

CHAPTER-II
PERSONNEL POLICIES

(g) Vigilance Policies

9. Strengthening Vigilance Machinery in Public Sector Undertakings.

References:

1. No. 18/5/83-BPE(GM-II) dated 15.11.83-appointment of persons designated as Special Directors, Executive Directors.
2. No. 16(48)/87-GM dated 12.4.89-Chief Vigilance Officers in PSUs-Grant of incentives regarding.
3. No. BPE OM No, 16(28)/88-GM, dated 9th June, 1989-Strengthening of Vigilance Machinery of Public Sector Undertakings.
4. No. 16(48)/87-GM dated 2.8.96-Strengthening Vigilance Machinery in Public Sector Undertakings.
5. No. 16(48)/87-GL-013/DPE(GM) dated 6.1.99-Strengthening Vigilance Machinery in Public Sector Undertakings.
6. No. 15/2/99-GL-017/DPE(GM) dated 6.4.1999.
7. No. 15/14/85-GM dated 1.1.86-CVO to report directly to Chief Executive
8. No. 16(48)/87-GM dated 2.2.88-Chief Vigilance Officers in PSUs-Grant of Incentives-regarding
9. No. 16(48)/87-GM dated 19.7.88-Chief Vigilance Officers in PSUs-Grant of Incentive-Regarding
10. No. 16(48)/87-GM dated 6.7.2000-Satus, facilities and perquisites of Head of Vigilance of the level of Jt. Secretary and above in PSEs.

The undersigned is directed to refer to the above noted 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:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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.

(x) 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.

(xi) 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.

(DPE O.M. No. 15(7)/2002-DPE(GM)/GL-50 dated 15th December, 2003)
