose integrity or honesty there are complaints, doubts or suspicions, but these need not be `agreed lists'. The superintendents of Police of the CBI Branches should however, consult the Heads of Departments, Public Undertakings and Administrations about any names of those lists as and when this is considered necessary. As and when requested by the CBI, the Departments etc. should arrange for closer and more frequent scrutiny and inspection of the work of these employees and also for affording assistance to the CBI in making checks and verifications about them.

8. In respect of officers, both gazetted and non-gazetted whose names figures on the agreed lists prepared during 1965 also, action will be taken on the lines mentioned above.

(DOPT O.M. No 325/S/03-AVD-III dt 20 Jun 1984)

SCHEME FOR PREPARATION, MAINTENANCE AND CUSTODY OF PUBLIC SERVANTS OF GAZETTED STATUS OF "PROVEN DOUBTFUL INTEGRITY" AND "AGREED LIST"

As per instructions of the Department of Personnel & Administrative Reforms two lists of public servants of gazetted status of doubtful integrity are expected to be maintained by Heads of the Organisations/Ministry of Defence. It is seen that most of the organizations are not conversant with the purpose of maintenance of the two lists and correct action does not seem to have been taken for maintenance of the above two lists. Though the distinction between the two lists has been brought home to the heads of various organizations more than once, it is reiterated to avoid confusion in preparing these two lists. One list is called agreed list. The intention behind preparation of the "Agreed List" is to identify the officers having doubtful integrity and against whom lurking suspicion exists. The organizations are expected to keep a watchful eye on the activities of these officers and build up, in course of time, adequate incriminating evidence for initiating suitable action against them, if need be. The preparation of `Agreed List' is as such a prelude to pinning down the potential delinquents.

2. The purpose of the "List of Public Servants of Gazetted Status of Doubtful Integrity (proven cases)" is to prepare the list of such officers who have already been identified / exposed and have come in bad light in the course of or

as a result of various departmental/legal proceedings. This list is intended to forewarn the organizations concerned of the past history of such officers and kept this in view while deciding administrative matters.

3. Some persons may figure in both the lists particularly in cases where the persons have been acquitted on technical grounds but reasonable suspicion exists about their integrity. If a public servant is removed/dismissed from service his name should be excluded from the list, while reviewing the Agreed List. Where the name of the servant was included in the list because of departmental proceedings pending against him, and subsequently the said public servant is acquitted, as the charges could not be established on merits, such a name also should be deleted from the Agreed List.

4. It may be reiterated that the service officers are also covered under the scheme, as its purpose is to track down such elements and be wary of their activities.

5. In view of the position clarified above it is requested that the Heads of the Organisation may review the above two lists and send to this Ministry an updated list by 30th April 1985.

(MOD D(VIG) letter No 4/1/84/D(Vig) dated 15 Apr1985)

PREPARATION OF AGREED LIST AND LIST OF PUBLIC SERVANTS OF GAZETTED STATUS OF DOUBTFUL INTEGRITY

As you are aware, each Ministry/Department is required to furnish every year to the CBI, two lists pertaining to proven cases and suspected cases in respect of Gazetted Officers of doubtful integrity by last week of February and 30th June respectively.

2. The distinction between the two lists was clarified vide our ID No 4.1.84/D(Vig) dated 15.4.85. However, it is reiterated to avoid confusion in preparing these two lists.

3. One list, called the “List of Public Servants of Gazetted Status of Doubtful Integrity” was prescribed by the Dept of Personnel & AR vide their OM No 105/1/66-AVD I dated 28.11.69, which was forwarded to all concerned under this Ministry’s u.o. Note No F.1/2/Vig/69 dt 6.8.70. These instructions were again circulated vide M of D IO No 4/13/Vig/78 dated 30.8.81. This list is to be submitted by the Vigilance Division of the Ministry to CBI by the end of February.

4. The other list, called, the “Agreed List of Suspected Officers” was prescribed by the Ministry of Home Affairs vide their OM No 130/1/66-AVD dated 5.5.66 and circulated vide this Ministry’s ID No 4/4/Vig/80 dated 3/10.6.80.

5. The intention behind preparation of “Agreed List” of suspected officers as envisaged in M.H.A’s OM dated 5.5.66 is to identify, on the basis of complaints or information the officers having doubtful integrity and against whom lurking suspicion exists in this regard. The Organisations concerned are expected to keep a watchful eye on the activities of these officers and build up, in course of time, adequate incriminating evidence for initiating suitable action against them, if need be. The preparation of “Agreed List” is, as such, a prelude to pinning down the potential delinquents.

6. The purpose of the list of “Public servants of Gazetted Status of Doubtful Integrity” (Proven Cases) prescribed vide MHA’s OM dated 28.11.69, is to prepare the list of such officers who have already been identified/exposed and have come in bad light in the course of or as a result of various departmental/legal proceedings. This list is intended to forewarn the organizations concerned of the past history of such officers and keep this in view, while deciding administrative matters, such as, issue of integrity certificate, holding of sensitive posts, promotion, premature retirement, foreign assignment/deputation etc. as enumerated in para 5 of the scheme. The names figuring in the said list are to be retained for a period of 3 years from the date of conclusion of departmental / judicial proceedings. The list should be prepared and reviewed every year.

7. It is possible that some officers may figure in both the lists, particularly in cases, where the persons have been acquitted on technical grounds but reasonable suspicion exists about their integrity. These lists, however, supplement and not substitute each other, and as such, have to be prepared separately.

8. In this connection it may be clarified here that if public servant is removed/dismissed from service, his name should be excluded from the list, while reviewing the Agreed List. Similarly, where the name of a public servant was included in the list, because of departmental proceedings pending against him, and subsequently the said public servant is acquitted, as the charges could not be established on merits, such a name also should be deleted from the Agreed List.

9. In this connection your attention is also invited to my D.O. letter No C-31015/1/ Vig/86 dt 6/12.5.86, forwarding therewith the Action Plan on Anti-corruption Measures for 1986-87 prepared by the Deptt of Personnel & Training. Stress has been laid on the said Action Plan on the necessity of preparing the two lists and forwarding them to the CBI in time.

(DO No C-31011/1/Vig/86 dt 28 May 1986)

LIAISON MEETING WITH CBI ON FINALISATION OF AGREED LIST

1. In para 6 of this Department's O.M. No 130/1/66-AVD dated 5th May 1966 a procedure for preparation of "Agreed List" was indicated. In order to minimize the delay in the preparation of Agreed List by Public Sector Undertakings including Banks which have their branches all over India it has been decided that CVOs of the Public Sector Banks and other Public Sector Undertakings having activities on all India basis or spread in more than one states can hold meetings with Regional DIGs of the CBI located at Patna, Hyderabad, Bombay, Madras, Chandigarh, Lucknow, Calcutta and Delhi to finalise the list for each region.

2. These instructions may please be brought to the notice of all the PSUs under the Ministries / Department concerned. Department of Banking may also suitably advice Public Sector Banks.

(DOPT O.M. No 325/2/87-AVD-III, DT 20 Nov 1987)

PREPARATION OF AGREED LIST

The procedure to be followed for preparing the "Agreed List" is outlined in pages 122 and 123 of the Vigilance Manual issued by HAL. According to this, as CVO of HAL, I have a definite role to play in the preparation of the "Agreed List".

2. In spite of clear-cut instructions available in the Vigilance Manual, it is seen that certain Senior Managers who are in-charge of Security and Vigilance in the Divisions have taken upon themselves the task of finalizing the "Agreed List" without consulting me. This should be stopped forthwith.

3. In a particular Division though the concerned officer spent just about two months time, he went about finalizing the "Agreed List" without consulting me. In another Division, an officer of the rank of Deputy Manager finalized the "Agreed List". This is highly irregular.

4. In future the "Agreed List" should not be finalized without consulting me and in almost all the cases, as CVO of HAL, I shall undertake the task of finalizing the "Agreed List". Unless I specifically delegate this power, the Officer-in-Charge of the Divisions working in the Security and Vigilance Department should not go ahead and finalize the "Agreed List".

5. This is an important circular and should be kept in the personal custody of all the officers who head the Security and Vigilance Department in the various Divisions.

6. Receipt of this communication should be specifically acknowledged by sending a letter to the undersigned by the Head of the Security and Vigilance Department in each Division.

(HAL/ED(V)/19/97 dt 19 Feb 97)

QUARTERLY REPORT ON THE OFFICERS PLACED ON AGREED LIST FOR THE QUARTER ENDING : FOR HAL COMPLEX/DIVISION

Sl No	Name and	Activity / Information	Remarks

FINALISATION OF AGREED LIST

This is to inform that Agreed List of the Divisions will be finalized by the Executive Director (Vigilance), HAL Corporate Office in consultation with the Jurisdictional Superintendent of Police, CBI.

2. If there are any names to be included in the Agreed List or any intelligence that can be exchanged with the jurisdictional Superintendent of Police, that information may please be passed on to the Corporate Office by January every year so that Agreed List of all the Divisions can be finalized by the end of March and report sent to the Ministry in the first quarter, as stipulated by the Ministry.

3. In this regard, copy of letter No HAL/ED(V)/19/97 dated 19th Feb 97 issued by the previous Executive Director (Vigilance) is enclosed herewith for information and strict compliance.

4. Inputs on occurrences or NIL report as the case may be on those cases already on the Agreed List may also be sent by name to Executive Director (Vigilance).

(HAL/CO/VIG/47/173 dt 30 Apr 99)

MEASURES FOR STRENGTHENING VIGILANCE AND ANTI-CORRUPTION WORK - AGREED LIST OF SUSPECTED OFFICERS AND LIST OF PUBLIC SERVANTS OF GAZETTED STATUS OF DOUBTFUL INTEGRITY

In order to keep a watch on the activities of public servants who are of doubtful integrity, the Ministries/Departments/Organisations are required to maintain two lists viz. (i) “Agreed list" and (ii) list of public servants of gazetted

status of doubtful integrity. The “Agreed List” of suspected officers has its origin in the “programme for vigilance and anti- corruption work during 1966” where as the list of public servants of gazetted status of doubtful integrity was prescribed in 1969.

2. The criteria for making such lists has been provided in the Ministry of Home Affairs Letter No.130/1/66-AVD dated 5/5/66 and letter No. 105/1/66-AVD dated 28/10/69. It has been provided in these instructions that the Agreed list so prepared will remain in force for one year from the date of preparation and official’s work/ activities/ behavior during the period would be watched and the list would be reviewed after this period. The list of officers of doubtful integrity will remain in force for a period of three years.

3. Notwithstanding the extent instructions available on the subject, many Organisations do not strictly adhere to the prescribed duration and lists so prepared continue for years together. The Commission also observes that many departments/ Organisations are either not maintaining such lists or are not reviewing them periodically. Further, officers of doubtful integrity are sometimes placed in sensitive positions. Adequate precautions should be taken in drawing up and maintaining the" Agreed list" and the "list of officers of doubtful integrity" to ensure that they are correctly and objectively prepared and reviewed from time to time.

4. Considering the sensitivity of such lists, the Commission, in exercise of powers conferred in Para 3(v) of the Ministry of Personnel, Public Grievances & Pensions. Department of Personnel and Training Resolution No.371/20/99-AVD-III dated 4/4/99 directs all departments/Organisations under its purview not to post such officers who are placed on the aforesaid lists in sensitive positions. CBI would co-ordinate with the Ministries/Organisations so that the lists so prepared are periodically reviewed. Director/CBI and the CVOs of the Departments will keep the Commission posted about developments from time to time.

5. CVOs of all Ministries/ Departments/ Organisations must ensure strict compliance of these instructions and inform the Commission every year on the action taken by them in this regard while sending their self-assessment/ performance report as instructed earlier by the Commission vide No. 98/VGL/33 dated 18.11.98.

(CVC letter No 3(v)/99 (6) dt 18 Aug 99)

LIAISON WITH CBI AUTHORITIES

1. It has been noticed that some of the Heads of the Vigilance Department of the Divisions have drawn AGREED LIST with the local CBI unit. It was earlier intimated that drawing AGREED LIST will be done by ED (V) himself, in this connection please refer to our letter Nos HAL/ED(V)/19/97 dt 19 Feb 1997 and of even No HAL/CO/VIG/47/173 dt 30 Apr 1999, copies of both the letters are enclosed. It is once again reiterated that AGREED LIST will be decided or drawn by ED (V) only. However, for bringing people into the AGREED LIST the following will be the procedure: -

(a) Heads of the Vigilance Department of the Division will obtain maximum details of the person in whose case there is a lurking doubt about his integrity, and the same will be passed on to ED (V) in writing under a SECRET letter.

(b) After the person has been placed on AGREED LIST, unobtrusive surveillance on his activity will be kept, details of his property both moveable and immovable, his dealings in Shares/Securities, etc and information of his other assets are required to be collected and information passed on to ED(V) so that further action against the concerned person can be initiated as considered appropriate. Only ED(V) can sign the agreed list with the CBI and not the Heads of Vigilance of the Division.

(c) A quarterly report to this effect will be sent to the office of ED(V) against those officers who are placed on the AGREED LIST. Nil report is also required to be sent. This report should reach ED(V) by 05th of the following month of the quarter.

2. Notwithstanding the above, Head of the Vigilance Department will liaise at least once in a month with CBI officials of his area. It may be noted that this liaison must be intimate, having two-way traffic. While liaising with the CBI Officials, care must be taken to obtain maximum details from them. A report to this effect, including the information exchanged, will also be given once in a month, so as to reach this office by 30th of the month, in the format enclosed as Annexure-I.

3. In case of Koraput division once a month liaison with CBI may not be possible due to the distance involved, in which case a quarterly liaison will be maintained and a report to this effect will be submitted as per the format once in a quarter by the department.

(HAL/CO/VIG/47/2000/40 dt 13 Jan 2000)

Annexure I (Refers to para 2 above)

DETAILS OF LIAISON WITH CBI OFFICIALS FOR THE MONTH OF

Sl No	Date	Details of CBI Officials Liaised with	Brief of Liaison between CBI and HAL Vigilance Officials	Remarks

MEASURES FOR STRENGTHENING VIGILANCE AND ANTI-CORRUPTION WORK - PREPARATION OF AGREED LIST AND ACTION THEREON

The procedure for preparing Agreed list envisage that the Agreed List would be prepared of officers of gazetted status against whose honesty or integrity there are complaint, doubts or suspicion, after consultation between the officers of the concerned organisations and the CBI. It also envisage that following action would be taken by the concerned organisation and the CBI in respect of the officers appearing on the list: -

(i) Closer and more frequent scrutiny and inspection of their work and performance by the Departments concerned, particularly in spheres where there is scope for discretion or for showing favours;

(ii) Quite check about their reputation both by the Department and the CBI;

(iii) Unobtrusive watch of their contacts, style of living etc. by the CBI;

(iv) Secret enquiry by the CBI about their assets and financial resources. The Departments will make available their property returns and other relevant records to the CBI; and

(v) Collection of information by the CBI of specific instances of bribery and corruption practices.

