From the desk of

Chairman & Managing Director
Air India Limited.

Vigilance cannot be considered an activity to merely 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 organisation whereby systems are structured in such a manner so as to prevent leakage even while making the organisation transparent and accountable in its dealings with customers - both internal and external.

This cannot be done entirely by a small department like our Vigilance Department which has a strength of just 30-odd staff. Clearly, unless all stake-holders – the management, all departments and their officers and employees - are involved in the process, effective Vigilance cannot become a reality. Integrity of administration and honesty of the 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 passengers and our internal customers depends on the sincerity and probity of the officials manning the various positions.

I am glad to see the Vigilance Department taking the initiative to bring out a first set of unified rules for the merged airline. And what better date to launch this manual than the occasion of the birthday of the “Iron Man of India” - Sri Sardar Vallabhbhai Patel, which is also by tradition the start of the Vigilance Awareness Week every year.

Mumbai
31st October, 2011
Preface

The Vigilance Organisations of the two erstwhile airlines - Air India & Indian Airlines - continued to follow the same set of guidelines as laid down by the CVC and the Government from time to time even after the merger. The approach to and practice of Vigilance in the two airlines, however, clearly differed in the details, causing irritants - if not difficulties - in the management of Vigilance in the merged entity.

Further, probably due to lapse of time and with new Managers taking over senior executive roles, awareness of Vigilance related matters dipped to a minimum and, though guidelines and orders were in place, newly promoted executives were unaware of many of the Vigilance rules and procedures, indicating a pressing need for a unified set of guidelines to be put in position.

A number of executive instructions/orders have also been issued by the Central Vigilance Commission and the Government of India in the meantime, which needed to be authenticated by a formal adoption into the merged Air India.

This first edition of the Vigilance Manual for Air India is, therefore, being issued in line with the up-to-date guidelines of the CVC, issued through their Vigilance Manual and the various circulars issued by them from time to time, incorporating the specific needs and functioning styles of the two airlines and, in particular, the aviation industry.

As a small contribution towards our environment, it has been decided to issue and maintain the Manual in electronic form only, thereby avoiding any use of paper for printing and re-printing. The Manual is intended to be a ready reference book in regard to various aspects of Vigilance administration. However, this does not supersede the concerned rules and orders issued by the CVC and the Government of India from time to time.

While we have attempted to incorporate all aspects of Vigilance management, we welcome any suggestions to make the Manual better from the point of view of users and will be grateful if any error or omission, which might have inadvertently crept in, is brought to our notice.

Urmila Subbarao
Chief Vigilance Officer

Mumbai
31st October, 2011
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1. **PURPOSE AND USE OF THE VIGILANCE MANUAL**

1.1 The purpose of the Vigilance Manual is to provide written guidance for all Executives/Officers and Employees - whether involved in dealing with Vigilance matters or not.

1.2 The Manual ensures that Air India complies with the guidelines issued by the Central Vigilance Commission and Vigilance related instructions and guidelines issued by the Department of Public Enterprise and the Department of Personnel & Training.

2. **ISSUE OF THE MANUAL**

2.1 This Manual will be issued electronically by the Chief Vigilance Officer in PDF format. As a small contribution towards the conservation of environment, no hard copies will be required to be printed. The Manual will be available in a portable document format online on the Vigilance link on the Air India website.

2.2 The Vigilance Department will not accept responsibility for outdated versions of the Manual held by anyone. The Vigilance Department will be responsible for maintaining the updated version of the Vigilance Manual on the Air India website and distribution of the updated version to all authorized addressees.
3. **SYSTEM OF AMENDMENT AND REVISION**

3.1 Air India will revise the Vigilance Manual once every two years. The Manual will be reissued electronically and tagged with a read receipt. The Manual will be reissued in its entirety and all chapters will be given a new revision number. Previous soft copies should be deleted and the latest version be the one used for reference. For ease of reference, the nomenclature of the file will be VIGILANCE_MANUAL_RRRYYYYMDD, where RR will be the two digit version number followed by date of issue in YYYYMDD format. For continual improvement, any suggestions for revisions, improvements and/or corrections to this Manual are welcome and should be forwarded to the Vigilance Coordinator. Amendments may be requested by emailing or in writing.

3.2 Amendments may also be generated:

- following Vigilance policy/guideline amendments by CVC, DPE or DoP&T
- following Vigilance policy/guideline reviews by the CVO

3.3 Amendments will only be issued by the Vigilance Co-ordinator after approval by the CVO.

4. **DISTRIBUTION AND RECEIPT OF MANUALS**

4.1 Manuals will be distributed only electronically and system delivered, tagged with a read receipt. Mails read, which can be electronically checked on the system, will be considered as evidence of receipt of the Manual.
The Vigilance Co-ordinator will check, read and review receipts against the distribution list to ensure that all distributees have received the Manual. The read receipts will be filed electronically for each issue.

Amendments will be transferred to PDF format and distributed according to the distribution list to all controlled copyholders. Distribution will be via electronic means and tagged with a read receipt. The administrative control for managing and recording the distribution and read receipts would lie with the Vigilance Co-ordinator.

A back up file of the current revised version of the Vigilance Manual will be retained with the Manager - Vigilance Administration.

The following official and company publications support and supplement the information held within the Vigilance Manual:

* CVC issued Vigilance Manual
* CVC issued Special Chapter on Vigilance Administration in PSEs
* Air India Employees' Service Regulations
7. **INTRODUCTION**

7.1 Air India is committed to implementation of best practices to ensure commercial success and, at the same time, to bring in transparency in its dealings with the general public. For the purpose of ensuring business sustainability, it is essential that an organisation optimizes its assets and finances to get the best of services and products and makes them available to its customers. A major element in the expenditure of an organisation is the “Cost of Corruption” - corrupt practices that are knowingly or unknowingly practiced. A well-known formula, which can be easily understood and applied is:

\[
\text{Corruption} = \text{Discretion} + \text{Mystification} - \text{Accountability}
\]

The role of a Vigilance system is to reduce **Discretion** in the decisions taken by company officials, reducing the grey areas in their functional roles and responsibilities by de**Mystifying** them and increasing **Accountability**. The Vigilance Manual lays down the administrative and operational guidelines with the sole aim of achieving this objective.

8. **OBJECTIVES**

8.1 The aim of this Manual is to outline policies, organizational structures and procedures to be used for Vigilance Management in Air India. The Manual is structured on the following broad sequence:

**Vigilance Administration** – General information about the Vigilance set up in Air India and other associated Vigilance Organizations and Agencies which have a bearing on the functioning of the Vigilance Department of Air India;
Operational Vigilance – Procedures and guidelines related to the functional matters relating to the Vigilance Management in Air India;

Monitoring - Measures and responsibilities for effective control of Vigilance work flows.

9. Issuing Authority

9.1 The Chief Vigilance Officer shall issue this Manual and be responsible for revisions and modifications. The Vigilance Coordinator shall be responsible for distribution and follow up.


10.1 This Vigilance Manual is based on the Vigilance Manual issued by the Central Vigilance Commission specifically applicable to Air India from the Air India Employees' Service Regulations.


11.1 The Vigilance Manual deals with the Vigilance management and coordination of all activities necessary for the smooth handling of all Vigilance matters. The Manual shall serve as the guiding document for reference and compliance.

11.2 The Vigilance Manual sets down the commitments, policies and procedures that would be used in dealing with Vigilance matters.
12. **Responsibility Of Implementation**

### 12.1
The CVC’s Vigilance Manual lays down the responsibility for implementation of Vigilance Policies squarely on the Head of the Organization through the Chief Vigilance Officer.

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### CHAPTER - II : Vigilance in Public Sector Undertakings (PSUs)

- An overview -

### 13. Introduction

#### 13.1
In the Oxford Dictionary, “Vigilance” has been defined as “watchfulness against danger or any action on the part of others; alertness or closeness of observation”. “Vigilance”, in brief, implies “a state of remaining watchful or alert and is relevant everywhere - all the time”. Though the concept of organized or institutionalized Vigilance is of recent origin, it has been in existence since time immemorial in some form or the other. In ancient times, Rulers used to roam around in disguise, sometimes during night, to collect intelligence about ongoing activities in the kingdom so that effective steps could be taken to avert any untoward incident and maintain law and order – so essential for peace and prosperity.