2. The Commission has observed that the number of cases emerging against the officers appearing on the Agreed List do not commensurate with the public perception about corruption. This could be because of the reason that the CVOs generally regard that it is the CBI's job to keep a watch over the activities of the officers appearing on the list. The CBI, on the other hand, may not be in a position to spare the services of its officers, due to manpower constraints, for keeping a watch over such officers. The Commission is of the view that preventive measures in eradicating corruption, including the

strict watch over the activities of the officers appearing on the Agreed List, will have to be strengthened. The Commission would, therefore, advice the CVOs should take immediate steps to finalise the Agreed List in consultation with the CBI and forward a copy thereof to the Commission. The Commission also desires that the CVOs may henceforth also take steps, as expected from the CBI, to keep a watch over the activities of the officers appearing on the Agreed List and also on the List of officers of doubtful integrity. The positive results achieved in this regard may be reported to the Commission. Action taken in this regard would be reviewed by the CVC while reviewing the performance of the CVOs.

3. The Central Vigilance Commissioner, vide instruction No 3(v)/99(6) dated 18.08.1999, had directed all the departments / organisations, under its purview, not to post the officers placed on the Agreed List/List of officers of doubtful integrity in sensitive positions. The action taken in this regard, with specific reference to the officers posted out of sensitive areas, may also be furnished to the Commission. The CVOs may also certify that none of the officers, appearing on the Agreed List and the List of officers of doubtful integrity, have been posted in sensitive positions.

(CVC letter No 3K-DSP-10 dated 07 Apr 2000)

AGREED LIST

1. A copy of Pro-forma to be filled in respect of Officers recommended to be placed on the Agreed List is appended below. This pro-forma duly completed should be sent as one time for each individual recommended to be included in the Agreed List.

2. It is desired that a quarterly report is sent to this office on the officers who are placed on the Agreed List indicating the type of activity and the involvement of the officer in malpractice /corruption. It is, therefore, essential to build up data on the activity (ies) of the officer(s), because this will enable the management to either initiate disciplinary proceedings or remove him from the list. As per the laid down procedure, if nothing undesirable is noticed in a year's time, the name of the individual is required to be removed from the list after one year. Therefore, in the first instance maximum information may please be gathered and subsequently build up to deal with the case accordingly, in this connection please refer to this office letter No.HAL/CO/VIG/47/2000/40 dt. 13 Jan 2000.

3. In view of the above, the Quarterly Report including `NIL' will be submitted to this office. The quarterly report should be for the quarter ending from Jan-March, April-June, Jul-Sept and Oct-Dec. The report will be sent as per the pro-forma enclosed at Appendix `A' and should reach the

undersigned by 10th of the following month of the quarter.

4. It is hereby informed that any correspondence on the subject should bear “SECRET” security grading only and should be addressed by name to ED(Vig) in future. The correspondence should be sent in double cover.

(HAL/CO/VIG/47/2000/623 dt 14 Jul 2000)

PARTICULARS OF THE PERSON KEPT ON THE AGREED LIST

1 Serial No.

2 Name in full with alias

3 Brief background about reputation and reference under which the officer came to be included in the Agreed List.

4 Service Particulars

a. Designation
b. Scale of Pay
c. Present basic pay and total emoluments
d. Date of joining service.
e. Post held since joining service including places of postings.
f. Date of Birth
g. Date of Superannuation
h. Department / Ministry
i. Sensitive Posts held (Places & Duration)

5 Personal Particulars:

a. Husband's / Wife's name (as applicable)
b. Present Address
c. Permanent Address
d. Educational Qualification
e. Family background indicating financial status & possession of immovable properties like lands, buildings etc. of
   I, Parents
   ii. Of in-Laws.

f Particulars of the family: I Earning Members:

a. Name & Relationship of the earning members.
b. Date since earning.
c. Designation & Office Address d. Income

II Dependent Members:

a. Names & relationship of dependent members.
b. Nature of dependent (for example school going children, retired persons etc.)
c. Expenditure
d. Whether owns a car, if so, particulars of the car.
e. Whether owns any other vehicle and if so, particulars thereof.
f. Personal Telephone No., if any.
g. Photograph, if available.
h. Passport No., date and place of issue.

III Relatives / Associates / Contact men with whom the Officer is close:

a. Name
b. Address
c. Profession with details

IV Modus Operandi:

i. In resorting to corrupt practices
ii. In utilising / investing such earnings.

6 Properties held (including those suspected to be benami:

i. Sr. No.
ii. Location
iii. Ancestral or acquired, when acquired.
iv. Value:
    a. As reported by the public servants.
    b. Market value at the time of acquisition.
    c. Present value.
v Permission/intimation
vi Remarks

7. Particulars of benami business, if any, entered into by the officers:

8 Particulars of Bank Accounts either in own name or in the names of dependents:

i. Account No.1 Date of opening.
ii. Name of the Bank I Branch.
iii. In whose name.
iv. Remarks

9 Details of PE / RC / Complaints in which the officer came to adverse notice:

i. Case I File reference.
ii. Allegations in brief
iii. Result of enquiry/verification
iv. Final Disposal.

10 Remarks of the Officer maintaining watch:

i. Date
ii. Observation
iii. Observation of SP

11 Miscellaneous Observations.

MEASURES FOR STRENGTHENING VIGILANCE AND ANTI-CORRUPTION WORK - PREPARATION OF AGREED LIST AND ACTION THEREON

As a measure to ensure that officers of doubtful integrity are not enabled to corrupt the procedure, the Commission had issued instructions vide Nos 3(v)/99/6 dated 18 Aug 88 and 3K/DSP/10 dated 07 Apr 2000. It has come to the notice of the Commission that many organizations are not following the instruction strictly. The Commission, therefore, reiterates its instructions and action taken in this regard may be furnished to the Commission. The CVOs are also to certify annually that none of the officers appearing on the Agreed List and List of Officers of Doubtful Integrity have been posted in sensitive position.

(CVC letter No 3K/DSP/10 dated 03 Sep 2001)

SURVEILLANCE OF EMPLOYEES PLACED ON AGREED LIST AND ODI LIST

1. As decided during the last Half-yearly Vigilance Officers Meeting, bio-data of the individuals placed on Agreed List/ODI List is to be built up. Format for the same is enclosed at Appendix 'A'. The HODs will ensure that two sets of bio-data on each employee is made. While one copy is sent to the office of ED (Vig) by name, another copy will be kept under personal custody of the HOD. A quarterly report will be sent on each personnel placed on Agreed List/ODI list by name to ED (Vig).

2. As and when the individual placed on Agreed List/ODI List is job rotated from one Division to another, the file of the individual will be forwarded to the Vigilance HOD of the individual's new Division by name under intimation to this office.

3. All reports pertaining to this subject will be classified as “SECRET” and correspondence made by name and through Registered Post with acknowledgement.

(HAL/CO/VIG/47/2002/397 dated 05 Jan 2002)

SURVEILLANCE OF EMPLOYEES PLACED ON AGREED AND ODI LISTS

1. It has been noticed that HODs, barring a few, have not prepared and forwarded a folder containing bio-data of each individual placed on ODI List/Agreed List as envisaged in the above mentioned letter.

2. It has been observed from the quarterly reports on individuals placed on ODI/Agreed List that, in the column “Activity/Info”, only details of previous instances, in which the employee was involved and for which he was placed on ODI/Agreed List are being given, which is incorrect. It may be appreciated that the aim of surveillance of an employee who is placed on ODI/Agreed List, is to discreetly monitor his/her activities very closely including extensive checks of his/her work from the vigilance angle point of view to either confirm or negate continued involvement of the individual in malpractices/corrupt activity. Any fresh input/information on the employee’s suspicious activities is to be verified and the same should be included in the quarterly report of the subject period under column “Activity/Info”. Such reports should also include the action taken on such instances and results thereof in the “Remarks” column.

3. In view of the above, HODs are requested to go through the relevant guidelines once again thoroughly, prepare folders of employees placed on ODI/Agreed Lists and forward them by return post as per laid down procedure. As far as quarterly report is concerned, the columns may please be filled appropriately as suggested in our letters and at para 3 above and report sent regularly by due date.

(HAL/CO/VIG/47/2002/1505 dated 29 Aug 2002)

MEASURES FOR STRENGTHENING VIGILANCE & ANTI-CORRUPTION WORK – AGREED LIST OF SUSPECTED OFFICERS AND LIST OF PUBLIC SERVANTS OF GAZATTED STATUS OF DOUBTFUL INTEGRITY

1. In order to maintain watch on the activities of public servants who are of doubtful integrity, the Ministries/Departments/Organization are required to maintain two lists viz. (i) ‘Agreed list’ and (ii) list of public servants of gazetted

status of doubtful integrity. The 'Agreed list' of suspected officers emanates from the "programme for vigilance and anti- corruption work during 1966", even as the list of public servants of gazetted status of doubtful integrity was prescribed in 1969.

2. The criteria for making such lists has been provided in the MHA letter No. 130/1/66-AVD III, dated 5th May 1966 and letter No. 105/1/66-AVD III 28th October, 1969. It has been provided in these instruction that the 'Agreed list' so prepared will remain in force for one year from the date of preparation and the official's work/activities/behavior during the period watched and the list would be reviewed after this period. The list of officers of doubtful integrity is to remain in force for a period of three years.

3. It should, in this context, be recalled that the CVC had vide No. 3(v)/99(6), dated 18th August, 1999, directed all departments/organization under its purview not to post such officers who are placed on the aforesaid lists in sensitive positions. It has however, been brought to the notice of this Department that officers falling such aforesaid lists are sometimes placed in sensitive positions.

4. The, matter has been considered further and the undersigned is directed to advise all Departments/Ministries not to post any officer who is placed on the aforesaid lists in sensitive positions. Should such persons be occupying sensitive positions, at this point of time, the persons concerned should be shifted to non-sensitive areas, at the earliest. The Secretaries of administrative Ministries/Departments will be responsible for compliance of the instructions in the Attached and Subordinate Offices and Public Sector Undertakings under the administrative control of their Ministries/Departments as well.

(DOPT Lr No. 371/20/2003-AVD.III Dt. 31 Dec 2003)

GUIDELINES FOR PREPARATION OF ANNUAL REPORT ON LIST OF OFFICERS OF DOUBTFUL INTEGRITY

1. While preparing the ODI List as per the criteria laid down in Para-3 above, it shall be ensured that the names of the officers falling under any or all of the following categories are not included in the list :-

(a) Officers who have been cleared or honourably acquitted as a result of disciplinary proceedings or Court trial.

(b) Officers against whom an enquiry or investigation has not brought forth sufficient evidence for recommending even a disciplinary case.

(c) Officers who have been convicted of offences not involving lack of integrity or moral turpitude.

(d) Officers against whom disciplinary proceedings have been completed or are in progress in respect of Administrative lapses, minor violation of Conduct Rules and the like.

2. Vigilance HODs of Complex/Divisions shall prepare the ODI list in two parts, i.e. Appendix-' A' containing names of those officers, which have to be retained in the list and Appendix-'B' containing names of those officers which have to be deleted from the list. (Format given in the respective enclosed appendices to be adhered to). Adequate justification for both retention and deletion of names has to be given furnishing the reference of charge sheets and final orders of Disciplinary Authority/ Court of Law.

3. An unobtrusive surveillance on the officers figuring in the ODI should be carried out and a Quarterly Report on the same to be forwarded to this Office as per the guidelines and format issued vide this Office Lr No HAUCONIG/47/2000/624 Dt. 14.7.2000 (Copy enclosed - Annexure-II).

4. Attention is also drawn to Lr No. 105/1I66-AVD Dt. 28.10.1969, Paragraph-5, that officers who are on ODI List, their names will also be considered for their Vigilance Clearance as specified in the Administrative requirement of the referred letter. Vigilance Clearance of any officer who has been placed on ODI list as per record will be referred to Corporate Office in a sealed cover for action in this regard.

(HAL/CO/VIG/A02/2005/464 Dt 08 April 2005)

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 (Calendar year wise) in January of every year.

(CVC circular No. 004/VGL/087 Dt. 25 Oct 04)

FOREIGN VISITS BY GOVERNMENT EMPLOYEES.

Reference is invited to Commission's Circulars No. 004/VGL/087 dated 25/10/2004, 8/12/2004 & 27/9/2005, on the aforementioned subject.

2. The Commission had, vide its circular, dated 25/10/2004, directed the CVOs of all Organizations/Departments to furnish the list 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 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.

(CVC circular No. 004/VGL/087 Dt. 06 Jul 09)

FOREIGN VISITS BY GOVERNMENT EMPLOYEES

1. Reference is invited to this Commission's circulars of even No. dated 25/10/2004, 08/12/2004 & 27/09/2005 on the above subject as per which the CVOs were required to furnish the list of employees of their organization who had made private visit to foreign countries during the preceding calendar year.

2. It has been noticed by the commission that requisite information in respect of employees of your organization who had made private foreign visits during the previous calendar year (i.e 2005) has not been furnished so far. The

commission has viewed this lapse seriously and it is once again reiterated that the information regarding private foreign visits in respect of your organization for the year 2005 may be furnished to the commission immediately as per prescribed format issued by the commission. Further it may be ensured that the details are sent to the commission by the end of January, every year positively.

(F.No. 004/VGL/87/28753 dtd 04 JUL 2006)

Name of the Organization

SL No	Name & Designation of the Officer	Name of the Country Visited	Duration of the stay	Source of funding	Remarks.

FOREIGN VISITS BY GOVERNMENT EMPLOYEES

1. Please refer to this Office letter No HAL/CO/VIG/53(2)/2004/53 dtd 11.01.2005 on the above subject.

2. Enclosed please find a copy of Letter No. F.No.004/VGL/87/ 128753 dtd 04.07.2006 received from the under Secretary, Central Vigilance Commission, along with a copy of the prescribed format, which is self-explanatory.

3. As desired in the above-referred letter, ED (VIG) has directed to furnish the report within 03 days by coordinating with respective P&A Departments.

(a) List of Officers/Employees on private Visits to foreign Countries for the year 2005 (1.01.2005 to 31.12.2005)

(b) A Separate "Exception List" of officers who have undertaken private foreign visits more than once in a calendar year.

4. Henceforth this report may be sent annually, so as to reach this Office by 15th of January every year.

(HAL/CO/VIG/42/2006/758 dtd 11 Jul 2006)

VIGILANCE INFORMATION OF SENIOR BOARD LEVEL OFFICERS AND THOSE LIKELY TO COME IN THE ZONE OF CONSIDERATION FOR SUCH APPOINTMENTS

Government has decided that the Department of Public Enterprises shall maintain updated vigilance information of all Senior Board level officers and those likely to come into the zone of consideration for such appointments. It has also been decided that this information is to be updated on a continuous basis.

2. Accordingly, I am to request you to furnish information in the enclosed proforma in respect of all Board level officers and those in the zone of consideration for Board level appointments. The information as on 30.6.98 may be furnished by 30.11.98 and updated on a half yearly basis from 31.12.98.

(DPE letter No 18(17)/98-GM dt 12 Nov 98)

OFFICERS AGAINST WHOM VIGILANCE CASES ARE PENDING OR CONTEMPLATED

e of the PSU :

FOR THE HALF YEAR ENDING JUN/DEC ……

PART – A Board level Officers

Name of Executive	Nature of Case & since When pending	Status at the end of half Year
1.		
2.		

PART – B Below Board level executives in the zone of consideration for Board level Appointments

Name of Executive	Nature of Case & since When pending	Status at the end of half Year
1.		

Certified that other than the persons above, no vigilance case is pending or contemplated against any other executive in the categories stipulated in Part-A & B above.

Chief Vigilance Officer

FURNISHING OF INFORMATION IN RESPECT OF MANAGERS TWO LEVELSBELOW THE BOARD LEVEL IN PSEs

Jurisdiction of the CVC has been extended to Managers two levels below the Board level appointees vide para 3 of the Special Chapter on Vigilance Management in Public Sector Enterprises and the Role and the Functions of the CVC, circulated vide CVC's note No 3(v)/99/3 dated 7.7.99. It is requested that following information may please be furnished to the Commission through fax (No 4618285/4651017) or any fast mode of communication:-

Level	No of employees
Board level appointee including CMD	
First level below Board level (Designation to be mentioned)	
Second level below Board level (Designation to be mentioned)	

(CVC letter No 99/MST/013 dated 27 Jul 1999)

ISO

REPORTS AND RETURNS

1. One of the requirements of ISO Certification is quantification of work carried out by the Dept. It has been committed in the ISO Quality Manual, Pat-I that all the reports and returns will be forwarded to the concerned authorities, three days prior to the due dates. The due dates for receipt of the Reports and Returns by this office from the complex / Divisional Vigilance units and submission of consolidated reports to the concerned authorities are stipulated in the quality manual, Part-II.

2. In order to fulfill the commitment and avoid being observed as a major non- conformity by ISO certifying agency, HODs of Vigilance units at the Complex / Divisions are advised to forward the Reports and Returns, so as to reach this office at least three days prior to the due dates. This may necessitate forwarding a report by certain dates, which HODs may decide.

(HAL/CO/VIG/47/2003/1573 dtd. 09 Sep 2003)

INTIMATION BY THE PSUs TO THE SPECIAL POLICE ESTABLISHMENT (SPE) REGARDING CONTRACTS/ TRANSACTIONS - RAISING OF THE EXISTING CEILING LIMIT FROM Rs. 25 LAKHS TO Rs 1.5 CRORE

The undersigned is directed to refer to the Ministry of Home Affairs O.M. No 100/15/66-AVD dated the 3rd February, 1967 and Cabinet Secretariat (Department of Personnel & A.R.) O.M. No 371/2/74-AVD.III dated the 10th March, 1975 (copies enclosed as Appendix A&B) on the above mentioned subject and to say that the matter regarding raising of the existing ceiling limit for sending intimation by the Public Sector Undertakings to the Special Police Establishment (CBI) about all contracts/transactions exceeding Rs 25 lakhs in value has been considered in this Department in consultation with the Central Bureau of Investigation. It has, accordingly, been decided that, in future intimation may be sent only in respect of contracts/transactions of the value of Rs 1.0 crore or above instead of Rs 25 lakhs. Such intimations may kindly be sent direct to the regional branch of Central Bureau of Investigation in whose jurisdiction the Undertaking is located.

(DOPT O.M. No 371/29/98-AVD.III dated 23 Nov 2000)

APPENDIX "A"

RECOMMENDATIONS OF THE COMMITTEE ON PREVENTION OF CORRUPTION RELATING TO CENTRAL CORPORATE UNDERTAKINGS- ANNEXURE XIII OF THE REPORT

The undersigned is directed to refer to this Ministry's Office Memorandum No 43/115/64-AVD dated the 14th January, 1965 on the subject noted above, and to say that the Governments decision on Recommendation No 9 referred to therein requires intimation by the Public Undertakings to the Special Police Establishment regarding big transactions of a value of not less than 5 lakhs as soon as a decision is taken to initiate action for purchase or disposal through open tenders and all negotiated contracts of a value of Rs. One lakh after such contracts are finalised.

The Central Bureau of Investigation is of the view that the number of such contracts, on account of the High prices prevailing at present, will be very large, and with the limited resources at the disposal of the Special Police Establishment, it may not be possible to deal adequately with all such matters. It is therefore, requested that intimation in future may be sent only about all contracts/transactions exceeding Rupees five lakhs in value. Such intimations may kindly be sent direct to the Central Bureau of Investigation officers in whose jurisdiction the Undertaking is located.

(No 100/15/66-AVD dated 03 February 1967)

APPENDIX – "B"

RECOMMENDATIONS OF THE COMMITTEE ON PREVENTION OF CORRUPTION RELATING TO CENTRAL CORPORATE UNDERTAKINGS- ANNEXURE XIII OF THE REPORT

The undersigned is directed to refer to the Ministry of Home Affairs O.M. No 100/15/66-AVD, dated 3rd February, 1967, on the above subject and to say that on the suggestions made by the Bureau of Public Enterprises, the instructions requiring public undertakings to send intimation to S.P.E. about all contracts/transactions exceeding Rs 5 lakhs in value have been reviewed in this Department in consultation with the Central Bureau of Investigation. It has been decided that intimation in future may be sent only about contracts/transactions of the value of Rs.25 lakhs or above instead of Rs 5 lakhs. Such intimations may kindly be sent direct to the Central Bureau of Investigation officers in whose jurisdiction the Undertaking is located. It is requested that the Public Undertakings under the administrative control of the Ministry of Heavy Industry, etc, may be informed of these revised instructions.

(F.No 371/2/74-AVD.III dated 10th March 1975)

INTIMATION BY THE PSUs TO THE SPECIAL POLICE ESTABLISHMENT (SPE) REGARDING CONTRACTS/ TRANSACTIONS - RAISING OF THE EXISTING CEILING LIMIT FROM Rs. 25 LAKHS TO Rs 1 CRORE

The undersigned is directed to refer to this Department's OM of even number dated 23rd Nov 2000 on the above subject. In this connection, this Department has received a reference seeking clarification on whether the ceiling in respect of contracts/ transactions to be reported by the PSU to CBI has been enhanced from Rs 25 lakhs to Rs 1.0 crores or from Rs 25 lakhs to Rs 1.5 crore.

2. In this context, the attention is invited to the contents of the said OM wherein it has been clearly mentioned that in future intimation may be sent only in respect of contracts/transactions of the value of Rs 1.0 crore or above instead of Rs 25 lakhs. It is, therefore, clear that there is no ambiguity regarding the enhancement of value of ceiling from Rs 25 lakhs to Rs 1.0 crore.

(DOPT O.M. No 371/29/98-AVD.III dt 05 Feb 2002)

RECOMMENDATION NO 65 OF THE COMMITTEE ON PREVENTION OF CORRUPTION – POST-FACTO SCRUTINY OF FILES IN MINISTRIES/ DEPTS DEALING WITH CONTRACTS/LICENCES ASSESSMENTS OF TAXES ETC.

In pursuance of recommendation No 65 of the Santhanam Committee on Prevention of Corruption, instructions were issued vide Ministry of Home Affairs O.M. NO 43/71/64-AVD dated 10 Dec 64 (copy enclosed for ready reference- Appendix A) to the effect that the Ministries/ Departments which deal with the grant of contracts and licences and which deal with assessment, collection and refund of taxes may carry out a post-facto scrutiny of disposed of files to find out the nature of mistakes and irregularities so that such mistakes and irregularities are not repeated. Such an examination was to be done on the basis of random selection of disposed of files.

2. Subsequently, vide this Department's O.M. No 371/3/73-AVD.III dated 19 Jul 75 (Copy enclosed for ready reference-Appendix B) it was indicated that only the files dealing with contracts, licences, assessment, collection and refund of taxes which involve an amount of more than Rs 5 lakhs need to be scrutinized.

3. Ministry of Defence have now suggested that with the enhancement of the financial powers of administrative authorities/Departments and the continuing inflammatory trends since 1975, the number of contracts requiring scrutiny has increased manifold rendering scrutiny of such cases difficult with the existing manpower. They have, therefore, suggested that the existing limit of Rs 5 lakhs should be raised to Rs 50 lakhs for the purpose of post-facto scrutiny of files dealing with contracts/licences etc.

4. This suggestion has been considered in consultation with Ministries/ Departments concerned and the CVC and it is felt that post-facto scrutiny of files dealing with contracts and licences and assessment, collection and refund of taxes, not only brings the lapses to notice, but also ensures a proper examination by the persons dealing with such matters as they would be conscious of the fact that their actions are subject to further scrutiny at a later stage. Therefore, post-facto scrutiny of files has a great preventive value. In that background, and keeping in view the element of inflation in the recent past, it has been decided that the limit of Rs 5 lakhs prescribed for post-facto scrutiny of files laid down in this Department's O.M. No 371/3/73-AVD.III dt 19 Jul 75 may be raised to Rs 15 lakhs.

(DOPT O.M. No 371/7/89-AVD.III dated 06 Feb 91)

Appendix A

Copy of Deptt. of Personnel & Training O.M. No 43/71/634-AVD dated 10.12.64.

The undersigned is directed to say that Recommendation No. 65 contained in paragraph 8.10 of the report of the Committee on prevention of Corruption, has been carefully considered in the light of the comments received from the Ministries /Departments. It has been decided that the Ministries/Departments. It has been decided that the Ministries/Departments which deal with the grant of contracts and licenses and which deal with assessment, collection and refund the taxes may carry out a post facto scrutin6y of disposed of files to find out the nature of mistakes and irregularities so that such mistakes and irregularities are not repeated. Such an examination may be done on the basis of random selection of disposed of files.

It is requested that the above decisions may kindly be brought to the notice of all concerned for information and necessary action.

Appendix –B

Copy of Deptt. Of Personnel & Training O.M No F.371/3/73-AVD.III dated 19.7.75.

The undersigned is directed to say that the Ministry of Railways have suggested that the system of ex.-post facto scrutiny of files as laid down in Ministry of Home Affairs Office Memorandum No 43/71/64-AVD, dated 10 December 1964 may be discontinued as such scrutiny reveals only routine lapses of deviation and non-observance of established procedure. After obtaining the comments of the various Ministries/ Departments, the matter has been re-examined in consultation with the Central Bureau of Investigation and the Central Vigilance Commission.

The instructions to conduct post facto scrutiny of disposed of files, with a view to finding out the nature of mistakes and irregularities committed in the grant of contracts, licences, etc., were issued in pursuance of a recommendation of the Committee on Prevention of Corruption. It is felt that if scrutiny of this nature is undertaken and insisted upon by the Ministries concerned, not only lapses in the award of contracts, licences, etc. While dealing with such cases, they will be conscious if the fact that the actions are subject to a further scrutiny at the later stage. It has, therefore, been decided that the post facto scrutiny of disposed of files relating to contracts, licences, etc. may continue. With a view to making these instructions more effective and in order to reduce the work relating to scrutiny of files, it has been decided that only the files dealing with contracts, and licences, assessment, collection and refund of taxes which involve an amount of more than Rs 5 lakhs may hence be forwarded initially. At the same time, a certificate may be given by the officers concerned in the

file that the scrutiny had been done. It may be ensured that this practice of scrutiny does not peter out into a routine practice.

SUBMISSION OF REPORTS AND RETURNS-MONTHLY REPORT BY CVOs

1. The pattern of reporting of Complaints, Investigations, DECs, etc, for the last one year has been reviewed and certain lacunae have been noticed. In order to reflect the effective functioning in Vigilance units, certain points which have emerged while filling up of columns of the format are clarified as under :-

(a) Complaints (Para 1). A report received in this office on the subject indicates pendency of complaints under "Closing Balance" ranging from 1 month to over 6 months. It may be noted that, ordinarily on receipt, all complaints are required to be taken up for investigation immediately and, therefore, pendency under the above column will generally be "NIL". The aim of this para as it seems, is only to draw the attention of the officials dealing with the complaints so as to ensure that all complaints are taken up for investigation/disposed off, as the case may be, immediately on receipt. Since there is no column under which the cases under investigation can be shown in this report, therefore, the stages of investigation thereafter cannot be accommodated.

(b) DECs (Para 3). The aim of this para is to ascertain pendency of Departmental Enquiries whereas the Divisions are indicating figures of those cases also where only the charge sheets have been issued and DECs are yet to be constituted. It may be noted that in this report, only the figures relating to the cases in which DECs have been duly constituted need to be reflected. Similarly, once the DEC has been completed and EO has submitted Enquiry Report to the Disciplinary Authority, the same will not again find mention under this para.

(c) APRs (Para 6). The total number of APRs held shown in the "Submission of Monthly Report by CVOs" during the year 2003 need to be reviewed and correct figures are to be arrived at, after taking into consideration fresh induction and attrition due to Superannuations, Resignations, VRS etc. The total No of officers in the Division for the purpose of scrutiny of APRs may please be reviewed during the month of January every year and the same may please be reported in the monthly reports.

General Observations

2. It may please be specially noted while compiling various reports that there should be an uniformity in the details/progress of the cases which are at various

stages, such as Complaints, Investigations, DECs, Inspections conducted and vigilance cases instituted out of such inspections, APRs, job rotations effected, etc, and, they are reflected appropriately under relevant columns of various periodical reports being submitted to his office.

(HAL/CO/VIG/47/2004/243 dated 10 Feb 2004)

MONTHLY REPORT ON THE STATUS OF DISCIPLINARY PROCEEDINGS

1. Please refer this office letter No. HAL/CO/VIG/47/2003/1423 dtd 14 August 2003 on the subject.

2. Further to the above referred letter, the following is brought to the notice of all vigilance HODs for implementation, with immediate effect::-

(a) As a part of corruption control mechanism, department of personnel & training has formulated a web based, comprehensive computerized monitoring and management information system for disciplinary cases. The package is intended to enable the Ministry / Department / PSUs / organizations to monitor the progress of disciplinary proceedings, closely and dispense with manual reporting mechanism.

(b) CVC has advised this office to use the above said package and complete the data entry of the ongoing, pending cases of disciplinary cases, sanction for prosecution / complaints, immediately. The data, so entered has to be updated constantly till cases reach the stage of disposal by disciplinary authority. In order to facilitate this office to fulfill the requirements of the above said package, the HODs are requested to furnish the required data in the new proforma, which is enclosed at Appendix-A. This proforma will replace the existing Proforma-III of the subject report and caters for both receipt of new cases and disposal of old cases. Henceforth, the HODs while rendering the subject report shall ensure that the new proforma is duly completed with accurate data and enclosed to the said report as proforma-III. The instructions for filling the performa are enclosed at Appendix-B.