#### 13.2
Vigilance related activities are as important for individuals as for an organization. In individual life, any prudent person remains vigilant in respect of untoward incident/activity like theft, act of miscreants, accident etc.. This applies to all aspects of personal life such as while walking on the road, driving, keeping valuables, dealing with fire,
electric appliances etc.. In an organization, being watchful or vigilant becomes relevant for preventing any practice which is likely to affect the organizational interest. Further, commercial organizations are required to take special care for avoiding any wrongful loss to the organization. With a view to ensure this, rules and procedures are laid down in all organizations, irrespective of whether it is public or private. It is not necessary that the procedures/rules be always written down. Very often, existing practices act as guidelines which all employees are expected to follow. Persons occupying supervisory positions are supposed to not only follow the guidelines themselves but are also required to ensure that these are followed by employees working under their control. Observance of rules/procedures by all employees determines efficiency of the organization to a considerable extent. In a commercially successful organization, all employees follow the laid down procedures for achieving the organizational objectives. On the other hand, in case the employees do not follow the procedure, there is chaos and confusion and the interest of the organization is affected adversely.

13.3 Management of any commercial organization is accountable to its owners. In a private company, the management is accountable to person(s) who have invested funds for raising the organization. In the case of a Public Sector Undertaking (PSU), resources are invested by the Government out of public funds. As such, accountability is to the public at large. Central level organizations are accountable to the Parliament, whereas State level organizations are accountable to the State Legislature. Representatives of people like the Members of Parliament (MPs), State Legislatures (MLAs), various Parliamentary Committees and statutory bodies have the right to seek information on the management of public organization in general and on the use/misuse of public funds in particular. Press - both print and electronic media - who form the fourth pillar of a democratic set up, also play an important role in this regard. With the inception of the Right to Information Act, any
citizen of India can seek information/record, subject to the exemptions granted under the RTI Act.

14. **Vigilance In A Public Sector Undertaking (PSU)**

14.1 Public Sector Undertakings (PSUs) are distinct in the sense that they deal with substantial amounts of public funds. The PSU, as well as all employees of the PSU, are responsible to the public for safeguarding the fund invested and rendering the expected benefits either in cash (as dividend on the investment) or in kind (service to the public). Air India was set up as a PSU for undertaking commercial activities relating to Air Transportation. Its major objective is to provide a decent return on the investment made in it out of the public fund. However, unlike a private organization, where profit is the only motive, a Public Sector Undertaking is required to conduct its business in a free, fair and transparent manner and at the same time make profit. For a PSU, ethical practices and transparency is as important as making profit and either of these cannot be sacrificed for the other. This envisages that the PSU ensure that the decisions taken are not only fair but also appear to be fair. For ensuring this, it becomes necessary to lay down procedures and follow those as well. It is a fact that a large number of Public Sector Undertakings are taking commercial decisions and making profit without compromising the basic requirements of using public funds, i.e. fairness and transparency. It is necessary for all employees of PSUs to appreciate the need to follow procedures and maintain supporting records, in case they deviate from the laid down procedures, for substantiating the decision in case the same is questioned at a later date.

14.2 The Vigilance Administration of a PSU follows two broad approaches, namely the **preventive** and **punitive** approach. A recent approach introduced by the CVC,
deviating from the conventional preventive and punitive Vigilance, is to focus on **predictive** Vigilance whereby the attempt is to preempt deviant behaviour. For a PSU, it is necessary to ensure that public funds are properly used and that any sort of misuse/ misappropriation is avoided. Preventive Vigilance is primarily concerned with checking any undesirable or corrupt practice among employees. Preventive Vigilance relates to a positive and prognostic approach by taking steps for checking any possible loss to the organisation. It involves identification of the source of corruption and taking necessary preventive and constructive steps to plug existing loopholes in the systems, procedures, methods of working etc.

Vigilance related action is not restricted to a few employees working in the Vigilance set up. Rather, it requires involvement of all employees for preventing all types of corruption, malpractice and misconduct. This in turn requires each and every employee to take due care in his own sphere of duty/activity. This, in fact, forms the fundamental tenets of Vigilance in a PSU.

14.3 While study and development of suitable systems for checking any irregular activity is important, taking appropriate deterrent action against the employees responsible for negligence in duty, causing wrongful loss is equally important. This is known as punitive Vigilance and is essential for promoting a culture of honesty and punishing the black sheep.

14.4 With a view to safeguard interest of the employee and avoid any prejudice/bias on part of the employer, certain protections have been provided to "public servants" under Article 311 of the Constitution of India - namely, the members of the Civil Services of the Union or All India Services or Civil Services of the States. These Constitutional safeguards cover two specific areas, namely:
(1) No person shall be dismissed or removed by an authority subordinate to that by which he is appointed and

(2) No such person shall be dismissed or removed or reduced in rank except after an enquiry in which he has been informed of the charges against him and given a reasonable opportunity of being heard in respect of these charges.

14.5 Employees of Public Sector Undertakings - including Air India - are entitled to similar safeguards as per the decision of the Supreme Court. These Constitutional safeguards require observance of certain rules and procedures while taking any punitive/departmental action against any employee of the Public Sector Undertaking. Persons dealing with such punitive action are required to be fully acquainted with the said procedures.

14.6 In Vigilance administration, existence of Vigilance angle has a critical importance. Vigilance angle has been defined in Para 5 of the Special Chapter for Vigilance Management in the Public Sector Enterprises published by the Central Vigilance Commission. This definition has now been revised by CVC vide their Office Order No. 004/VGL/18 dated 13th April, 2004 (Appendix 58 of Part III, Chapter III of this edition) and it states that existence of Vigilance angle is obvious in all cases of wrongful omissions/commissions relating to the following:

(i) Demanding or accepting illegal gratification.
(ii) Obtaining valuable things without/with inadequate consideration from persons having official dealings.
(iii) Benefiting oneself by abusing official position.
(iv) Possession of assets disproportionate to known source of income.
(v) Cases of misappropriation, forgery or cheating or other similar criminal offences.

(vi) Gross Negligence.

15. **Vigilance In Air India**

15.1 Safeguarding interest of the organization requires a clear appreciation of the relationship between the employee and the employer. In a public sector undertaking like Air India, all employees have entered into a contract with the Company under which the employee gets pay, perquisites and other facilities. The employee is also entitled to the special Constitutional protection under Article 311 of the Constitution as indicated above. In turn, the employee is required to discharge duties towards the employer - i.e. the Company - as well.

15.2 Duties of an employee towards the employer - Air India - have been clearly laid down in the Air India Employees’ Service Regulations (AIESR).

15.3 These provide that

(1) Every employee of the Company shall at all times

i. Maintain absolute integrity

ii. Maintain devotion to duty; and

iii. Conduct himself at all times in a manner which will enhance the reputation of Company.
(2) Every employee of the Company holding a supervisory post shall take all possible steps to ensure the integrity and devotion to duty of all employees for the time being under his control and authority.

15.4 As per provision under the Service Regulations, each employee of Air India is required to maintain absolute integrity, devotion to duty and conduct herself/himself in a manner so as to enhance the reputation of the Company at all times. Officers who occupy a supervisory position have additional responsibility of taking all possible steps so that integrity and devotion to duty is maintained by all the employees working under their direct control/supervision. This requirement is expected of each and every employee of the Company at all times from the date of joining the Company till the date of superannuation/separation from the Company.

15.5 Wrongful omissions/commissions, which are prejudicial to the interest of the Company, are construed as 'misconduct' on part of the employee(s) concerned. These are detailed under 'Conduct Rules' in the Air India ESR. The omissions/commissions indicated under the Conduct Rules include specific cases like theft of Company property, taking or giving bribes, providing false information, negligence in duty as well as general cases like acting in a manner prejudicial to the interests of the Company. A list of omissions/commissions given under this Rule are illustrative in nature and not exhaustive. In case any employee violates any of the provisions of the AIESR, he or she becomes liable for disciplinary action. Lapses like remaining absent from duty, insubordination or disobedience, late or irregular attendance - which are administrative in nature - are dealt with by the concerned department or Personnel department for appropriate action. Omissions which have a Vigilance implication, as indicated in the Special Chapter for PSUs issued by the CVC, are dealt with by the Vigilance Department.
16. **Nature Of Omission**

16.1 Examination of wrongful omissions/commissions on the part of the individual employee or a group of employees involves three broad categories:

(1) Those involving negligence in performance of duty.
(2) Those causing wrongful loss to the Company.
(3) Those having malafide intention.

16.2 Any particular instance of commission/omission may have either one or all of the above features. The nature of investigation, processing of the case, imposition of penalty etc. has to be processed keeping in view the above features. The magnitude of wrongful loss and the circumstances under which the same was caused is required to be looked into in particular, while dealing with such cases.

17. **Action Against Outsiders/Separated Employees**

17.1 It is likely that, in a particular case of wrongful omission/commission, outside persons (other than employees of Air India) are also involved in addition to the employees of the Company. In some cases, it is likely that by the time the investigation is complete, the employee responsible for the omission has got separated from the Company through resignation/superannuation. As per provision under the Conduct Rules, departmental action can be initiated only against employees who are in service. Cases relating to omission on the part of an outsider/separated employee have to be processed under the appropriate Civil/Criminal Law. In cases involving financial loss to the Company, Civil Judicial action like filing of a money suit has to be initiated in the appropriate Court.
the other hand, cases having a criminal angle, like theft, criminal breach of trust and other offences listed in the Indian Penal Code, have to be dealt with by filing Criminal Judicial cases in the appropriate Criminal Court. Cases which come under purview of the Prevention of Corruption Act, 1988 have to be processed as per the provisions of the said Act.

18. **DEPARTMENTAL PROCEEDINGS - ADVANTAGES OF**

18.1 While discharging Vigilance related functions, it is necessary to appreciate the basic differences between the departmental action under the AIESR and Civil/Criminal action under the respective Civil/Criminal Acts. Action against serving employees of the Company who are guided by the Conduct Rules is departmental in nature and offers a relatively easier means for taking corrective action. The departmental proceedings are guided by the principle of ‘preponderance of probabilities’ rather than ‘proof beyond reasonable doubt’, which is the main consideration in a judicial proceeding.

18.2 All works of the Company are basically team work, which requires active involvement and cooperation of the employees. As such, an ideal employer is required to take corrective action, impart necessary training, guidance and counseling so as to ensure that the employees conduct themselves in a manner to achieve the organizational objectives. Punitive departmental action against erring employees is taken only as the last resort under exceptional cases, where the wrongful omission/commission on the part of the employee is clearly established. This should, however, be used for sending a signal that the Company will protect the honest employee and punish the black sheep.

18.3 An organization can never comprise of all very honest or all very corrupt persons. Rather, all organizations are comprised of three types of people. About 10% of the
people are those who can never be corrupted and, come what may, they will remain honest to the core. Approximately, 10% of people in the organization are those who are corrupt to the core and whatever counselling or correction is undertaken, they will remain corrupt. The Vigilance activities need to focus on the rest 80% who we call fence-sitters. They are neither very honest nor very corrupt, but they are the ones who are watching Management action against the honest and the corrupt. Depending on what action the Management initiates against the corrupt, they either fall in line or slip into committing misdemeanours. Punitive action, as much as it is intend to correct wrongful omissions or commissions by employees, is also a tool to demonstrate Management action to these fence-sitters and deter them from any such wrongful omissions or commissions.

18.4 Initiation of civil/criminal action is normally resorted to in case of outsiders and separated employees. As these cases are tried by Courts, it is necessary to ensure that proper and adequate evidence exist to support the case. Cases where the omission on the part of the employee is of a very serious nature, civil/criminal action can also be taken against the employee in addition to departmental action. Such cases have to be dealt with based on the facts and circumstances of the case.

19. **Other Organizations – Dealing With Anti-Corruption Activities**

19.1 A number of organizations have been set up for ensuring ethical practice and checking corruption in public sector undertakings, which include the following:

(i) Administrative Vigilance Division - (AVD) in the Department of Personnel and Training

(ii) Central Vigilance Commission - (CVC)
(iii) Central Bureau of Investigation – (CBI)
(iv) Vigilance Unit in the Administrative Ministry - (CVO)

Role and responsibilities of these organizations are required to be appreciated for avoiding any duplication/communication gap so that all act in a mutually cohesive manner.

19.2 Ethics, transparency and fair play form the core of democratic values. As a part of the national commitment to these values, the Central Vigilance Commission has been constituted by the Central Government. Initially, the Commission was set up in 1964 as an apex independent and autonomous body. The Commission was given statutory status under the Central Vigilance Commission Ordinance, 1999. Subsequently, the Commission continued under the Government of India’s (Ministry of Personnel, Public Grievances and Pensions, Department of Personnel and Training) Resolutions No.371/20/99-AVD.III, dated 4th April, 1999 as amended on 13th August, 2002. The Central Vigilance Commission Bill was passed by both the Houses of the Parliament in 2003 when the Commission got statutory status. Under the Central Vigilance Commission Act, 2003 the Commission has powers to tender advice to the Central Government, Corporations established by or under any Central Act, Government Companies, Societies and Local Authorities owned or controlled by the Central Government on such matters as may be referred to it by that Government, said Government Companies, Societies and Local Authorities owned or controlled by the Central Government or otherwise; exercise superintendence over the Vigilance administration of the various Ministries of the Central Government or Corporations established by or under any Central Act, Government Companies, Societies and Local Authorities owned or controlled by the Government. Accordingly, all Vigilance related activities in Air India have to be guided by the advice and directives issued by the Central Vigilance Commission from time to time.
19.3 The role and functions of these organizations, with reference to the Company, have been outlined in the subsequent chapters.

19.4 It is beyond doubt that honesty, fair play and transparency are of paramount importance for all organizations and it is of special significance for a Public Sector Undertaking like Air India. Experience indicates that the impression given by some that maintenance of procedure or transparency are obstacles and affect the interests of a commercial organization are not necessarily true. Functioning of a number of organizations has established that suitable system and procedure, made with a pragmatic view, enables the organization to run in an ethical manner without compromising the business interest. In this context, it is necessary that each and every Manager heading a Division of the Company should act as Vigilance officer for the said Unit/Division. The Vigilance set up at the Station/Region/Corporate level plays a supporting role of assisting the line managers in evolving the suitable system on the one hand and ensuring that the culture of honesty is promoted and suitable deterrent action is taken in time to discourage the dishonest. These, in fact, form the essence of Vigilance and are essential for achieving the organizational objectives.

CHAPTER - III : Central Vigilance Commission (CVC)

20. Historical Background

20.1 Prior to 1947, the foreign rulers regarded Government as a tool for enforcing law and maintaining order. Freedom brought in a change. The Government reflected the popular aspiration for developing the Country’s economy and for fully realizing its productive potential so as to raise the quality of human life in the country. It was, therefore, thought of
designing or adopting, with some modification, some tool for bringing about the desired economical goal. Public Sector became the chosen instrument.

20.2 The 1948 Industrial Policy resolution spelt out the role of the Public Sector in unequivocal terms. It was “to achieve greater production and proper distribution” of wealth. This was reiterated, in the 1956 Industrial Policy Resolution. The Resolution made it clear that the public sector was to develop:

(i) Basic Industries;
(ii) Strategically important industries;
(iii) Industrial infrastructure; and
(iv) Public utility services

20.3 The original purposes for which these Enterprises were set up varied and included such objectives as:

(a) Setting up of an infrastructure for rapid industrial growth;
(b) Creation of additional employment opportunities;
(c) Facilitation of balanced regional development;
(d) Generation of surplus funds for further investment for economic development; and
(e) Reduction in disparities in income and wealth through prevention of concentration of economic power in private hands.

20.4 In order to realize the above objectives, the Government made huge investments in the Public Sector. The phenomenal increase of this sector can be observed from the rise in the number of undertakings as well as the investment. With the changed liberalized
scenario over the years, the focus has now shifted towards providing greater autonomy and ensuring greater transparency within the functioning of these enterprises. Current thinking stresses the importance of these units becoming self-reliant and profitable ventures and building themselves around their strengths to face competitive challenges from the Private Sector. The enormous investment in Public Sector and growth in Government spending has also put more responsibility on anti-corruption organizations.

20.5 In August, 1955 the Administrative Vigilance Division was set up in the Ministry of Home Affairs to serve as a central agency to assume overall responsibility for anti-corruption measures. Under the scheme, each Ministry/Department was required to nominate an officer of at least Deputy Secretary’s status to be the Chief Vigilance Officer of the Ministry/Department - who was assigned the specific responsibility for dealing with all Vigilance matters under his direct control. The task of the Administrative Vigilance Division was to co-ordinate the efforts of the Ministries/Departments and to provide direction and drive, in particular:

(i) to ensure that the task assigned to the Chief Vigilance Officer in each Ministry/Department were implemented with vigour and speed;
(ii) to give guidance and assistance, wherever needed, to ensure that departmental inquiries were conducted with all possible speed, consistent with due observance of procedural requirements; and
(iii) to ensure that the investigations and prosecution entrusted to the Special Police Establishment were carried out with due speed and vigour.

20.6 With the establishment of the Central Vigilance Commission, a good part of the functions performed by AVD are now exercised by the Central Vigilance Commission.
The AVD is responsible for the formulation and implementation of policies of the Central Government in the field of Vigilance, integrity in public services and anti-corruption and to provide guidance and coordination to Ministries/Departments of Government of India in matters requiring decision of Government.