3. The HODs while filling the proforma may interact with the concerned Disciplinary authorities to obtain accurate data on the cases. In order to enable this office to update the data already entered in the system, the HODs are requested to complete the proforma, giving details of all cases (cases carried forward from the previous month, fresh cases received and cases disposed off) , as per the subject report rendered for the month of April 2004, and FAX the same to this office 19 May 2004.

(HAL/CO/VIG/47/2004/707 dtd 11 May 2004)

QUARTERLY REPORT REGARDING ACTION PLAN ON ANTI-CORRUPTION MEASURES.

I am directed to say that the Department of Personnel & Training (DOPT) have now revised proforma for the Quarterly Report being sent to them regarding Action plan on Anti Corruption measures. They have desired that the quarterly returns for the quarters ending Jun, 2004,September, 2004, December, 2004, and March,2005, may be sent to them in the revised proforma. They have also requested the return of each quarter to reach them by 15th of the month following end of the quarter.

A copy of the revised proforma is sent herewith. It has five parts. Part one of the proforma indicates the total number of cases of various categories pending with the Ministers/Departments and also indicates the quarterly targets for disposal thereof. Parts two and three of the plan relate to the areas of preventive, vigilance surveillance and detection. Parts four and five of the proforma relate to deterrent punitive action. Your kind attention is invited to the fact that before submission of every consolidated quarterly report, it is seen and approved at the highest level in this Department. In this view, you are requested to ensure that the return of each quarter is sent so as to reach this department by the 5th of the month following end of the quarter.

(40(3)/2001/D(B&C Ministry of Defence ,New Delhi dtd 22 Jul, 2004)

SUBMISSION OF MONTHLY REPORT BY CVOs

Further to this office letter No HAL/CO/VIG/42/2004/1464 dtd 10.09.2004.

2 CVC has made some amendments to para 12 (pertaining to other Activities) of format for “Submission of Monthly Report by CVO’s”. Hence the present para 12 of the report may please be amended as under: -

OTHER ACTIVITIES:-

Training Courses conducted in Vigilance Awareness.

Systems Improvement undertaken.

Extent if IT usage and the e-Governance.

Job Rotation.

Whether QPR has been furnished to CTE (yes/No)

Whether CTE type inspection conducted by CVO (yes/No)

Others.

(HAL/CO/VIG/R&R/M/06/2005/194 dtd 17 Feb 2005)

GUIDELINES FOR PREPARATION OF ANNUAL REPORT ON LIST OF OFFICERS OF DOUBTFUL INTEGRITY

1. Please refer to this office letter No HAL/ED(V)/HO/13/3 dtd 01.01.1999 on the subject.

2. Following shortfalls were observed in the Annual report on ODI List submitted by the Complex/Divisions Vis-à-vis Ministry of Home Affairs office Memorandum No 105/66- Avd dtd 28th October 1969, which was forwarded vide above referred letter:-

(a) Report is not rendered in the prescribed format

(b) Report is not prepared as per the guidelines issued by the ministry of
Home affairs.

3. It is advised that the ODI List should contain the names of only those officers who fall under any or all of the following categories:-

(i) Convicted in a court of Law on a charge of lack of integrity or for an offence involving moral turpitude but on whom, in view of the exceptional circumstances, a penalty other than dismissal, removal or compulsory retirement is imposed.

(ii) Award departmentally a major penalty: -

(a) On charges of lack of Integrity.

(b) On charges of gross dereliction of duty in protecting the interests of Government (company) although the corrupt motive may not be capable of proof.

(iii) Against whom proceedings for a major penalty or a court trial are in progress for alleged acts involving lack of integrity or moral turpitude.

(iv) Who were prosecuted but acquitted on technical grounds, and in whose case on the basis of evidence during the trial there remained a reasonable suspicion against their integrity.

4. While preparing the ODI list as per the criteria laid down in para-3 above, it shall be ensured that the names of the officers falling under any or all of the following categories are not included in the list.

(i) Officers who have been cleared or honorably acquitted as a

result of disciplinary proceedings or court trial.

(ii) Officers against whom an enquiry or investigation has not brought forth sufficient evidence for recommending even a disciplinary case.

(iii) Officers who have been convicted of offences not involving lack of integrity of moral turpitude.

(iv) Officers against whom disciplinary proceedings have been completed or are in progress in respect of Administrative lapses, minor violation of conduct rules and the like.

5. Vigilance HODs of Complex/Divisions shall prepare the ODI list in two parts, i.e. Appendix –'A' containing names of those officers, which have to be retained in the list and Appendix-'B' containing names of those officers which have to be deleted from the list. (Format given in the respective enclosed appendices to be adhered to). Adequate justification for both retention and deletion of names has to be given furnishing the reference of charge sheets and final orders of Disciplinary Authority/Court of law

6. An unobtrusive surveillance on the officers figuring in the ODI should be carried out and a Quarterly Report on the same to be forwarded to this Office as per the guidelines and format issued vide this office letter No HAL/CO/VIG/47/ 2000/624 dtd 14.07.2000

7. Attention is also drawn to letter No. 105/1/66-AVD dtd 28.10.1969, paragraph-5, that Officers who are on ODI list, their names will also be considered for their Vigilance clearance as specified in the Administrative requirement of the referred letter. Vigilance Clearance of any officer who has been placed on ODI list as per record will be referred to Corporate Office in a sealed cover for action in this regard.

(HAL/CO/VIG/A/02/2005/464 dtd 08 Apr 2005)

SUBMISSION OF MONTHLY REPORT AND ANNUAL REPORT BY CVO's

1. Please refer to the Commission's letter of even number dated 09.08.2004 on the subject cited above.

2. The Commission has undertaken some corrections/clarification in the format of monthly report (part-B) and annual report. Necessary changes made in part-B, Para 8, which relates to investigation undertaken by the CVO,

subsequent to complaints, investigations etc. Corresponding changes in Annual report and change in typographical error of the 'Month' to 'year' may also be noted amended copy of the Monthly Report and Annual Report are available on the commission's web site at http://cvc.nic.in.

(Office Order No. 47/7/05 Dt 28 Jul 2005)

HAL CONDUCT, DISCIPLINE AND APPEAL RULES, 1984
PROPERTY RETURNS

With a view to bringing about effectiveness, certain provisions of HAL Conduct, Discipline & Appeal Rules, 1984 have been reviewed and rationalized with the approval accorded by the Board of Directors at its 229th Meeting held on 28th April 1997. Accordingly, the following amendments are effected to the above Rules, under "Code of Conduct" (Schedule-I to the HAL Conduct, Discipline & Appeal Rules):

A Add at the end of Para-3, the following:-

"The report, as above, shall be submitted within one month of the date of such transaction".

B Para 4(e) is deleted and substituted with the following :-

"Every officer shall submit a return, every year, in respect of immovable property inherited/owned/acquired, in the form as at Appendix-V (revised as per the enclosed format) accompanied by the format Appendix-IV. The return must be filled and submitted simultaneously with the Self- Appraisal Report (forming part of the Performance Appraisal Report) and a Certificate to that effect indicating also the date of submission of the return, shall be enclosed with the Performance Appraisal Report".

C The "Competent Authority" for the purpose of "Code of Conduct" (Schedule-I) shall be as under :-

For officers in Grade-I to IV - General Manager/Divisional Head
For Officers in Grade-V to VIII - MDs/FDs
For Officers in Grade-IX & above - Chairman

2. It has been observed while reviewing the property returns that the format of immovable property return as at Appendix-V to the Rules, does not provide for certain details such as survey number of land/house building number, locality wherein it is situated etc. It has, therefore, been decided to revise the format. The revised format is given in the Annexure. For the purpose of uniformity, compilation and analysis of details, all the officers may be advised to submit the details of immovable property in the above said revised format by 30.6.1997, irrespective of the fact whether the Property Returns is doe or not. In future, the required details/ returns, as and when due be furnished by the Officers concerned in the revised format.

(HAL/P&A/19(2)/97 dated 28 May 97)

HAL CONDUCT, DISCIPLINE AND APPEAL RULES, 1984 INTIMATION REGARDING ACQUIRING OR DISPOSAL OF IMMOVABLE PROPERTY BY OFFICERS

In terms of Para-1 of Schedule-I (Code of Conduct) of the HAL CDA Rules, no Officers of the Company shall, except with previous knowledge of the Competent Authority, acquire or dispose of any immovable property by lease, mortgage, purchase, sale gift or otherwise, either in his own name or in the name of any member of his family. It has, however, been observed that whenever constructing a house on a land or plot of land owned by Officers, they do not report this aspect to the Competent Authority, by furnishing the plinth area of the building being constructed, cost of construction, the source of finance for the construction. etc.

2. In order to monitor such transactions on the part of Executives, it has been decided that whenever an Officer starts construction of a building/ residential accommodation on a land or plot of land owned by him, he should report the fact of such construction to the Competent Authority, indicating details of plinth area of the house/residential accommodation as per the building plan approved by the appropriate Authorities like Local Bodies, Town Municipalities, City Corporation, City Development Authorities etc. Further within one month of the date of completion of the construction about the same indicating the total cost of construction and the source of fund(s) utilized for the said purpose.

(HAL/P&A/19(2)/90/Vol.V dt 05 Aug 97)

HAL CONDUCT, DISCIPLINE & APPEAL RULES 1984 - INTIMATION REGARDING TRANSACTIONS OF MOVEABLE/IMMOVABLE PROPERTY ENTERED INTO BY SPOUSE OF AN OFFICERS

As per the clarifications issued to the Divisions, vide memos referred to above, property transactions (movable and immovable) entered into by the spouse, even if he/she is not wholly dependent on the Officer, should be reported to the Competent Authority and property returns should be submitted by the Officers every year simultaneously with the self-Appraisal Report (forming part of the Performance Appraisal Report).

2. The clarification issued vide memo at (i) above has been reviewed keeping in view the similar provisions in Government Rules. It is now clarified that the movable/ immovable property transactions entered into by the spouse of an Officer who is not wholly dependent on the Officer, need not be reported to the Competent Authority if such transactions have been made out of his/her own funds (including stridhan, gifts, inheritance, etc.) as distinct from the funds of the Officer concerned, in his/her own name and in his/her right. It is

further clarified that the periodicity of property returns to be submitted by officers every year is shifted from Calendar year basis to financial year basis (i.e., 1st April to 31 March).

(HAL/P&A/19(2)/98 DT 20 Aug 98)

SCRUTINY OF ANNUAL PROPERTY RETURNS OF OFFICERS/ EXECUTIVES OF PSUs BY THE VIGILANCE BRANCH

The undersigned is directed to say that the conferences of Chief Vigilance Officers held by the CBI and Central Vigilance Commission during 1997 and recommended, inter-alia, that the scrutiny of property returns may be undertaken by the Chief Vigilance Officers. It was also suggested that the general practice of receiving and filing property returns and their safe custody in the PSU should continue with the Personnel Department and the Vigilance Branch may scrutinize on random basis and on specific information about 20% of the property returns so that the scrutiny cycle gets completed in every five years.

2. The matter has been examined carefully by the CVC and DOPT and it has been decided that in view of the emphasis on probity in public life and need for contemporaneous reporting of assets by the official concerned, the vigilance set up in the PSUs would scrutinize, on a random basis and on specific information, about 20% Annual Property Returns of the regular permanent employees of their respective organizations so that the scrutiny cycle is completed in every five years. To carry out this exercise, the management of PSU should provide staff whenever required by the CVO by making internal adjustments. However, the general practice of receiving and filing property return and their safe custody with Personnel Department of PSUs will continue. This arrangement should be put into effect immediately.

(DPE OM No DPE 1S(6)/98(GL-008) / GM dt 01 Sept 1998)

SCRUTINY OF ANNUAL PROPERTY RETURNS OF OFFICERS/ EXECUTIVES OF PSUS BY THE VIGILANCE BRANCH

Based on the recommendations of the Conference of various Chief Vigilance Officers held by CBI and CVC during 1996 and 1997 which have been carefully examined by the CVC and Dept. of Personnel & Training, Government has now decided that in view of the emphasis on probity in public life and need for contemporaneous reporting of assets by the official concerned, the Vigilance set up in the PSUs would scrutinise, on a random basis and on specific information, about 20% Annual Property Returns of permanent

employees of their respective Organisations so that the scrutiny cycle is completed in every five years; however, the general practice of receiving and filing property returns and their safe custody with Personnel Departments of PSUs will continue. Copy of the Dept. of Public Enterprises letter No.DPE/ IS(6)/98(GL-008)/GM dated 1.9.1998 is enclosed.

2. For ensuring effective implementation of these instructions, the Divisions should be computerized the Property Returns of all the Officers.

(HAL/P&A/19(2)/93/557 DT 17 Oct 98)

SAFE CUSTODY & PERSONAL HANDLING OF ANNUAL PROPERTY RETURNS

Safe custody and personal handling of Property Returns of various Officers of the PSUs came up for discussions in the meeting of the CVOs/VOs of PSUs of Ministry of Defence (Department of Defence Production and Supplies) held on 5/6th Oct 99. It has been decided in the meeting that the property returns of Chairman and other Board level appointees are required to be filed with the CVO, Ministry of Defence, through the CVO of the Company; Property Returns in respect of AGMs, GMs and EDs are to be kept in the Custody of the CVO of the PSU. Accordingly, Property Returns of the above officers have been handed over by us to the CVO, i.e., Executive Director (Vigilance).

2. It is requested that following procedure may be adopted while forwarding the Property Returns of AGMs and above from the Complexes to Corporate Office, in future:-

- Property Returns in respect of MDs/Director may please be forwarded to the Director (Personnel); who will take further action for sending it to the Ministry through ED (Vigilance);

- Property Returns in respect of AGMs GMs and EDs may be sent to the General Manager (P&A); for handing over the same to ED (Vigilance) for safe custody and personal handling.

- The Property Returns in respect of Officers in Grade-VII are concerned, the same are to be forwarded to GM(P&A); as hither to.

3. Property Returns in respect of Officers in Grade VI and below should be kept under the Safe Custody and Personal handling by the concerned GMs/or Officers specifically authorised by him. Further action may be taken accordingly.

4. The Divisions may also be advised to ensure that the Property Returns as above are rendered and scrutinised by the respective Authorities in time and discrepancies, if any, brought to the notice of concerned Officers for necessary clarifications. Proper documentation of the Property Returns of each Officer should also be maintained for any reference at any point of time in future.

(HAL/P&A/19(2)/99 dt 28 Dec 99)

REVISED FORMAT OF PROPERTY RETURNS

Review of the Annual Property Returns by Corporate Office has brought out certain aspects which need to be reflected in the Returns. Besides, in order to enable the Officers to fill the form correctly, it is felt necessary to indicate in the form itself (on the reverse) guidelines to fill the form as well as relevant rule provisions. It is also felt that instead of rendering the Annual Property Return both in Appendix-IV & V all the required details could be incorporated in one format. Keeping all these aspects in view, Appendix-V has been revised comprehensively and the revised format is enclosed. Consequently, officers need not submit information in Appendix-IV while rendering Annual Property Returns. However, seeking prior approval for property transaction/ reporting of property transaction in respect of movable and immovable properties as and when such transactions take place, will continue in Appendix-IV.