21. CENTRAL VIGILANCE COMMISSION

21.1 Following a debate in Parliament in June, 1962 on the growing menace of corruption in administration, a Committee on ‘Prevention of Corruption’ headed by Sri K. Santhanam was set up by the Government in 1962. The terms of reference for the Committee were:

(i) to review the existing arrangements for checking corruption in Central Services;
(ii) to suggest suitable measures for producing a social climate in which corruption would not flourish.
(iii) to advise on practical remedial measures to make the anti-corruption machinery more effective.
(iv) to examine the working of the entire Vigilance machinery in the Government of India and suggest improvements in enhancing their effectiveness.
(v) to suggest measures to ensure speedy trial of cases of bribery, corruption and criminal misconduct.

21.2 In pursuance of the recommendations of the Santhanam Committee, the Central Vigilance Commission was set up as an administrative body in February, 1964 under the Ministry of Home Affairs Resolution No.27/4/64-AVD, dated 11\textsuperscript{th} February, 1964. The Santhanam Committee’s Report is considered a ‘Bible’ for Vigilance Personnel. Late Sri Lal
Bahadur Shastri, the then Home Minister, while laying the scheme of the CVC on the table of Parliament observed that the Commission was to be "A fearless champion to the man of integrity and a source of terror to the corrupt officer". The CVC was envisaged as an apex independent body for prevention of corruption.

21.3 As a part of the national commitment to these values, the Central Vigilance Commission has been constituted by the Government. Initially, the Commission was set up under an administrative provision. The Commission was given statutory status under the Central Vigilance Commission Ordinance, 1999. The Commission continued under the Government of India in the Ministry of Personnel, Public Grievances and Pensions (Department of Personnel and Training) Resolution No.371/20/99-AVD.III dated 4th April, 1999 as amended vide Resolution of even number dated 13th August, 2002. The Central Vigilance Commission Bill was passed by both Houses of Parliament in 2003, whereby the Commission got statutory status. As per provision of the CVC Act, the Commission has been empowered to exercise and to tender advice to the Central Government, Corporations established by or under any Central Act, Government Companies, Societies and Local Authorities owned or controlled by the Central Government on such matters as may be referred to it by that Government, said Government Companies, Societies and Local Authorities owned or controlled by the Central Government or otherwise. Exercise superintendence over the Vigilance administration of the various Ministries of the Central Government or Corporations established by or under any Central Act, Government Companies, Societies and Local Authorities owned or controlled by the Government. Thus, the Vigilance Department of Air India is guided by the advice and directives issued by the Central Vigilance Commission from time to time.
22. CVC SET UP

22.1 The CVC is conceived to be the apex Vigilance institution, free of control from any executive authority, exercising superintendence and control over all Vigilance activities under the Central Government Departments, Central Government Companies including Nationalized Banks and Central Government Organizations. The CVC also advises various authorities in Central Government Organisations in planning, executing, reviewing and reforming their Vigilance work.

22.2 The Commission consists of:

(i) a Central Vigilance Commissioner - Chair person
(ii) not more than two Vigilance Commissioners - Members

22.3 The Central Vigilance Commissioner, who heads CVC, is in the rank of Chairman, Union Public Service Commission. The CVC has its own Secretariat, Chief Technical Examiner’s wing (CTE) and a wing of Commissioners for Departmental Inquiries (CDI).

23. SECRETARIAT

23.1 The Secretariat consists of a Secretary of the rank of Additional Secretary to the G.O.I., four Additional Secretaries of the rank of Joint Secretary to the GOI, twenty eight officers of the rank of Director/Deputy Secretary, four Under Secretaries and Office Staff.
24. **Chief Technical Examiners’ Wing (CTE)**

24.1 The Committee on Prevention of Corruption has recommended that the Chief Technical Examiner’s organization, which was created in 1957 in the Ministry of Works, Housing & Supply, should be transferred to the CVC. The recommendation was accepted by the Government of India and the Chief Technical Examiner’s organization now functions under the administrative control of CVC. The CTE’s organization constitutes the Technical Wing of the CVC and is manned by two Engineers of the rank of Chief Engineers (designated as Chief Technical Examiner) with supporting Staff. The main functions assigned to this organization are:

(i) Technical audit of construction works and procurement contracts of Government organizations (including PSUs) from a Vigilance angle;

(ii) Investigation of specific cases of complaints relating to construction works;

(iii) Extension of assistance to CBI in their investigations involving technical matters and for evaluation of properties in Delhi; and

(iv) Tendering of advice/assistance to the Commission and Chief Vigilance Officers in Vigilance cases involving technical matters.

25. **Commissioners For Departmental Inquires (CDIs).**

25.1 The Commissioners for Departmental Inquiries (CDI) in the Commission in the rank of Deputy Secretaries/Directors function as Inquiry Officers to conduct oral inquiries, on behalf of disciplinary authorities, in departmental proceedings initiated against senior Public Servants.
25.2 In order to ensure that the departmental inquiries are completed in time, the Commission has advised all Departments/Organisations to appoint IOs from among retired Government Officers empanelled by the Organisations concerned with the approval of CVO.

26. **Jurisdiction & Functions Of CVC**

26.1 Under the terms of the Ministry of Home Affairs Resolution of 1964, the Commission has jurisdiction and powers in respect of matters to which the executive power of the Union extends. It can undertake or have an inquiry made into any transaction in which a public servant is suspected or alleged to have acted for an improper purpose or in a corrupt manner; or into any complaint that a public servant had exercised or refrained from exercising his powers with an improper or corrupt motive; or into any complaint of misconduct or lack of integrity or of any malpractice of misdemeanour on the part of a public servant.

26.2 As per CVC Act, 2003, the Commission has the powers 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 category of officials specified under Section 8(2) of the Act.

26.3 The Commission has also been given responsibility of exercising a general check and supervision over Vigilance and anti-corruption work in the Ministries/Departments and PSUs etc. and for that purpose can call for such reports and returns as it may consider necessary.
26.4 Prior to 27th October, 1986 the CVC had jurisdiction over the employees of PSUs who were then placed in pay scales whose minimum was not less than Rs. 1800/- per month. The Government decided on 27th October, 1986 that Vigilance cases of only Board level appointees of PSUs need to be referred to the CVC for advice as they were appointed by the Government. Subsequently, vide letter dated 11th August, 1999, it was clarified that the existing jurisdiction of the Commission over the Board level appointees in PSUs has been extended to two levels below the Board level. As regards others, no reference ordinarily need to be made to the CVC as the responsibility for initiating disciplinary proceedings against them rests either with the Board of Directors or an authority subordinate to it. It was also directed vide letter dated 3rd August, 2001 that this delineation would not operate in composite cases cutting across levels, both for first stage and second stage advice of CVC. However, as per the recent directives from CVC, in composite cases where CVC have rendered their first stage advice, the cases pertaining to those officers who do not fall within the purview of the CVC’s jurisdiction need not be referred to the CVC for second stage advice after completion of disciplinary proceedings, if the Competent Authority proposes to initiate action in consonance with CVC’s first stage advice. Only when the competent authority proposes to take a different view is there be a need to refer cases of such officers to CVC for second stage advice.

26.5 As a preventive measure, when it appears that any procedure or practice affords scope or facility for corruption or misconduct, the Commission may advise that such procedure or practice should be appropriately changed.

26.6 The functions of the Central Vigilance Commission are advisory but they are advisory in the same sense as those of the Union Public Service Commission. This helps to
ensure that the complaints of corruption or lack of integrity on the part of public servants are given prompt and due attention.

26.7 As per the CVC Act, 2003, the Commission is required to submit an Annual Report to the President as to the work done by the Commission and on receipt of such report, the President shall cause the same to be laid before each House of Parliament.

26.8 Communication meant for the Commission should ordinarily be sent to the Secretary, CVC by designation. But, if the communication is of confidential nature or is in connection with an old reference, this could be addressed to the concerned officer of the Commission by name.

26.9 The first CVC Vigilance Manual was brought out in 1968, which was intended to be a ready reference book in regard to various aspects of Vigilance administration. However, the Manual does not supersede the concerned rules and orders issued by the Government. The complete edition of this Manual - its fifth edition - was brought out in 1991, incorporating periodical revisions/modifications to the various rules. The sixth edition of the Manual was also brought out in 2004. Besides, a number of executive instructions have also been issued by the Commission and the Government of India.

27. **Special Chapter On Vigilance Management In PSUs**

27.1 Keeping in view the current objectives of Public Sector Units like self-reliance, profitability, competitive strength etc. in the changed and liberalized scenario, CVC have prepared a Special Chapter on Vigilance Management in PSEs. The Special Chapter has been prepared in consultation with the CBI, DPE and CMDs and CVOs of PSEs.
27.2 In terms of the powers conferred under Para 3(v) of the Government’s resolution dated 4th April, 1999 and the order of the Hon’ble Supreme Court dated 10th December, 1997 in the case of Vineet Narain and others Vs. Union of India (Criminal Writ Petition Nos. 340-343 of 1993) the Commission has notified the “Special Chapter on Vigilance Management in Public Sector Enterprises”. The provisions of this Chapter are deemed to form an integral part of the Vigilance Manual, Volume – I.

27.3 This Chapter deals in detail with the application of the principles of Vigilance to Public Sector Enterprises. Its objective is to apply and supplement - rather than substitute - the material contained in the earlier Chapters of the Vigilance Manual (Volume - I, fifth edition). To that extent, it is not to be and should not be construed as a self-sufficient Code. This Chapter is, therefore, a part of the Vigilance Manual. In the case of any inconsistency between the provision of this Chapter and the provisions of the Vigilance Manual, the matter has to be referred to the CVC for a decision. The Special Chapter on Vigilance Management in PSEs and the Role and Functions of the CVC published by the CVC is a ready reckoner which presents the Vigilance Manual in concise form.

CHAPTER - IV : Central Bureau of Investigation (CBI)

28. INTRODUCTION

28.1 The Central Bureau of Investigation (CBI) was constituted under the Government of India, Ministry of Home Affairs Resolution No.4/31/61-T dated 1st April, 1963. The investigation work is done through Special Police Establishment Wing of the CBI which derives its police powers from the Delhi Special Police Establishment Act, 1946 to enquire
and investigate into certain specified offences or classes of offences pertaining to corruption and other kinds of malpractices involving public servants with a view to bringing them to book. Section 3 of the Act provides that the Central Government may, by notification in the official Gazette, specify the offences or class of offences which are to be investigated by the Special Police Establishment.

28.2 The Delhi Special Police Establishment Act, 1946 was amended in 1952 to enlarge its scope and to make it possible for the SPE to investigate offences involving employees of statutory corporations and other similar bodies in the proper administration of which Central Government was concerned, particularly from the financial point of view. Section 5 of the Act was further amended by the Anti Corruption (Laws) Amendment Act, 1964 to enable officers of the SPE, not below the rank of a Sub Inspector of Police, to exercise the powers of an officer in charge of a Police Station.

29. CBI Set Up

29.1 At an early stage of World War II, the Government of India realised that vast increase in expenditure for war efforts had provided opportunities to unscrupulous and anti-social persons, both officials and non officials, to indulge in bribery and corruption at the cost of the public and the Government. It was felt that the Police and other Law Enforcement Agencies under the State Governments were not in a position to cope with the situation. An Executive Order was, therefore, passed by the Government of India in 1941, setting up the Special Police Establishment (SPE) under a DIG in the then Department of War with a mandate to investigate cases of bribery and corruption in transactions with which the War and Supply Department of the Government of India was concerned. At the end of 1942, the activities of the SPE were extended to include cases of corruption in the
Railways also, presumably because the Railways were vitally concerned with movement and supply of war materials.

**29.2** In 1943, an Ordinance was issued by the Government of India, by which a Special Police Force was constituted and vested with powers for the investigation of certain offences committed in connection with the departments of the Central Government committed anywhere in British India. As a need was felt even, after the end of the war, for a Central Government Agency to investigate cases of bribery and corruption, the Ordinance issued in 1943, which had lapsed on 30th September, 1946, was replaced by the Delhi Special Police Establishment Ordinance of 1946. Subsequently, in the same year, the Delhi Special Police Establishment Act, 1946 was brought into existence.

**29.3** The CBI derives its investigation powers from the Delhi Special Police Establishment Act, 1946. Section 2 of this Act vests DSPE with jurisdiction to investigate offences in the Union Territories only. However, the jurisdiction can be extended by the Central Government to other areas, including Railway areas and States, under Section 5(1) of the Act provided the State Government accords consent under Section 6 of the Act. The executive officers of the CBI of the rank of Sub Inspector and above exercise all powers of a Station office in-charge of the Police Station for the concerned area for the purpose of investigation. As per Section 3 of the Act, the Special Police Establishment is authorised to investigate only those cases which are notified by the Central Government from time to time.

**29.4** After promulgation of the Act, superintendence of the SPE was transferred to the Home Department and its functions were enlarged to cover all departments of the Government of India. The jurisdiction of SPE was extended to all Union Territories and the
Act provided for its extension to States with the consent of the State Government. The Headquarters of SPE was shifted to Delhi and the organisation was placed under the charge of the Director, Intelligence Bureau. However, in 1948 a post of Inspector General of Police, SPE was created and the organisation was placed under his charge.

29.5 In 1953, an Enforcement Wing was added to the SPE to deal with offences under the Import and Export Control Act. With the passage of time, more and more cases under laws other than the Prevention of Corruption Act and violations of Import and Export Control Act also came to be entrusted to the SPE. In fact, by 1963 the SPE was authorised to investigate offences under 91 different Sections of the Indian Penal Code and 16 other Central Acts besides offences under the Prevention of Corruption Act, 1947.

29.6 A growing need was felt for a Central Police Agency at the disposal of the Central Government which could investigate not only cases of bribery and corruption, but also violation of Central fiscal laws, major frauds relating to Government of India departments, public joint stock companies, passport frauds, crimes on the high seas, crimes on the Airlines and serious crimes committed by organised gangs and professional criminals. Therefore, the Government of India set up the Central Bureau of Investigation by a resolution dated 1st April, 1963 with the following divisions:

- Investigation & Anti-Corruption Division (Delhi Special Police Establishment)
- Technical Division
- Crime Records and Statistics Division
- Research Division
- Legal and General Division
- Administration Division
29.7 The Investigation & Anti-Corruption Division (Delhi Special Police Establishment) was entrusted with the following mandate in the resolution although it continued to derive its jurisdiction and powers from the DSPE Act, 1946.

(i) Cases in which public servants under the control of the Central Government are involved either by themselves or along with State Government servants and/or other persons.

(ii) Cases in which the interests of the Central Government, or of any public sector project or undertaking, or any statutory corporation or body set up and financed by the Government of India are involved.

(iii) Cases relating to breaches of Central Laws with the enforcement of which the Government of India is particularly concerned, e.g.

- Breaches of Import and Export Control Orders
- Serious breaches of Foreign Exchange Regulation Act,
- Passport frauds
- Cases under the Official Secrets Act pertaining to the affairs of the Central Government.
- Cases of certain specified categories under the Defence of India Act or Rules with which the Central Government is particularly concerned
- Serious cases of cheating or fraud relating to the Railways, or Posts & Telegraphs Department, particularly those involving professional criminals operating in several States.
- Crime on the High Seas
- Crime on Airlines
• Important and serious cases in Union Territories particularly those by professional criminals.

• Serious cases of fraud, cheating and embezzlement relating to Public Joint Stock Companies.

• Other cases of a serious nature, when committed by organised gangs or professional criminals, or cases having ramifications in several States including Union Territories, serious cases of spurious drugs, important cases of kidnapping of children by professional inter State gangs, etc. These cases will be taken up only at the request of or with the concurrence of the State Governments/Union Territories Administrations concerned.

• Collection of intelligence about corruption in the public services and the projects and undertakings in the public sector.

• Prosecution of cases investigated by this Division.

• Presentation of cases before Enquiry Offices in which departmental proceedings are instituted on the recommendation of this Division.

29.8 The CBI was further strengthened by addition of an Economic Offences Wing by a Government of India Resolution dated 29th February, 1964. At this time, CBI had two investigation Wings; one called the General Offences Wing which dealt with cases of bribery and corruption involving employees of Central Government/PSUs and the other the Economic Offences Wing which dealt with cases of violation of fiscal laws.

29.9 In September, 1964 a Food Offences Wing was formed to collect intelligence regarding hoarding, black marketing, smuggling and profiteering in food grains and take up such cases having inter-state ramifications in view of the situation prevailing at that time. It was merged with the Economic Offences Wing in 1968.
29.10 With the passage of time, requests were made by various quarters for CBI to take up investigation even into conventional crimes like assassinations, kidnappings, hijackings, crimes committed by extremists, violation of Official Secrets Act, large scale Banks and Insurance Frauds etc. and others specific cases like the Bhagalpur blindings, Bhopal Gas Tragedy etc.. Since the early 1980s, constitutional courts also started referring cases to the CBI for enquiry/investigation on the basis of petitions filed by aggrieved persons in cases of murders, dowry deaths, rape etc.. In view of these developments, it was decided in 1987 to have two investigation Divisions in CBI, namely Anti-Corruption Division and Special Crimes Division - the latter dealing with cases of conventional crimes as well as economic offences.

29.11 Even after the establishment of the Special Crimes Division, Special Cells were created to take up investigations into important and sensational cases of conventional nature. For e.g., - the Special Investigation Team (SIT) was constituted in 1991 to investigate cases relating to the assassination of Sri Rajiv Gandhi; the Special Investigation Cell - IV was created in 1992 to investigate cases relating to the demolition of the Babri Masjid in Ayodhya; the Special Task Force was created in 1993 to take up investigation relating to the bomb blast in Bombay; the Bank Frauds and Securities Cell was created in 1992 to investigate cases relating to Bank Frauds & Securities scams.