2. All the officers may be advised to submit the Annual Property Returns in the revised format of Appendix-V w. e. f. year 2000-2001. However, as a onetime measure, while submitting the next annual return, details of all the properties both movable and immovable held by officers should be furnished, which will be the basis for reviewing the property returns.

(HAL/P&A/19(2)/93/17 dated 06 Jan 2001)

GUIDELINES TO BE FOLLOWED IN HANDLING OF INTIMATION 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 de-motivate 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 face 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. Visting 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 :-

a. Unnecessary queries may not be raised when officers make intimations. As a general rule, such intimations may simply be noted;

b. If not related to assets disproportionate to known sources of income, failure to intimate should be treated as a technical lapse. Such lapses should ordinarily attract only a censure/administrative warning;

c. 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.

(CVC letter No 99/VGL/69 dated 26 Feb 2001)

CDA Rule with Regard to APR (Submission of property returns)

4.1 Henceforth, Officers will submit their property returns, on first appointment and every year on a calendar year basis, in the formats enclosed as Appendix-II, III & IV. Accordingly, the existing format at appendix-V to the HAL CDA rules 1984 notified vide Circular No. HAL/P&A/19(2)/93/17 dated 6.01.2001 is deleted. The Annual property returns in respect of a calendar year will be submitted as on 1st Jan of the subsequent year. The return will be submitted by each officer latest by 7th January.

4.2 Consequent to the changes in the formats for submission of property returns as indicated as para-4.1 above, existing 'Appendix-V' wherever appearing in the HAL CDA Rules 1984 should be replaced with 'Appendix-II,III & IV'.

4.3 The existing format at Appendix-IV of the rules (information to be furnished by Officers while rendering property returns/seeking approval/reporting transactions in respect of Movable/Immovable properties) is re-numbered as Appendix-V. The present system of seeking prior approval for property transactions/reporting of transactions in respect of Movable and Immovable properties as and when it takes place will continue in Appendix –'V (existing Appendix–IV).

4.4 Keeping in view the provisions in the revised formats for submission of Annual property returns; particulars of all properties owned by the Officer in his own name or in the names of his relatives/others are to be reported each year. In other words, in the present system of not reporting particulars of properties once reported in the subsequent years and furnishing "Nil"/ No" change" report in subsequent years, is discontinued.

4.5 There will be no change in the present system of raising/forwarding of Annual Property Returns.

5. Amendments as at para-3 (a), (b), & (d) above will come into force with immediate effect. Amendments as at para-3(c) above and the modified system for submission of Annual Property Returns as at para-4 above will come into force with retrospective effect from 1.1.05. All officers will submit their Annual Property Returns for the calendar year 2004, as 01.01.2005, immediately.

(HAL/P&A/19(2)/2005 dated 07 Feb 2005)

Transactions in Movable Property (CDA RULE)

1. As per para I (3) of Schedule I (Code of Conduct) under Rule - 4 of t he HAL CDA Rules, 1984, every Officer of the Company shall report to the Competent Authority, in the prescribed Form at Appendix - IV, every transactions concerning movable property owned or held by him, in his own name or in the name of a member of his family. If the value of such property exceeds Rs. 20,000/-the report shall be submitted within one month of the date of the transaction.

2. In line with the decision notified by the ministry of Personnel, Public Grievances and Pensions (Department of Personnel & Training), vide Notification F.No.11013/8/2000 dated 09.05.2011, it is decided to amend para I (3) of Schedule I (Code of Conduct) under Rule - 4 of the HAL CDA Rules, 1984 as follows:

> "Every Officer of the Company shall report to the Competent Authority in the prescribed Form at Appx- IV, every transactions concerning movable property owned or held by him, in his own name or in the name of a member of his family, if the value of such property exceeds two (2) months Basic Pay of the Officer (at the time of the transaction). The report shall be submitted within one month of the date of the transaction; Provided that the previous sanction of the Competent Authority shall be obtained by the Officer if any transaction is with a person having official dealings with him".

3. Consequent upon the amendment as at para 2 above, the figure of 'Rs.20,000/-' wherever appearing in the HAL CDA Rules, 1984 in connection with reporting property transactions is replaced with 'two (2) months Basic Pay'.

(**HAL/P&A/19(2)/11 dated 14Nov 2011)**

HAL CDA RULES – 1984 : PROVISIONS IN THE HAL CONDUCT, DISCIPLINE AND APPEAL RULES WITH REGARD TO PROPERTY RETURNS (MODIFIED PROVISIONS OF 1997 INDICATED IN BOLD)

CODE OF CONDUCT

1. Movable, Immovable and Valuable Property

No officer of the Company shall except with the previous knowledge of the Competent Authority acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise either in his own name or any member of his family.

2. No officer of the Company shall except with the previous sanction of the Competent Authority enter into any transaction concerning any immovable or movable property transaction concerning any immovable or movable property with a person or a firm having official dealing with the officer of his subordinate.

3. Every Officer shall, on first appointment in the Company submit a return of assets and liabilities in the form as at Appendix-I giving the particulars regarding:-

(a) The immovable property inherited by him or owned or acquired by him or held on lease or mortgage either in his own name or in the name of any member of his family or in the name of any other person;

(b) Shares, debentures, and cash including bank deposits inherited by him or similarly owned, acquired or held by him.

(c) Other movable property inherited by him or similarly owned, acquired or held by him if the value of such property exceeds the limits specified at 4.9 above.

(d) Debts and other liabilities incurred by him directly or indirectly;

(e) Every officer shall submit a return, every year in respect of immovable property inherited/owned/acquired, in the form as at Appendix-I, (revised as per the enclosed format) accompanied by the form at Appendix-II. The return must be filled and submitted simultaneously with the Self-Appraisal Report (forming part of the Performance Appraisal Report) and a certificate to that effect indicating also the date of submission of the return, shall be enclosed with the Performance Appraisal Report.

4. The Competent Authority may, at any time, by general or special order require an officer to submit within a period specified in the order a full and complete statement of such movable or immovable property held or acquired by him or on his behalf or by any member of his family as may be specified in the order. Such statement shall, if so required by the Competent Authority, include details of the means by which or the source from which such property was acquired.

5. The "Competent Authority" for the purpose of "Code of Conduct" (Schedule-I) shall be as under:-

For Officers in Grade-I to IV	-	General Manager/Divisional Head
For Officers in Grade V to VIII	-	MDs/FDs
For officers in Grade IX & above	-	Chairman

Acknowledgement against the submission of APRs

It is decided that the HR Dept. of each Division/Office will put in place a system under which submission of Annual Property Return or a Return within one month of the transaction beyond the specified amount [exceeding two months Basic Pay w.e.f 14.11.2011 as notified vide the Circular at para 3.10 above] are acknowledged.

(HAL/P&A/19(2)/2012 Dated 04th January 2012)

FEEDBACK REPORT ON DEPUTATION OF EMPLOYEES TO FOREIGN COUNTRIES

1. Reference this Office Lr No. HAL/CO/VIG/47/2002/1261 dtd. 18 Jul 2002 on the above subject.

2. It has been noticed that many officers and employees who are being deputed for foreign assignments by the Company are not submitting feedback report. It is in violation of instructions issued vide this Office Lr No HAL/CO/VIG/49/412 dtd. 22.09.1999, which requires that all officers and employees who are deputed to foreign countries on official assignments, have to file a feedback report with the Executive Director (Vig), within ten days of their joining HAL after their deputation, along with the comments of the respective HODs. A copy of such reports may also be marked to the Divisional Vigilance HODs for their further necessary action.

(HAL/CO/VIG/58/2006/70 dtd. 13 Jan 2006)

DEPUTATION

1. Kind attention is invited to Lr No. HAL/P&A/28(12)/97 dt. 07.2.1997 of Director (Personnel) read in conjunction with this Office Ltr No. HAL/CO/VIG/49/412 dtd. 22.9.1999.

2. It is requested that copies of the Deputation Report of the Company employees may please be marked to the Divisional HODs of the Vigilance Department, in future, without fail.

(HAL/CO/VIG/47/2002/1261 dtd. 18 Jul 2002)

TOURS ABROAD BY INCUMBENTS OF TOP POSTS AND ALL BOARD LEVEL EXECUTIVES IN PUBLIC ENTERPRISES

In suppression of DPE's OM No 20(5)/95-DPE(GM) dated 10-12-1997, the issue of foreign tours of Board level executives of Central Public Sector Undertakings has been reconsidered and it has been decided that :-

2. Prior approval of the Minister of the administrative Ministry/Department should hereafter be obtained in regard to foreign tours of Chief Executives and part-time as well as full time Directors of the Central Public Enterprises.

3. A statement of such foreign tours along with official tour note/report of the officers should be placed before the Board of Directors in its periodical meetings.

(DPE OM No 2(41)/93-DPE(WC) G-XI dated 13 Aug 1999

HAL CONDUCT, DISCIPLINE & APPEAL RULES 1984 PARTICIPATION OF GOVERNMENT SERVANTS IN THE ACTIVITIES OF MORAL REARMAMENT MOVEMENT – REVIEW OF THE INSTRUCTIONS

The undersigned is directed to refer to the Ministry of Home Affairs O.M. No 25/10/64-Ests.(a) dated 04 July, 1964 wherein some restrictions have been imposed on the Government servants associating themselves with the activities of Moral Rearmament Movement.

2. These instructions have been reviewed. After careful consideration, it has been decided to withdraw these instructions with immediate effect. It is, however, clarified that while associating with the activities of the Moral Rearmament Movement, the Central Government servants should ensure that

they do not do anything which may be construed or easily misconstrued as participation in political activities, keeping in view the provisions of Rule 5 of the CCS (Conduct) Rules, 1964.

(DOPT O.M. No 11013/13/98-Estt.(A) dated 24 Feb 1999)

TOP LEVEL EXECUTIVES OF PSUs JOINING PRIVATE COMMERCIAL UNDERTAKINGS AFTER RETIREMENT

Based on Government instructions, vide DPE's OM No 2(22)/99-GM-GL-022 dated 25.1.2002., the Board of Directors at its 242nd meeting held on 29.2.2000, has approved incorporation of a Clause in HAL Conduct, Discipline & Appeal Rules, 1984, in regard to placing restrictions on Top Level Executives of PSUs joining private Commercial undertakings after retirement. Accordingly, the following clause is incorporated at the end of Schedule-I(Code of Conduct) to the HAL Conduct, Discipline and Appeal Rules, 1984:-

" Clause. XXVIII.

Restrictions on Board Level Officers joining Private Commercial Undertakings after their retirement:

a) "No Functional Director of the Company including Chairman, who has retired / resigned from the service of the Company, after such retirement / resignation, shall accept any appointment or post, whether advisory or administrative in any Firm or Company, whether Indian or Foreign, with which the Company has or had business relations, within 1 year from the date of retirement, without prior approval of the Government. The term 'retirement' includes "resignation" but not cases of those whose term of appointment was not extended by the Government for reasons other than proven misconduct. The term ' business relation' includes 'official dealings' as well;

b) Functional Directors, including the Ch airman, who after superannuation or resignation accept appointment in private commercial firms without prior sanction of the Government, will hence forth be debarred from being appointed as Full Time / Part Time Directors of CPSEs;

c) In order to ensure compliance of the above restrictions, the Company shall secure a Bond, in the specified proforma, at the time of his appointment / retirement / resignation as Director / Chairman in the Company;

d) For any violation of the above specified procedure, the Director / Chairman will pay Rs. 5 Lakhs as 'damages' to the Company."

(HAL/P&A/19(2)/2000 dt 30 Mar 2000)

ACTION AGAINST EMPLOYEES WHO ARE FOUND TO HAVE SUB-LET QUARTERS

It has been found that number of employees who have been allotted HAL quarters, have sub-let the quarters. Under the House Allotment Rules, sub-letting of quarters is not permitted. Further, the Standing Orders and the HAL CDA Rules clearly stipulate that violation of the terms & conditions of allotment of quarters is an act of mis- conduct.

2. In order to curb sub-letting of quarters, it has been decided that if an employee sublets the quarter allotted to him or any portion thereof in contravention of the rules, he will be charged rent at ten times of the normal rent during the notice period, apart from declaring him as ineligible for allotment of company quarters for the remaining period of his service, suitable action should also be taken under the Certified Standing Orders or HAL CDA Rules, as the case may be, against the concerned employee.

3. The House Allotment Rules may be amended suitably, incorporating a clause for charging 10 times the normal monthly rent in subletting cases. Similar clause may also be incorporated in the terms and conditions of allotment of quarters.

4. In the sub-letting cases that were recently brought to the notice of concerned Division by the Corporate Office, action should be taken to initiate major penalty proceedings, and charge 10 times the normal monthly rent w.e.f. 1.10.2001

(HAL/P&A/15(4)-1/84 dt 16 Oct 2001)

JOB ROTATION

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 Executive 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.

(CVC letter No 98/VGL/60 dated 15 Apr 1999)

ROTATION OF OFFICIALS WORKING IN SENSITIVE POSTS

Please refer to your letter No HAL/CO/VIG/41/317/1761 dated 28th July 99, on the above subject.

2. As you may be aware, the following Departments/Sections/Areas have been identified as SENSITIVE in the Company:

i. Bills payable.
ii. Pay Rolls.
iii. Purchase & Stores.
iv. Recruitment & Promotion.
v. Security & Vigilance.
vi. Civil Engineering.
vii. Plant Maintenance (Mech & Elect)
viii. Canteen.
ix. Sub-Contract Cell

Instructions to the Divisions/Offices already exist to effect periodical job rotation of Officers working in these Areas. A copy of Circular No HAL/P&A/41(6)/97 dated 7th June 97, on the subject is enclosed.

3. The undersigned has again advised the MDs vide letter of even No dated 7th Aug 99, to ensure that job rotation of Officers in these areas are effected periodically, as stipulated in the Circular dated 7th Jun 97. A copy of this letter is also enclosed for your reference.

(HAL/P&A/41(6)/99 dt 07 Aug 99)

ROTATION OF OFFICIALS WORKING IN SENSITIVE POSTS

Attention is invited to Circular No 98/VGL/60 dated 15 Apr 99 of the CVC 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 tenure of three years following which they are to be reverted o 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.

(CVC letter No 98/VGL/60 dated 02 Nov 2001)

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.

(CVC Circular No. 004/VGL/90 Dt. 01 May 08)

REFLECTION OF INFORMATION REGARDING JOB ROTATION IN QUARTERLY REPORTS

1. In the Quarterly Report on Action Plan on Anti-corruption Measures to be sent to the Ministry of Defence, the following information on Job Rotation of staff working in sensitive areas/departments/posts is required to be sent by the Vigilance Department of Corporate Office, which are in turn received from the HOD of the Vigilance Deptt located in the Complex/Division:-

(a) No of staff working on same post/in the same Division for more than 3 years at the beginning of the Quarter.