29.12 Over a period of time, some of the work originally allotted to the CBI was transferred to other organisations. Part of the work relating to Crime Records and Statistics Division was transferred to NCRB and that relating to Research Division was transferred to BPR&D. Due to increased work load relating to Securities Scam cases and rise in economic offences with the liberalization of Indian economy, a separate Economic Offences Wing was created.
established in 1994 consequent to the approval of the reorganization plan of the CBI. Accordingly, three investigation Divisions were created in the CBI.

(a) Anti-Corruption Division - To deal with cases of corruption and fraud committed by public servants of all Central Government Departments, Central Public Sector Undertakings and Central Financial Institutions.

(b) Economic Crimes Division - To deal with bank frauds, financial frauds, Import Export & Foreign Exchange Violations, large-scale smuggling of narcotics, antiques, cultural property and smuggling of other contraband items etc.

(c) Special Crimes Division - To deal with cases of terrorism, bomb blasts, sensational homicides, kidnapping for ransom and crimes committed by the mafia/underworld.

29.13 Pursuant to the direction of the Hon'ble Supreme Court in Vineet Narain and others Vs. Union of India, the existing Legal Division was reconstituted as the Directorate of Prosecution in July 2001. As on date, CBI has the following Divisions:

- Anti-Corruption Division
- Economic Offences Division
- Special Crimes Division
- Directorate of Prosecution
- Administration Division
- Policy & Coordination Division
- Central Forensic Science Laboratory

29.14 The Director, CBI as Director General of Police, Delhi Special Police Establishment, is responsible for the administration of the organisation. With the enactment of the
CVC Act, 2003, the superintendence of the Delhi Special Police Establishment vests with the Central Government; except in matter relating to investigation of offences under the Prevention of Corruption Act, 1988 for which the superintendence is exercised by the Central Vigilance Commission. The Director, CBI has been provided security of a two year tenure in the CBI under the CVC Act, 2003 which also provides the mechanism for the selection of the Director, CBI and other officers of the rank of SP and above in the CBI.

29.15 The Special Police Establishment has its branches located in the different States, the jurisdiction of each Branch generally extending over the State in which it is located. Besides the State level Branches, there are also Central Investigation Units located at Delhi having all India jurisdictions. The Central Units under the Anti-Corruption Division are ACU-I, ACU-II, ACU-III, ACU-IV, ACU-V, ACU-VI and ACU-VII. The Central Investigating Units under the Special Crimes Divisions are SIU-I, SIU-II, SIU-III, SIU-IV, SIU-V, SIU-VI, SIU-VII, SIU-VIII, SIU-IX, SIU-X, SIU-XI, SIU-XII and SIU-XIII. The Central Units of the Anti-Corruption Division are under the charges of DIG/AC-I, DIG/AC-II and the Central Units of the Special Crimes Division are under DIG/SIC-II, SIC-III and SIC-IV. The Branches located in different States function under the Regional DIGs.

29.16 The CBI set up in the country is divided into 4 zones - namely North, East, West and South zones. Each of these zones is headed by a Joint Director/DIG. The DIGs of the Central Units and the zonal JDs/DIGs are responsible for the control, supervision and functioning of the Branches under them. Each Branch/Unit is in the charge of a Superintendent of Police.
29.17 All Regional DIGs of the Branches located in the different States are responsible for coordinating and closely supervising the work of the Anti-corruption Division and the Special Crimes Division of the CBI Branches.

29.18 The Central Units under the Anti-corruption Division and the Special Crimes Division located at Delhi have all India jurisdictions and generally take up only important cases against senior Public Servants or cases having inter-State or international ramifications or offences of national importance.

30. **JURISDICTION AND FUNCTIONS**

30.1 The Special Police Establishment enjoys concurrent powers of investigation and prosecution with the respective State Police Force under the Criminal Procedure Code. To avoid duplication of efforts, however, an administrative arrangement has been arrived at with the State Governments according to which:

(a) Cases which substantially and essentially concern Central Government employees or the affairs of the Central Government, even though involving certain State Government employees, are to be investigated by the SPE. The State Police are, however, kept informed of such cases and will render necessary assistance to the Special Police Establishment during investigation.

(b) Cases which substantially and essentially involve State Government employees or relate to the affairs of a State Government, even though involving certain Central Government employees are investigated by the State Police. The SPE is informed of such cases and it extends assistance to the State Police during the investigations.
carried out by the State Police authorities. In such cases involving a Central Government employee, request for the sanction of the competent authority of the Central Government will be routed through the Special Police Establishment.

30.2 The Special Police Establishment, Central Bureau of Investigation, inquires and investigates into offences pertaining to corruption and other malpractices involving public servants. The SPE takes up cases for investigation on the basis of the information collected by them from their own sources or received from the members of the public. They also investigates cases referred to them by the CVC and administrative authorities. If the information discloses prima facie the commission of a cognizable offence, a regular case (RC) is registered U/s 154 Cr.P.C. If the information prima facie discloses the commission of irregularities, which calls for further enquiry, a preliminary enquiry (PE) is first registered. If the PE reveals commission of a cognizable offence, a regular case is registered for investigation. As soon as a PE or a RC is registered, a copy thereof is sent to the Head of Department and/or administrative ministry. A copy of the PE/RC is also sent to the CVC if the Public Servant concerned comes within the advisory jurisdiction of the CVC. The SPE generally does not take up inquiries into or register a case where minor procedural flaws are involved. They are also expected to take note of an individual officer’s positive achievements while recommending RDA so that a single procedural error does not cancel out a lifetime’s good work.

31. Interaction Of PSUs With CBI

31.1 The CVOs in PSEs and the concerned officer in the CBI should interact as frequently as possible with reference to exigencies of work. However, there should be a quarterly meeting between CBI and CVO at the level of the Zonal Joint Director of CBI to
monitor and take stock of the cases and exchange information for expeditious investigation and preparation of the ‘Agreed List’.

**31.2** Standard tender procedure, policy guidelines and Manuals may be supplied to the CBI so that transactions under investigation/inquiry could be examined to find out whether criminal or departmental misconduct is made out or not. Such standardised procedures and guidelines should also be updated periodically as compilations of extant procedures make it easier to form a view about criminal liability, misconduct or innocence of an official in a particular case.

**31.3** Normally, matters having a Vigilance angle are dealt with and processed by the CVO with the help of Unit offices. In certain cases, there is necessity to take the help of the CBI. Broad guidelines for referring cases to CBI by the CVO are indicated at Para 11.3.1. of the “Special Chapter on Vigilance Management” appended at Part – III, Chapter – III, Appendix - I which provides that the cases be entrusted to the CBI with the approval of the Chairman if the allegations:

(i) Are criminal in nature (e.g. bribery, corruption, forgery, criminal breach of trust, possession of assets disproportionate to known sources of income, cheating, etc.); or

(ii) Require inquiries to be made from non official persons; or

(iii) Involve examination of private records; or

(iv) Need expert police investigation for arriving at a conclusion; or

(v) Need investigation abroad.
31.4 The CBI should ordinarily be sent only cases involving transactions of not less than Rs. 50 lakhs or otherwise possessing national or international ramifications. Other cases may be sent to the local Police.

31.5 In the event of a necessity arising for referring a case to the CBI, the matter shall be referred by the CVOs to the CBI with the approval of the Chairman, with full details for taking necessary action.

31.6 Full cooperation and facilities should be extended by the Public Sector Enterprises to the CBI during the course of the investigation. This would include making available to them the requisite documents with the least possible delay, directing such employees as are to be examined to appear before the investigating officer and making suitable transport/accommodation in the PSE's Guest Houses, available to touring officers (subject to availability) and in accordance with their entitlement, on payment of the prescribed charges. Assistance of technical experts may also be provided to the extent possible to the Investigating Officer, if considered necessary, in accordance with extant instructions on the subject.

31.7 When PSEs make a reference to the CBI for investigation, they should also make available duly certified photocopies of all relevant documents, along with the complaint, so that there is no delay in initiating action on the part of the CBI. The originals may be handed over to them only at the time of the actual registration of the case. Similarly, when the CBI seizes documents, authenticated copies of all the documents should be made available to the CVO of the PSE within four days of the seizure.
31.8 The Inspector General, SPE and his staff are authorized to inspect all categories of official records at all stages of investigation. The CVO/Heads of Departments/Offices etc. should ensure that during investigation, whether preliminary or regular, the SP of the SPE or his authorized representatives are given full cooperation and facilities to see all relevant records. Even before registration of a PE or RC, if the CBI wishes to check the veracity of information in their possession from the official records, they may be allowed to see the records on receipt of a request from the SP, S.P.E.

31.9 The records required by SPE should be made available to them ordinarily within a period of a fortnight - and positively within a month - from the date of receipt of their request. The CBI should invariably be informed the date of superannuation of the accused official immediately after receipt of the copy of the FIR whenever official(s) concerned is/are due to retire within a year or so of the registration of the case.

31.10 The request of the CBI for information relating to pay and allowances drawn by the Government servants over a certain period - in case where such Government servants are alleged to possess disproportionate assets - should be furnished to them within a month of receiving the requisition from the CBI.

31.11 When the SPE desire to see any classified documents/records, sanction of the competent authority to release such documents/records should be obtained promptly, and records should be made available in the following manner:

(a) top secret documents should be handed over only to the Gazetted officer of the SPE;

(b) Secret and confidential documents should be given to gazetted officers of the SPE or to an Inspector, SPE if he is specially authorized by the SP, S.P.E;
(c) Where original documents cannot be made available to the Investigating officer for any reason, he should be supplied with Photostat copies; and a certificate should be given by an officer of appropriate rank that the originals are in safe custody and out of reach of the suspect official(s) and will be produced wherever required.

(d) Current files having a bearing on the day-to-day administration will not be handed over to the SPE at the preliminary stage of their investigation. However, copies or extracts will be supplied, if necessary.

32. **Action To Be Taken On CBI Report**

32.1 On completion of their investigation, the CBI forwards a copy of the SP’s report to the concerned CVO for further action. A copy of the SP’s report is also endorsed to the CVC in cases in which the Commission’s advice is necessary.

32.2 The CBI generally recommends prosecution in cases of bribery, corruption or other criminal misconduct; it also considers making similar recommendations in cases involving a substantial loss to the Government or a public body. The CVC’s advice for prosecution, however, is required only if the sanction for prosecution is necessary under any law promulgated in the name of the President. In such cases, the CVO is required to furnish the department’s comments within a month of the receipt of CBI report by the competent authority. In other cases, as directed by the Supreme Court, the matter should be processed expeditiously to ensure that the required sanction is issued within a period of three months. However, in case of difference of opinion between CBI and the competent authority in the PSE, the matter may be referred to the CVC for their advice irrespective of the level of the official involved.
32.3 Prosecution proposals should be able to meet the legal and technical requirements laid down by the Courts. Apart from adequate evidence to establish that an offence has been committed under the relevant provision of the law, there should be some facts on record from which it should be possible to infer or presume a criminal or guilty intention behind the omission or commission. In the absence of \textit{mens rea}, violation of Rules or codal formalities could at worst be considered as transgressions of systems and procedures of the organization and the same would, as such, be more suitable as the subject matter of a Regular Departmental Action (RDA) rather than a criminal prosecution.

32.4 In cases where the CBI recommends RDA for major/minor penalty action or ‘such action as deemed fit’ against the officials and the CVC is to be consulted, the CVO is required to ensure that the comments of the department/PSE on the CBI report are furnished to the CVC within one month of receipt of the CBI’s investigation report, failing which CVC will proceed to examine the case and tender advice. Further action in such cases may be taken as per the CVC’s advice. In other cases, the CVO is required to take expeditious action to ensure that the charge-sheets, if necessary, are issued within two months of receipt of the investigation report from the CBI. It would not be necessary for the CBI to follow up the matter in such cases after the disciplinary authority has initiated action for RDA against the concerned officials in accordance with their recommendations. However, in case of difference of opinion between the CBI and administrative authorities, the matter would be referred to the CVC for advice irrespective of the level of the official involved. The organization would take further action in accordance therewith.

32.5 The law of the land permits prosecution as well as RDA to proceed simultaneously.
32.6 Where the suspect officer is primarily accountable for conduct which legitimately lends itself to both criminal prosecution in a Court of law as well as RDA, as a general rule both should be launched simultaneously after consultation with the CBI or other investigating agencies charged with conducting the prosecution. Such simultaneous conduct of RDA and criminal prosecution should be resorted to especially if the prosecution case is not likely to be adversely affected by the simultaneous conduct of RDA. Keeping RDA in abeyance should be an exception rather than the rule. Copies of all the relevant documents authenticated by the competent authority may be retained, for the purpose of RDA, before the original documents are sent to the Court. If the documents have already been sent to a Court of law for the purpose of criminal proceedings, certified copies may be procured for the purpose of RDA. Care, however, should be taken to draft the charge-sheet for the purpose of RDA in such a manner that it makes the suspect official accountable for violation of various provisions of the Organisation’s Rules without reference to criminal misconduct.

32.7 While taking action on a CBI report, it should be ensured that the time limits specified by the CVC are strictly followed.

CHAPTER - V: Role of Ministry of Civil Aviation (Administrative Ministry) on Vigilance matters

33. INTRODUCTION

33.1 Vigilance units in Ministries and their attached and subordinate offices, public undertakings and autonomous and other similar bodies, are responsible for implementation of anti-corruption measures of the Central Government and maintenance of
integrity in the services. While the primary responsibility for the maintenance of purity, integrity and efficiency in his organization vests in the Secretary of the Ministry, the Chief Vigilance Officer acts as his special assistant in all matters pertaining to Vigilance and provides a link between his Ministry/Department and the Central Vigilance Commission.

33.2 The Ministries/Departments which have to handle a large number of Vigilance cases should have a Chief Vigilance Officer of the rank of Joint Secretary or at least Director. In big Departments, the CVO should be wholetime, i.e. she/he should not be burdened with other responsibilities. But if it is considered that the CVO does not have wholetime work on the Vigilance side, the functions relating to audit and inspection may be clubbed with Vigilance work as these belong to the same stream.

34. Vigilance Set Up In Civil Aviation

34.1 In the Ministry of Civil Aviation, one of the Joint Secretaries is appointed as the Chief Vigilance Officer of the Ministry and co-ordinates all Vigilance matters of the Ministry including those relating to Air India. The Joint Secretary & CVO of the Ministry of Civil Aviation reports to the Secretary, Civil Aviation. Officers in the rank of Director and Under Secretary assist the CVO in Vigilance work.

35. Functions

35.1 Matters having Vigilance implications are normally referred to the CVC and CBI by the CVO, Air India as per guidelines. In certain cases, the reference to CVC is made through the administrative Ministry - i.e. the Ministry of Civil Aviation.
35.2 Board Level Appointees:

(i) The cases of Board level appointees are dealt by Air India through Ministry of Civil Aviation as per the guidelines contained in Para 15 of the “Special Chapter on Vigilance Management”. If the CVO of the Administrative Ministry asks for a factual report against the 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 for information. However, if the CMD himself is the subject matter of investigation, the CVO of Air India 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.

(ii) If a complaint against a Board level appointee is directly received by the PSE, the CVO shall send the same to the CVO of the Ministry for consideration. If the Ministry directs the CVO of the PSE for investigation and factual report, the procedure indicated above may be followed.

(iii) In cases where the CVC calls for investigation and report against a Board level appointee, the CVO of the Ministry shall initiate inquiries and may obtain factual information from the CVO of the PSE in this regard. Thus, the CVO of the PSE under no circumstances should initiate action against the Board level appointee on her/his own initiative.
Vigilance complaints received in the Ministry are either investigated by the CVO in the Ministry or are forwarded to the CVO, Air India for investigation. The CVO, Air India is required to investigate these complaints and submit a report as per the time schedule provided by the CVC. Periodical review of these cases is done by the Ministry.

CHAPTER - VI : Vigilance Organisation in Air India

36. **Introduction**

36.1 Vigilance was introduced in Public Sector undertakings as a natural extension of the Government system during 1960s. Vigilance work relating to Air India is handled by a CVO handling Air India while another CVO handles all the subsidiaries of Air India. Air India deals directly with the CVC in all matters except in the case of officers whose appointment is made by the Government and which matters are dealt with by Air India through the administrative Ministry - namely, the Ministry of Civil Aviation.

37. **Vigilance Set Up In Air India**

37.1 At the corporate level, the Vigilance work is looked after by the Chief Vigilance Officer who enjoys the status, facilities and perquisites equivalent to that of a Functional Director of the Company. She/he is assisted by an Executive Assistant in the grade of Senior Manager. At the Field Level, a Dy. CVO in the grade of Executive Director leads all Investigations. Officers at various levels, who are essentially Investigating Officers, report to the CVO through the Dy.CVO.
37.2 Regional Offices have been set up in Mumbai, Delhi, Chennai, Kolkata, Bangalore, Hyderabad and Kochi. Functionally, all officers report to the CVO through the Dy.CVO. Administratively, however, report to the Dy.CVO. Thus Dy.CVO is the Reporting Officer for all Officers in the Department for writing Annual Appraisal Reports and the CVO is the Countersigning Officer. In the case of the Dy.CVO, however, the CVO is the Reporting officer while the Managing Director is the Countersigning Officer.