(b) No of Staff transferred during the Quarter, out of Para 1 (a) above in pursuance of plan drawn up for rotation of staff.

(c) Reasons for non-implementation of plan for rotation of staff.

2. It has been observed that correct figures as required above are not given to Vigilance Department from Personnel Department. In the absence of information pertaining to Para 1 report sent from the Corporate Office is incomplete and the same is pointed out by the Ministry.

3. Hence it is requested that details duly compiled as per Para 1 above of staff working on the same post/in the same Division in sensitive area/Department for more than 3 years may please be given to the HOD of the Vigilance Department of the Complex/Divisions every quarter so as to reach them 20th March, June, September, December on regular basis as per the format attached at Appendix –A

4. The information for the current year may please be sent now, to the HOD of the Vigilance Department of the Complex/Division with a copy to the Office of the Executive Director (Vigilance) for compilation and onward submission to the Ministry.

5. It may be noted that SENSITIVE Areas/Departments/Posts in this case will be taken from point view of susceptibility to corruption and NOT security aspect.

(HAL/CO/VIG/47/2000/810 dated 25 Aug 2000)

APPENDIX

Ser No	Name/PB Desig	Sensitive Area/Dept	Sub Department/ Section	Working Wef	Whether Job Rotation Planned, If so when	Remarks

JOB ROTATION OF WORKMEN IN SENSITIVE AREAS

Instructions presently exist for the job rotation of Officers working in Departments/ Sections/Areas identified as sensitive in the Company. These instructions have been issued with a view to ensure that employees working in the sensitive departments do not indulge in any type of corrupt practices or

develop vested interests. Similar instructions exist for normal job rotation of workmen.

2. The question of extending the provision of job rotation for workmen posted/working in sensitive areas has been under the consideration of Management. It has been decided that workmen working in the following sensitive areas would be required to be job rotated on completion of not more than 5 years in that area by 01 Jun, every year :-

(a) Bills Payable.
(b) Pay Rolls.
(c) Audit
(d) Stores/Purchase
(e) Recruitment & Promotion
(f) Security
(g) Vigilance
(h) Transport Maintenance
(i) Civil Engineering
(j) Plant Maintenance (Mechanical & Electrical)
(k) Canteen
(l) Sub-Contract Cell and
(m) Welfare including township administration

4. Employees involved in Vigilance related cases are however required to be job rotated immediately, without reference to the period of service rendered in such sensitive department/area. Divisions are required to take action accordingly. However in respect of Workmen working in the Vigilance Departments, Job Rotations are to be effected by the Executive Director (Vigilance) at Corporate Office only.

5. The proposals for job rotation of workmen in the above disciplines, out-side the Division/Office, if any may be discussed by the Head of the P&A Department with the representatives of the Recognised Union working in the Division before effecting job rotation, with the approval of the concerned MDs.

6. The details of employees job rotated during the year, in terms of these instructions may be sent to the Head of the Vigilance Department of the Complex/Division/Office as well as to the Office of the Managing Director concerned with a copy to Corporate Office the latest by 30 Jun, every year.

(HAL/P&A/41(60/2000 dated 13 Sep 2000)

JOB ROTATION OF WORKMEN IN SENSITIVE AREAS

Please refer to para 5 of this Office Memo No HAL/P&A/41(6)/2000 dated 13 Sep 2000 on the above subject.

2. It is clarified that the recognized Unions have to be consulted by the head of the P&A Department of the Division only where the proposal for job rotation of workmen in any of the disciplines indicated in para 2 of the memo dated 13 Sep 2000 involves change in the Head Quarters where the concerned workman is working.

(HAL/P&A/41(6)/2000 dated 25 Sep 2000)

JOB ROTATION IN SENSITIVE AREAS

Further to Corporate Office memo No HAL/P&A/41(6)/2000 dated 13 Sep 2000 regarding job rotation of employees in Departments/Sections/Areas identified as sensitive in the Company, the "Stores Inspection" Section under Quality Control Department is also declared as `Sensitive' Department.

(HAL/P&A/41(6)/2001 dated 11 Oct 2001)

TRANSFER / JOB ROTATION OF OFFFICERS WORKING IN THE VIGILANCE DEPARTMENT

1) As notified vide Corporate Office Circular dated 20.01.2006 referred at (VI) above, Transfers / Job Rotations of all Officers to/From the Vigilance Department will be made by Corporate Office, based on the recommendations of Executive Director (Vigilance).

2) It is now decided that Transfers /Job Rotations of Officers working in vigilance Department within the Vigilance Department, including transfer from one division / Complex / Offices to another, would be effected by Executive Director (Vigilance) and notified by P&A Department at Corporate Office.

(HAL/P&A/41(6)/07 dtd. 17 Feb 2007)

JOB ROTATION OF OFFICERS - SUCESSION PLANNING /CAREER DEVELOPMENT

1) Policy on Transfer / Job Rotation in respect of officers is in existence in the company since 1972 (as amended from time to time). The prevailing system on the subject was discussed amongst the Directors / General Managers during 2006.

2) Presently, Job rotations / Transfers are compulsorily effected only in respect of officers working in sensitive areas. In respect of Officers working in other areas / departments, Job rotations/Transfers are effected only on need basis. The following are some of the ills of the prevailing system.

i) Transfers are presently being termed as job rotations.
ii) Inter locational transfers are effected by exception.
iii) Limited and not carried out regularly.
iv) Urban bias.
v) Functionally neutral.
vi) Expediency.
vii) Occasionally, based on individual requests and agreement between the Transferee & Transferor Divisions.

3. Job rotations is an important method for career development of Officers. It needs to be utilized as a mechanism to position officers in posts / jobs where there are likely to be more effective or where they are likely to have greater job satisfaction. The key objectives of job rotation exercise are enumerated below: -

i) Cross – Cultural / cross product & technology exposure to
ii) broaden the canvass of work related experience;
iii) Individual enrichment.
iv) Promote one company concept & bring in transparency.
v) Evolve competency frame work (individual vis-à-vis the job)
vi) Facilitate officers to acquire broad competency profiles to enable
vii) Succession planning.
viii) Visualize future positioning in the company.
ix) Optimum utilization of Manpower.

4. In the backdrop of the above it is decided to put in place a systematic mechanism of job rotation with a focus on succession planning, in the company.

POLICY /GUIDELINES:

5. The primary objective of job rotation exercise is identification of successors who can occupy the key positions in the company. Key positions are those that expert critical influence on the operational activities or the strategic objectives of the company. In other words, if these key positions are kept unmanned or the incumbent in the position are not functioning effectively or if not receiving adequate and appropriate support may place the company at a competitive disadvantage. Such positions are usually 'pivotal' positions, which mean that effectiveness of other positions is dependent upon effectiveness in the key position.

6. In the above backdrop, Divisions / Offices were requested identify their respective key positions. It is decided that the job rotation exercise for Grade VII & above (Grade VI & below exceptionally) would aim at identification of successors in key positions.

7. In this regard, corporate office, in consultation with the Complex Offices, would identify the key positions in Grade VII & above which are likely to fall vacant in the succeeding two years time. Such key positions in one complex would be shared with the remaining three complexes, with a request to identify & nominate 02 to 03 suitable officers who can be considered to occupy the identified key positions. Such nominations received from the complexes would be examined and orders notified after finalization at corporate Office.

8. As regards the job rotation of officers upto Grade IV within the Divisions, the division concerned may develop an individual career plan for providing adequate exposure in different areas in the Divisions / (Vertically as well as horizontally), similarly, complex offices would draw up the plan for officers in grade V & VI. Indicative career planning profiles are enclosed as appendix I & II.

9. For the purpose of effecting job rotations, various functions in the company are broadly classified into 03 categories:

(a) Specific Functions: Disciplines that are specific to a division / Complex.

(i) Core Disciplines: Involve specializations confined to product specific technologies, e.g. Air Frame Assembly, Engine Assembly & Testing, Avionics / Accessories Assembly & Testing, Aircraft Systems & Testing, Design.

(ii) Specialized Disciplines: That support the core disciplines, but with appropriate familiarization/intership could be utilized in other divisions e.g Design Liaison, Quality control, production engineering, Indigenisation.

(b) Support Functions : Disciplines homogenous in character & not specific to a Division / Complex e.g Finance & accounts, personnel & Administration, security, Vigilance, works & services, plant Maintenance, MSD,IT,IMM, Medical.

(c) General Management: Positions in Grade VII & above could exceptionally be filled with executives from other related disciplines.

10. Based on the functional categorization as above, divisions are grouped as per the following details:

(a) For inter-locational job in core Disciplines:

i) A : Aircraft, ARDC, LCA, IJT, Aerospace, AMD, & AOD-Nasik, Airport Service Centre, TAD Kanpur & Overhaul, BC.
ii) B : Engine –BC, Koraput, IMGT & ETBRDC
iii) C: Helicopter, ALH-ROH, RWRDC & Barrackpore iv) D: Hyderabad Korwa & Lucknow
v) E: F&F, BC & Koraput

(b) Officers in Core Disciplines including Design Discipline to facilitate Career Development without succession to be job rotated in allied Divisions.

(c) Officers in General & Specialized Disciplines as a part of the Career Development and Succession strategy can be job rotated across the Company.

(d) Officers in Grade VII & above can be nominated for succession, exceptionally, in other Disciplines.

11. With a view to assure that Officers are given due opportunities to gain hands on experience in various Sections/Divisions, Division/Complex/Offices must ensure, as far as possible, Officers promoted to posts in Grade II to VIII must have exposure in the following minimum number of Sections/Shops/Department/Divisions.

Promotion to Posts in Grade II to IV:

Ser No	Promotion to Grade	Inducted in Grade	Exposure to minimum number of Sections/Shops/Departments
1.	II	I	2
2.	III	I	3
		II	2
3.	IV	I	4
		II	3
		III	2

Promotion to Posts in Grade V to VIII:

Ser No.	Promotion to Grade	Inducted in Grade	Exposure to minimum number of Sections/ Shops/ Departments	Exposure to minimum number of locations worked
1.	V	I	-	2
		II	4(OR)	2
		III	3	-
		IV	2	-
2.	VI	I to III	-	2
		IV	3	-
		V	2	-
3.	VII	I/II	-	2
		III/IV	-	3
		V	3(OR)	2
4.	VIII	I/II/III	-	3
		IV/V/VI	-	2

Officers, in general, would be job rotated after 10 yrs, in any geographical location and promotions need to precede Job Rotations. The maximum tenure for officers at Koraput & Korwa Divisions will be 5 years, except in cases where the Officers desire to continue at these locations.

12. Divisions/Offices would continue to effect Job Rotations in the Sensitive Areas as per the instructions in vogue depending upon the Delegation of Powers notified vide circular referred at (vi) above.

13. Competent Authority for effecting Job Rotations:

Authority	Levels
ED/GM	Within the Division upto Gr. V, subject to vacancy
Director	Within the Complex upto Gr. VII, subject to vacancy
	Officers in Grade VI & VII within the Discipline of Finance, P&A and IMM/Commercial, in consultation with the FD
Directors of 2 Complexes	Between the Complexes upto Gr. VII
CH	Officers in Grade VIII & above

Corporate Office	Annual Company wide job rotations. Executives of Vigilance based on recommendations of ED(V) Executives of Systems Audit in consultation with Head of System Audit, CO

Other Conditions

14. Job rotation exercise also aims at Competence Building amongst Officers. Newly recruited Officers at beginning of their career should be posted in technology intensive Depts. e.g. Direct Shops, Assembly, Tooling, Testing, QA and subsequently in related functional areas. Moreover, Officers who have been imparted specialized training need to be utilized for a minimum span of 4 years to train successors.

15. While deciding the job rotation, there is a need to ensure that all Officers are rotated uniformly and the Officers aptitude & Competencies are also taken into consideration.

16. Suitable Training inputs needs to be provided to the Officers job rotated to an area of work with which they are not familiar with.

17. Divisions/Offices may ensure that before the Superannuation Officers request for transfer to Home Town or to a nearer station, subject to attaining the age of 55 years with consistent Good service records (PARs) are considered sympathetically.

18. To the extent possible, while effecting job rotation, the following individual concerns may also be addressed:

a) Children Education
b) Spouse Employment
c) Serious Health problems of spouse and dependent children.
d) Compassionate Transfers.
e) To Divisions/Offices nearer to Home Town / place of final settlement.
f) Mutual Transfers based on requests and acceptability to both the Divisions.

19. Policy to deal with Inter Divisional Transfer requests on Personal/ Compassionate grounds is enumerated in Apendix-III.

20. In this regard, Complex Offices are requested to finalize the Key Positions in each of the Divisions for succession planning and initiate necessary action for job rotation of Officers in Grade VI & below.

APPENDIX-III

Inter Divisional Transfer Requests on Personal/Compassionate Grounds

1. **Introduction**

Of late it has been observed that employees or their dependents (Parents, Wife etc.,) approach external agencies viz; Hon'ble Ministers of Central Govt./State Govt., MPs, MLAs and VIPs etc. requesting for interdivisional transfer of the employees concerned, on personal/compassionate grounds. While such actions are volatile of the provisions of the CDA Rules and Standing Orders, it is also a fact that there is no mechanism as such to take notice of such requests for consideration of cases, which are genuine and stand on merit. Therefore, the need to create such mechanism has been felt.

2. **Coverage**

The policy would be applicable to all employees of the Organization. The Personal/Compassionate Ground would cover inter-alia, the following category of cases.

a) Employees superannuating within 03 succeeding calendar years so as to facilitate post retirement settlement in places where HAL's Divisions / Offices are located.

b) Sickness of self & direct dependents (wife, children & parents) for which no treatment are available at the current place of posting or such sickness necessitating change of climate etc.

c) Relocation to the same place of posting as that of the spouse.

d) Other reason viz, children's education etc, mutual transfers etc.,

3. **Authority for job changes:**

Same as the existing policy on job rotation.

4. **Procedure:**

(i) An employee desirous of putting forth his application may do so by clearly indicating the category with adequate proof thereof to his HOD.

(ii) The HOD concerned, on receipt of such application would forward the same with his remarks to the P&A head of the Division/office.

(iii) All such applications received would be consolidated bi-annually and would be put forth before a committee consisting of the representatives of technical department, finance department and P&A department for in depth examination of such requests.

(iv) The committee would give its recommendation to the Divisional Head for consideration.

(v) The Divisional Head would consider the recommended cases, if need be in consultation with the COMS (in respect of cases recommended in medical grounds) and order further action.

(vi) Thereafter the P&A department of the Division would take appropriate action.

(vii) Similar process would be followed by complex office/Corporate office with regard to cases falling within their purview as per the delegated level of authorities for such job changes.

(viii) In case of non-consideration of the cases forward to the other Divisions/Complex, the Division/Complex concerned would forward the same to the Corporate P&A to include the same in the list of Annual Job rotation cases for decision by directors.

(Personnel Circular No.675 dtd 04 Jun 2007)

Job Rotation of Officers / Workmen in Sensitive areas

Officers /Workmen working in Departments / Sections / Areas identified as sensitive are required to be job rotated on completion of not more than 5 years in that Department/ Section / Area, by 1st June of every year, as stipulated in the Circulars/ Letters under reference. Further, employees involved in Vigilance) related cases are required to be job rotated immediately without reference the period of service rendered in the sensitive Department/ Section/Area . These job rotations are effected to ensure that employees working in sensitive Departments/ Sections / Areas do not develop vested interests or indulge in any type of corrupt practices. ,

2. In this connection, it is brought out that some of the Divisions / Offices are not adhering to the instructions on the subject while effecting the job rotations. Some of the observations in this regard are indicated below:

i) Officers / Workmen are job rotated from one sensitive Post to another sensitive Post;

ii) Officers / Workmen are job rotated from a sensitive Post to non sensitive Post, but are brought back to the same sensitive Post within a short period;

iii) Job rotations are effected from sensitive Posts to non sensitive Posts, but the Officers / Workmen are not relieved from the transferred Post.

3. Actions as above are being done on the pretext that the special expertise of the employee is to be utilized in that domain or the employee is indispensable. However, such practices are not in accordance with the spirit of effecting job rotation of employees working in sensitive areas.

4. The need for adhering to the instructions issued on the subject is reiterated. Further, the following additional instructions are also issued in this regard:

i) Officers/Workmen working in Departments/ Sections/ Areas identified as sensitive are required to be job rotated on completion of not more than 5 years of service in such Departments/ Sections/ Areas;

ii) Such job rotations are necessarily to be done from the sensitive Area to another non-sensitive Area;

iii) Officers / Workmen job rotated from a sensitive area shall not be posted back to the same sensitive area or another sensitive area, before completion of a cooling off period of 2 years;

iv) In case job rotation as stated at Para 4 (iii) above is not feasible due to the nature of work in the Department, the Division; *Office* may effect the job rotation as indicated below:

a. Officers / Workmen will be job rotated to another Division; Complex;

b. Officers; Workmen will be job rotated to another Section in the same Department;

5. While *effecting* the job rotations as at Para 4 (iv) (a) & (b) above, *Officers I* Workmen who have completed the longest service in the Department will be job rotated first and so on (First in First Out). However, in no case an *Officer I* Workman will be allowed to continue in a Sensitive Post beyond 5 years.

6. Divisions / *Offices* may, accordingly, effect the job rotations, latest by 30th June of every year. Further, Divisions / Offices are requested to prepare a plan of action for effecting job rotations in the sensitive areas for periods varying form one year to three years.

7. Divisions / Offices may effect pending job rotations, if any, in sensitive areas, latest by *01.01,.2011,* under intimation to Corporate Office.

8. It is also requested to forward the Plan of Action drawn up for effecting job

(HAL/HR/41 (6)/10 November 24, 2010)

Job Rotation of Officers Working in Sensitive Areas

As per existing policy, Officers working in sensitive areas have to *be* job rotated on completion of five years of service in the same area. Competent Authority to effect the Job Rotations in sensitive areas have been mentioned In the above referred Corporate Office letter . There is a need to ensure that job rotation of all eligible Officers working in sensitive areas are considered for job rotation as and when they are about to complete the stipulated period of working in the same area. Timely job rotation will be possible in case the list of concerned Officers is prepared well in advance, by Divisions *I* Offices.

2. Divisions are therefore requested to commence every year in December, the exercise of compiling the list of all eligible Officers who have completed or about to complete stipulated tenure of service in the sensitive areas, and further ensure that the proposal for job rotation is put up to Competent Authority in terms of Corporate Office letter No. HAL/P&A/41(6)/97 dated 07/06/1997. All job rotations of the identified Officers should be completed before end of February of the following year.

3. For the current year, the exercise of identifying eligible Offices should begin in December 2012 and after obtaining necessary approve of Competent authority the job rotations of employees working in sensitive areas should be completed by the end of February, 2013. As regards proposal which require approval by Corporate Office, the same may. be sent by 4.1.2013.

(HAL/HR/41 (6}/2012 Dated 5.12.12)

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 Executive 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.

(CVC letter No 98/VGL/60 dated 15 Apr 1999)

ROTATION OF OFFICIALS WORKING IN SENSITIVE POSTS

Please refer to your letter No HAL/CO/VIG/41/317/1761 dated 28th July 99, on the above subject.

2. As you may be aware, the following Departments/Sections/Areas have been identified as SENSITIVE in the Company:

i. Bills payable.
ii. Pay Rolls.
iii. Purchase & Stores.
iv. Recruitment & Promotion.
v. Security & Vigilance.
vi. Civil Engineering.
vii. Plant Maintenance (Mech & Elect)
viii. Canteen.
ix. Sub-Contract Cell

Instructions to the Divisions/Offices already exist to effect periodical job rotation of Officers working in these Areas. A copy of Circular No HAL/P&A/41(6)/97 dated 7th June 97, on the subject is enclosed.

3. The undersigned has again advised the MDs vide letter of even No dated 7th Aug 99, to ensure that job rotation of Officers in these areas are effected periodically, as stipulated in the Circular dated 7th Jun 97. A copy of this letter is also enclosed for your reference.

(HAL/P&A/41(6)/99 dt 07 Aug 99)

ROTATION OF OFFICIALS WORKING IN SENSITIVE POSTS

Attention is invited to Circular No 98/VGL/60 dated 15 Apr 99 of the CVC 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 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.

(CVC letter No 98/VGL/60 dated 02 Nov 2001)

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.

(CVC Circular No. 004/VGL/90 Dt. 01 May 08)

REFLECTION OF INFORMATION REGARDING JOB ROTATION IN QUARTERLY REPORTS

1. In the Quarterly Report on Action Plan on Anti-corruption Measures to be sent to the Ministry of Defence, the following information on Job Rotation of staff working in sensitive areas/departments/posts is required to be sent by the Vigilance Department of Corporate Office, which are in turn received from the HOD of the Vigilance Deptt located in the Complex/Division:-

(a) No of staff working on same post/in the same Division for more than 3 years at the beginning of the Quarter.

(b) No of Staff transferred during the Quarter, out of Para 1 (a) above in pursuance of plan drawn up for rotation of staff.

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2. It has been observed that correct figures as required above are not given to Vigilance Department from Personnel Department. In the absence of information pertaining to Para 1 report sent from the Corporate Office is incomplete and the same is pointed out by the Ministry.

3. Hence it is requested that details duly compiled as per Para 1 above of staff working on the same post/in the same Division in sensitive area/Department for more than 3 years may please be given to the HOD of the Vigilance Department of the Complex/Divisions every quarter so as to reach them 20th March, June, September, December on regular basis as per the format attached at Appendix –A.

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vi) Facilitate officers to acquire broad competency profiles to enable
vii) Succession planning.
viii) Visualize future positioning in the company.
ix) Optimum utilization of Manpower.

4. In the backdrop of the above it is decided to put in place a systematic mechanism of job rotation with a focus on succession planning, in the company.

POLICY / GUIDELINES:

5. The primary objective of job rotation exercise is identification of successors who can occupy the key positions in the company. Key positions are those that expert critical influence on the operational activities or the strategic objectives of the company. In other words, if these key positions are kept unmanned or the incumbent in the position are not functioning effectively or if not receiving adequate and appropriate support may place the company at a competitive disadvantage. Such positions are usually 'pivotal' positions, which mean that effectiveness of other positions is dependent upon effectiveness in the key position.

6. In the above backdrop, Divisions / Offices were requested identify their respective key positions. It is decided that the job rotation exercise for Grade VII & above (Grade VI & below exceptionally) would aim at identification of successors in key positions.

7. In this regard, corporate office, in consultation with the Complex Offices, would identify the key positions in Grade VII & above which are likely to fall vacant in the succeeding two years time. Such key positions in one complex would be shared with the remaining three complexes, with a request to identify & nominate 02 to 03 suitable officers who can be considered to occupy the identified key positions. Such nominations received from the complexes would be examined and orders notified after finalization at corporate Office.

8. As regards the job rotation of officers upto Grade IV within the Divisions, the division concerned may develop an individual career plan for providing adequate exposure in different areas in the Divisions / (Vertically as well as horizontally), similarly, complex offices would draw up the plan for officers in grade V & VI. Indicative career planning profiles are enclosed as appendix I & II.

9. For the purpose of effecting job rotations, various functions in the company are broadly classified into 03 categories:

(a) Specific Functions: Disciplines that are specific to a division / Complex.

(i) Core Disciplines: Involve specializations confined to product specific technologies, e.g. Air Frame Assembly, Engine Assembly & Testing, Avionics / Accessories Assembly & Testing, Aircraft Systems & Testing, Design.

(ii) Specialized Disciplines: That support the core disciplines, but with appropriate familiarization / intership could be utilized in other divisions e.g Design Liaison, Quality control, production engineering. Indigenisation.

(b) Support Functions : Disciplines homogenous in character & not specific to a Division / Complex e.g Finance & accounts, personnel & Administration, security, Vigilance, works & services, plant Maintenance, MSD,IT,IMM, Medical.

(c) General Management: Positions in Grade VII & above could exceptionally be filled with executives from other related disciplines.

10. Based on the functional categorization as above, divisions are grouped as per the following details:

(a) For inter-locational job in core Disciplines:

i) Aircraft, ARDC, LCA, IJT, Aerospace, AMD, & AOD-Nasik, Airport Service Centre, TAD Kanpur & Overhaul, BC.

Ii Engine –BC, Koraput, IMGT & ETBRDC

iii) Helicopter, ALH-ROH, RWRDC &Barrackpore

iv) Hyderabad Korwa & Lucknow

v) F&F, BC & Koraput

(b) Officers in Core Disciplines including Design Discipline to facilitate Career Development without succession to be job rotated in allied Divisions.

(c) Officers in General & Specialized Disciplines as a part of the Career Development and Succession strategy can be job rotated across the Company.

(d) Officers in Grade VII & above can be nominated for succession, exceptionally, in other Disciplines.

11. With a view to assure that Officers are given due opportunities to gain hands on experience in various Sections/Divisions, Division/Complex/Offices must ensure, as far as possible, Officers promoted to posts in Grade II to VIII must have exposure in the following minimum number of Sections/Shops/Department/Divisions.

Promotion to Posts in Grade II to IV:

Ser No.	Promotion to Grade	Inducted in Grade	Exposure to minimum number of Sections/Shops/Departments
1.	II	I	2
2.	III	I	3
		II	2
3.	IV	I	4
		II	3
		III	2

Promotion to Posts in Grade V to VIII:

Ser No.	Promotion to Grade	Inducted in Grade	Exposure to minimum number of Sections/ Shops/ Departments	Exposure to minimum number of locations worked
1.	V	I	-	2
		II	4(OR)	2
		III	3	-
		IV	2	-
2.	VI	I to III	-	2
		IV	3	-
		V	2	-
3.	VII	I/II	-	2
		III/IV	-	3
		V	3(OR)	2
4.	VIII	I/II/III	-	3
		IV/V/VI	-	2

Officers, in general, would be job rotated after 10 yrs, in any geographical location and promotions need to precede Job Rotations. The maximum tenure for officers at Koraput & Korwa Divisions will be 5 years, except in cases where the Officers desire to continue at these locations.

12. Divisions/Offices would continue to effect Job Rotations in the Sensitive Areas as per the instructions in vogue depending upon the Delegation of Powers notified vide circular referred at (vi) above.

13. Competent Authority for effecting Job Rotations:

Authority	Levels
ED/GM	Within the Division upto Gr. V, subject to vacancy
Director	Within the Complex upto Gr. VII, subject to vacancy
	Officers in Grade VI & VII within the Discipline of Finance, P&A and IMM/Commercial, in consultation with the FD
Directorsof 2 Complexes	Between the Complexes upto Gr. VII
CH	Officers in Grade VIII & above
Corporate Office	Annual Company wide job rotations. Executives of Vigilance based on recommendations of ED(V) Executives of Systems Audit in consultation with Head of System Audit, CO

Other Conditions

14. Job rotation exercise also aims at Competence Building amongst Officers. Newly recruited Officers at beginning of their career should be posted in technology intensive Depts. e.g. Direct Shops, Assembly, Tooling, Testing, QA and subsequently in related functional areas. Moreover, Officers who have been imparted specialized training need to be utilized for a minimum span of 4 years to train successors.

15. While deciding the job rotation, there is a need to ensure that all Officers are rotated uniformly and the Officers aptitude & Competencies are also taken into consideration.

16. Suitable Training inputs needs to be provided to the Officers job rotated to an area of work with which they are not familiar with.

17. Divisions/Offices may ensure that before the Superannuation Officers request for transfer to Home Town or to a nearer station, subject to attaining the age of 55 years with consistent Good service records (PARs) are considered sympathetically.

18. To the extent possible, while effecting job rotation, the following individual concerns may also be addressed:

a) Children Education
b) Spouse Employment
c) Serious Health problems of spouse and dependent children. d) Compassionate Transfers.
e) To Divisions/Offices nearer to Home Town / place of final settlement.

f) Mutual Transfers based on requests and acceptability to both the Divisions.

19. Policy to deal with Inter Divisional Transfer requests on Personal/ Compassionate grounds is enumerated in Apendix-III.

20. In this regard, Complex Offices are requested to finalize the Key Positions in each of the Divisions for succession planning and initiate necessary action for job rotation of Officers in Grade VI & below.

APPENDIX-III

Inter Divisional Transfer Requests on Personal/Compassionate Grounds

1. Introduction

Of late it has been observed that employees or their dependents (Parents, Wife etc.,) approach external agencies viz; Hon'ble Ministers of Central Govt./State Govt., MPs, MLAs and VIPs etc. requesting for interdivisional transfer of the employees concerned, on personal/compassionate grounds. While such actions are violative of the provisions of the CDA Rules and Standing Orders, it is also a fact that there is no mechanism as such to take notice of such requests for consideration of cases, which are genuine and stand on merit. Therefore, the need to create such mechanism has been felt.

2. Coverage

The policy would be applicable to all employees of the Organization. The
Personal/Compassionate Ground would cover inter-alia, the following category of cases.

a) Employees superannuating within 03 succeeding calendar years so as to facilitate post retirement settlement in places where HAL's Divisions /Offices are located.

b) Sickness of self & direct dependents (wife, children & parents) for which no treatment are available at the current place of posting or such sickness necessitating change of climate etc.

c) Relocation to the same place of posting as that of the spouse.

d) Other reason viz, children's education etc, mutual transfers etc.,

3. **Authority for job changes:**

Same as the existing policy on job rotation.

4. **Procedure:**

(i) An employee desirous of putting forth his application may do so by clearly indicating the category with adequate proof thereof to his HOD.

(ii) The HOD concerned, on receipt of such application would forward the same with his remarks to the P&A head of the Division/office.

(iii) All such applications received would be consolidated bi-annually and would be put forth before a committee consisting of the representatives of technical department, finance department and P&A department for in depth examination of such requests.

(iv) The committee would give its recommendation to the Divisional Head for consideration.

(v) The Divisional Head would consider the recommended cases, if need be in consultation with the COMS (in respect of cases recommended in medical grounds) and order further action.

(vi) Thereafter the P&A department of the Division would take appropriate action.

(vii) Similar process would be followed by complex office/Corporate office with regard to cases falling within their purview as per the delegated level of authorities for such job changes.

(viii) In case of non-consideration of the cases forward to the other Divisions/Complex, the Division/Complex concerned would forward the same to the Corporate P&A to include the same in the list of Annual Job rotation cases for decision by directors.

(Personnel Circular No.675 dtd 04 Jun 2007)

RECRUITMENT AND PROMOTION RULES

The rules relating to Recruitment for various categories/posts as contained in Personnel Manual Book No.1 and as updated/amended from time to time, exhaustively lays down the guidelines as also, the procedure to be adopted for notifying the posts to Employment Exchanges/Special Employment Exchanges/Zila Sainik Boards/News Papers as the case may be.

2. A review of recruitment activities carried out in the recent past in one of the Divisions brought out the following deviations:-

(a) Vacancies were not notified to local Employment Exchange.

(b) Vacancies earmarked for Ex-servicemen were not notified to Zilla / Rajya Sainik Boards.

(c) A few candidates were short listed though they were below the cut-off percentage of marks on the ground that they are dependents / children of serving employees.

(d) Approval for calling candidates who were not meeting the requisite eligibility criteria was taken at the Divisional level.

(e) Approval for calling candidates who were not meeting the requisite eligibility criteria was taken at the Divisional level.

The above stated deviations from the laid down guidelines not only amounted to serious irregularities but may be construed as indulgence and abetment of activities reflecting provision of unequal opportunities thereby promoting favouritism. Keeping the entire issue in perspective, all Divisions/Offices are hereby required to strictly adhere to the laid down rules and procedures and under no circumstances deviation should be resorted to.

(HAL/P&A/27(1)/2003/597 dtd. 11 Sep 2003)

RECRUITMENT

1. In the recent past there has been a spate of Complaints about the irregularities in recruitment. It is also notices that whenever recruitment is being made at various locations of the company, there are rumors of discrepancies resulting in dissatisfaction of the respective candidates resulting in lowering of the image of the company.

2. Recruitment function of any organization not only tests the examinees, but is also a test of the Human resource Dept, which involves the selection of the best candidates among the large number of them without any fear of favour. It is also the responsibility of the recruitment depot to ensure that all the parties are completely satisfied. With a view to check rumors / malpractices, bring in more transparency and assist the management in recruitment the following measures are to be followed by the recruitment dept at all levels of the company with immediate effect.

(a) The names and telephone Nos of Vigilance HODs of the Divisions / Complexes and the GM of the Division are displayed at prominent places / locations of written and / or practical test and interview.

(b) Vigilance Dept of the Divisions should also be informed of all the recruitment activities i.e. name of the post, date, time, venue of the test / interview, etc well in time.

HAL/CO/VIG/47/2003/1680 Dt. 01 Oct 2003)

IRREGULARITIES IN SELECTION AND RECRUITMENT OF CANDIDATES

1. In the recent past various types of irregularities in selection and recruitment of candidates have come to light. Some of the irregularities, which have been observed, are listed out as under:

(a) Short-listing of ineligible candidates for interview.

(b) Relaxation of qualifications/experience at the time of preliminary screening to suit a particular candidate.

(c) Tampering/manipulation of answer sheets to give undue advantage to a particular candidate.

(d) Non-verification of Credentials/testimonials of the candidates.

(e) Entering wrong marks in the rating sheet vis-à-vis actual marks scored in written/practical examination/interview with a view to favour a particular candidate.

(f) Selection of candidates who do not possess the requisite qualification for the post concerned.

2. In order to put a check to such irregularities, the staff selection committees including the Chairman of the Committee will in future ensure a fair selection by adhering to the laid down norms of the Company.

(HAL/CO/VIG/47/2004/1058 dt 12 Jul 2004)

CONSTITUTION OF SELECTION COMMITTEES

1. Whenever a Selection Committee is constituted for selection of workmen in Vigilance Department in the Complex/Division, the HOD Complex/Division will forward the list of the tentative committee members after discussion with the HOD P&A Department. Corporate Office, Vigilance

Department will, after scrutiny of the names of the tentative committee members, decide on the approved list for undertaking the selection process.

(HAL/CO/VIG/47/2007/709 dated 07 Jun 2007)

PUBLICITY FOR RECRUITMENT/DECLARATION OF RESULTS

1. Complaints are received in this office regarding non receiptof call letters/intimation for recruitment of Diploma Trainees.

Perusal of such complaints reveals the following grievances of general nature:-

(a) Divisions/Complexes are not displaying information regarding recruitment and declaration of results in the notice boards.

(b) Most of the HAL apprentice trainees have not received any call letters/ intimation.

(c) It is difficult for unemployed candidates with middle class background to keep browsing Internet daily for an intimation, which comes once in a while.

2. In view of the above, it is suggested that appropriate instructions may be issued to all P&A Heads of Divisions/Complexes to give publicity for recruitment/declaration of results in the notice boards etc, apart from publishing the same on the website to ensure adequate dissemination of information to all persons concerned.

(HAL/CO/VIG/62(5)/2008/1156 dated 29 Sep 2008)

FILLING UP OF POSTS BY DIRECT RECRUITMENTS.

In connection with the process of conducting direct recruitment activities to fill up of posts by open selection, both in the executive and workmen cadre, the following decisions are taken:

Vigilance Clearance in respect of officers being nominated as members in the selection committees would be obtained from CVO, corporate office, before constituting the committees.

No changes in the advertised/notified specifications/Criteria would be made, post–facto, after receipt of applications.

Results of tests/Interviews would be declared immediately, and in any case before completion of 48 hours of the Tests/Interviews

(HAL/P&A/17/1/2006 dtd 09 Mar 2006)

SENSITIZING THE PUBLIC ABOUT CORRUPTION – DISPLAY OF STANDARD NOTICE BOARD BY DEPARTMENTS/ORGANIZATIONS.

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.nic.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.

(CVC circular No. 99/VGL/16 Dt. 05 Jun 2009)

REQUEST FOR PLACING OF FLEX BOARDS/BOARDS REGARDING ANTI- CORRUPTION OPERATIONS OF CBI, ACB, BANGALORE

1. Enclosed please find a copy of Lr No C1/Publication/CBI/ACB/BLR/2009/ 3182 dt 23 Jul 2009, received from SP/CBI, ACB, Bangalore on the above subject.

2. CBI, ACB, Bangalore, conducts anti-corruption operations against the officials of Government of India and Central Public Sector Undertakings in the State of Karnataka. They are seeking co-operation in creating awareness about the anti-corruption operations of CBI and expect responses from the victims of corruption. A sample notice containing details for display is enclosed to CBI's letter.

3. Vigilance HODs of BC/DC may take necessary action to display the Flex Boards/ Boards of 3 ft. X 4 ft. size at Reception/Entry points of respective Divisions.

(HAL/CO/VIG/43/2009/928 dtd. 10 Aug 2009)

ANNEXURE

REQUEST FOR PLACING OF FLEX BOARDS/BOARDS REGARDING ANTI-CORRUPTION OPERATIONS OF CENTRAL BUREAU OF INVESTIGATION, ANTI-CORRUPTION BRANCH, BANGALORE

Central Bureau of Investigation, Anti-Corruption Branch, Bangalore conducts anti- corruption operations against the officials of Government of India and Central Public Sector Undertakings in the State of Karnataka. Hence, we seek your cooperation in creating awareness about the anti-corruption operations of Central Bureau of Investigation and expect responses from the victims of corruption.

2. Hence, it is requested that Flex Boards/Boards of the seize 3 ft. X 4 ft. may please be placed in your department displaying the details giving the contact number of SP/CBI/ACB/Bangalore. A notice containing details for display is enclosed herewith for necessary action.

(No. C1/Publication/CBI/ACB/BLR/2009/3182 dt 23 Jul 2009)

SECURITY OF VITAL ECONOMIC AND INDUSTRIAL INFORMATION

The undersigned is directed to invite a reference to this Ministry's letter No 21/69/49-Poll of December 16, 1953 wherein emphasis has been laid on the safe custody of plans/blue prints depicting general layout, power, water supply schemes and details of the buildings, processes and equipments and vulnerable points of the vital installations.

During the course of inspections of the vital installations by the Industrial Security Inspection Team of Intelligence Bureau such plans have been found unclassified and unaccounted. Leakage of such information whether authorisedly or by inadvertence, may provide useful material to any hostile power or potential saboteur, sometimes leading to very serious consequences.

It is therefore imperative that such plans showing information of strategic importance of vital industrial undertakings should appropriately security graded viz Top Secret, Secret, Confidential or Restricted and their safe custody during handling should be ensured by the originator and user as well. These should be numbered and duly accounted for. The record of their internal/external movement should be properly maintained with full signature of recipient.

The copies of the plans meant for Government approved contractor's work should be specifically tailored to the requirement. To prevent the loss of such copies, the Department should put in a clause in contractor's contract restraining him from passing on such plans to any unauthorized hand either in parts or in full under provisions of section 3 and 5 of the Official Secrets Act, 1923.

(MOH OM No 3/15/85(15)-G&Q dt 01 Nov 85)

SYSTEM FOR HIRING OF TAXIES BY HAL

1. In a recent study conducted for hiring of taxies by HAL, discrepancies in the contracts placed for hiring of taxies and the method of making payments to the parties were noticed. It was found that while computing the distance for making payments, only excess distance travelled over and above the fixed distance in KMs was considered and such cases where the taxies had traveled lesser than the fixed KMs, no recoveries were made i.e. the payments were not made on Pro-rata basis. Due to the above practice followed, payments were made even if there was nominal excess KMs over the fixed distance, but the shortage of KMs, which is quite alarming in quantity, were not taken into account, resulting in a wrongful loss to the Company.

2. In view of the above, the entire procedure for hiring of vans /taxies and the payment terms and conditions was reviewed. It would, therefore be appropriate that if the distance to be covered falls short of stipulated KMs, the actual payment for the travelled KMs will only to be effected on Pro-rata basis. As a result of the system study, observations were sent to HAL Aerospace Division, which has implemented the same, copy of their press Notification is enclosed as ready reference. Therefore, with immediate effect, payments for the hiring of Matadors/ any type of vans/taxies will be regulated accordingly i.e. if the distance to be covered falls short of stipulated KMs, the

payment for the actual KMs covered will be effected on the Pro-rata basis, and the charges for extra KMs will be as per quote over and above the stipulated KMs as per prevailing rate. Besides, the following guidelines issued by this office, vide letter No. HAL/CO/VIG/47/2001/465 dt. 12 April 2001, following additional guidelines will also be followed: -

(a) Model of Matadors / any type of vans / Taxies being hired should not be more than 5 years old at the time of hiring of taxi.

(b) The Matadors/any type of vans/Taxi should have comprehensive insurance, which should include the passengers/ occupants. Road tax etc should have been deposited and updated with Regional Transport Authority/Office.

(c) Drivers should have minimum 5 years experience with a valid Driving License.

(d) Vehicles must be registered with Regional Transport Authority / office under taxi quota.

(HAL/CO/VIG/47/907 dated 20 Jul 2001)

SYSTEM STUDY OF TRANSPORT CONTRACTS FOR TAXIES/VANS

1. It has been observed that considerable amount of Company money is spent on services under transport especially Hired Taxies/Vans. To ensure that the money is spent prudently, the mode of admitting payments for such services needs to be studied in detail.

2. In the contracts, mode of payments are generally made under two

categories :-

(a) Lump sum basis.

(b) Kilometers traveled basis with a ceiling and extra payment per Km for travelling done beyond the ceiling Kms per day/period.

3. Study of certain contracts has brought out that though there is a provision of paying additional Kms, but in case of less Kms traveled than the ceiling Km per day no provision is made to recover the less Kms done in a day/period which amounts to financial loss to the Company.

4. In order to improve the system of such contract, the system adopted in your Division may be studied, primarily on the financial implications involved in operating either of the two systems mentioned at para 2 above and suggest a system that is beneficial to the Company.

(HAL/CO/VIG/47/2001/928 dated 25 Jul 2001)

CONDUCTING TRAINING PROGRAMMES FOR OFFICERS WHO HAVE APTITUDE TO ACT AS ENQUIRY OFFICERS/ PRESENTING OFFICERS IN DEPARTMENTAL ENQUIRIES

In order to fulfill the need for completion of domestic enquiries in the shortest possible time, it has been decided that Divisions should maintain a panel of effective Enquiry Officers/Presenting Officers. For this purpose, the Divisions should conduct in- house intensive training programmes for officers of P&A Discipline, Security/Vigilance as well other disciplines, who have the required aptitude to work as Enquiry Officers/ Presenting Officers in domestic enquiries. The exclusive training programmes should cover various aspects of domestic enquiries, such as framing/serving of charge sheet, observing principles of natural justice, proving of charges by adducing evidence – Oral and documentary, applicability or otherwise of provisions of Evidence Act, analysis of proceedings, passing of speaking orders etc, effect of conviction/acquittal in a criminal case more or less on similar charges, DO's and DON'Ts of domestic enquiry, common delays and measures to avoid such delays, supported by relevant Court decisions and case studies. Detailing Vigilance Officers as Presenting Officers should be an exception rather than the rule because if they are kept busy in Departmental enquiries, anti-corruption/vigilance work will be affected.

2. Divisions may, accordingly, call for names of concerned officers of the Division and conduct in-house training programmes in order to maintain a panel of effective Enquiry/Presenting Officers. In the long run a large number of trained officers should be available to the Company.

(HAL/P&A/19(1)/PC/2000/81 dated 29 Feb 2000)

USE OF OFFICIAL TRANSPORT

1. Reference para-10 of P&A letter No HAL/P&A/10(2)/2007 dtd 16.02.2007 and para No.3724 of personnel Manual Book-4 (pay & Allowances, loans and Advances). Employees who draw re-imbursement of expenditure incurred on conveyance for official purpose are NOT ENTITLED to use company transport for journeys between Residence and factory/ office and for officials duties within 08 KMS of their Office.

2. Vigilance Functionaries in Divisions, complex and Corporate Office will strictly adhere to the provisions of the aforesaid rules. Any officer or workmen drawing conveyance allowance as per above rules will not use company vehicle for performance of official duties within a radius of 08 Kms. As they are required to use their personal vehicle for the same.

3. Wherever company Vehicles/Cars/Motor Cycles etc. have been earmarked for Vigilance Department, the same will be utilized only for official duties beyond 08 Kms with adequate justification of use and in no case will it be utilized for personal use if not mandated as per the Company rules.

4. Vehicles will be drawn from respective Transport Department Garages, Parking areas etc. Only when required for official duties and will not be parked in front of Office of the Officers etc. as a routine.

(HAL/CO/VIG/47/2008/204 dtd. 29 Feb 2008)