38. **Vigilance Organisation Set Up**

38.1 Please scroll down to the next page for Organogram of the Vigilance set up in Air India.
Air India Vigilance Department

Chief Vigilance Officer-1
(Equivalent in status to Functional Director)
Based in BOM

Sr.Manager-1
Dy.Manager-1

Dy.CVO-1
(Equivalent in status to ED)
Based in BOM

Mgr -1
Asst.Mgr.-1

GM-1
(Based in DEL)

Dy.GM WR/SR -1
(Based in BOM)

AGM WR-1
(Based in BOM)
Sr.Mgr.-2
Mgr.-3
Dy.Mgr.-4

AGM SR-1
(Based in MAA)
Sr.Mgr.-1
Mgr.-1
Dy.Mgr.-1

AGM NR-1
(Based in DEL)
Sr.Mgr.-1
Mgr.-2
Dy.Mgr.-4

AGM NR/ER-1
(Based in DEL)
Sr.Mgr.-1
Dy.Mgr.-2

AGM Tech.-1
(Based in BOM)

Mgr.Tech-1

Mgr.-1

Dy.Mgr.-1

AGM ER-1
(Based in CCU)
39. **Functions of the CVO**

39.1 While the primary responsibility for the maintenance of purity, integrity and efficiency in the organization vests with the head of the organisation/CEO/CMD, the CVO acts as the CMD’s Special Assistant in all matters pertaining to Vigilance and provides a link between the organization and the CVC. Besides dealing with vigilance cases, the CVO is also responsible for such items of work as regular and surprise inspections of sensitive spots and Stations, review and streamlining of procedures which appear to afford scope for corruption or misconduct and for initiating other measures for prevention, detection and punishment of corruption and other malpractices. (Ref. CVC Vigilance Manual Chapter - 1- 3.1)

39.2 The Chief Vigilance Officer is appointed after prior consultation with the CVC. No person whose appointment is objected to by the Commission will be so appointed. Every proposal for appointment of a CVO (which should be a panel of names listed in order of preference) will be addressed by name to the Secretary, CVC and will be accompanied by the Character Rolls and Bio-data of officers sponsored to enable the Commission to examine their suitability for appointment as CVO. When an incumbent is likely to relinquish charge due to retirement, reversion to parent cadre etc., a proposal for the appointment of a new CVO should be moved well in advance so the post does not remain vacant. (Ref. CVC Vigilance Manual Chapter 1 - 3.2)

39.3 The existing guidelines on the deputation tenure of CVOs in PSEs are contained in Para 2(v) of the Department of Personnel & Training O.M. No. 36(9)-EO/89-SM(1) dated 7th February, 1992. These stipulate that the tenure of a CVO will be for a period of five years irrespective of the grade of the post and the service to which the officer belongs; no other tenure rules would be applicable for this purpose. On the recommendation of the CVC and the Civil Services Board, the Appointments Committee of the Cabinet has since approved partial modification of the aforesaid provisions. The
initial deputation tenure of an officer in the post of CVO should be three years, extendable up to a further period of two years, in the same enterprise (maximum five years), with the approval of CVC, or up to a further period of three years on transfer to another PSE on completion of initial deputation tenure of three years in the previous PSE (Ref. DoP&T’s O.M. No. 372/7/97-AVD-III dated 7th August, 1978, and with reference to the Special Chapter of the Vigilance Manual).

39.4 The CVO advises the Chairman and other Directors on issues connected with Vigilance matters and disciplinary procedures etc. She/he provides a link between the Administrative Ministry/Department and the CVC. The CVC’s interface with a PSE is through the CVO.

**40. Liaison With The CVC**

40.1 The CVO and other officers keep liaison with the CVC, including the Chief Technical Examiner’s Organization. In departmental proceedings, the CVC are consulted at two stages. The CVC’s first stage advice is required at the time of initiation of disciplinary proceedings on the basis of investigation carried out by the CBI or the Department or PSE. The CVC’s second stage advice is required before a final decision is taken on the conclusion of the departmental proceedings. The CVO represents Air India at the Annual Zonal Review Meeting of CVOs convened by the CVC.

40.2 Visits of the Central Vigilance Commissioner and other officers of the Commission to the Stations/Regions/Units are arranged to enable them to have first hand knowledge of the functioning of the Stations/Regions/Units. The CVO also arranges the inspection of Civil and other works at the Stations/Regions/Units by officers of the Chief Technical Examiner’s organization, besides sending a quarterly statistical report on civil and other works to the CTE.
40.3 The CVO plays a vital role in the technical examination of works since the CTEO cannot inspect ALL works of the various organizations under the jurisdiction of the CVC. Hence, the CVO would arrange Vigilance inspection of works under her/his jurisdiction on the pattern of the inspection carried out by the CTE team of the CVC. The CVC has further desired that:

(a) The CVOs shall conduct inspection of works on the pattern of the CTE’s organization periodically.
(b) The result of such inspections should be sent to the CTEO along with the Quarterly Progress Report in the prescribed proforma.
(c) The work should be inspected before close of contracts so that defects, if any, could be got rectified and recoveries made, wherever necessary.

41. Liaison With The CBI

41.1 The CVO keeps liaison with the Director and other Senior Officers of CBI at the CBI Headquarters in Delhi.

42. Liaison With The Ministry

42.1 The CVO keeps liaison with the Secretary, Civil Aviation and the CVO of the Ministry. Quarterly Reports on Vigilance work are sent to the Ministry and the periodical review meetings of the Secretary, Civil Aviation are also attended by the CVO.
43. MONITORING AND VIGILANCE ACTIVITIES OF REGIONS/STATIONS/UNITS

43.1 The CVO monitors the overall Vigilance work of the different Regions/Stations/Units with the support of the Dy.CVO.

(i) VIGILANCE MEETS - Meets are organized on a quarterly basis for all Officers of the Department to discuss and decide on Policy issues. Other topics of common interest are also discussed. Cases/Field Studies etc., and overall performance of all Officers, is reviewed. A review of pending disciplinary cases is also made.

(ii) STATISTICAL RETURNS - Monthly Returns in prescribed proforma are to be submitted to CVC and a Quarterly return needs to be submitted to the Ministry. Vigilance Administration correlates data available with them with the updates and progress on cases received from Officers for compiling and forwarding them to the Ministry/CVC/CBI.

44. PARLIAMENT QUESTIONS AND APPLICATIONS UNDER RTI

44.1 Parliament questions relating to Vigilance matters are received from Headquarters and processed by an officer designated for the purpose. Similarly, applications under RTI are received from the designated Public Information Officer (PIO) and processed by an officer in the Vigilance Department designated for the purpose. After collection of necessary data from Administration and the concerned officer, draft reply is sent to Headquarters or the PIO, as the case may be, by the concerned officer after due approval of the CVO.
45. **INVESTIGATION**

45.1 Cases pertaining to corruption or having any Vigilance angle referred to Air India by the CVC and the Ministry or addressed directly to the Chairman/CVO are assigned for investigation to one of the Officers by the CVO/Dy.CVO. The investigations are guided by the CVO/Dy.CVO and, after completion of investigations, a detailed report is examined by the Dy.CVO and forwarded to the CVO who processes it further for sending a reply to the CVC/Ministry/CMD/concerned Competent Authority for action.

46. **FIRST STAGE & SECOND STAGE ADVICE:**

**OFFICERS UNDER CVC JURISDICTION – OFFICERS AT TWO LEVELS BELOW BOARD LEVEL – EXECUTIVE DIRECTORS & GENERAL MANAGERS**

**First Stage Advice**

46.1 The Investigation report submitted by the Investigating Officer to the CVO through the Dy.CVO is processed and once it is ready for forwarding to the CVC seeking their First Stage Advice, the IO prepares the supporting documents to be sent to CVC in the prescribed proformas. These include a self contained Note from the CVO to the CVC, the bio-data of the suspect official, an Assurance memo, a draft of the charge-sheet to be issued to the suspect official, complete investigation report with all enclosures and a tabular statement containing the comments of the Disciplinary Authority and the CVO in respect of each allegation levelled against the suspect official.

**Second Stage Advice**

46.2 After initiation of RDA, once the Competent Authority takes a decision to impose a penalty, the proposed penalty - along with a copy of the Departmental Enquiry Report and the reply of the charged official to the Show Cause Notice (for action on the
Enquiry Report and NOT the show cause for the quantum of penalty) - is required to be referred back through the CVO to the CVC for their Second Stage Advice. Only after receipt of the second stage advice will the DA proceed with the show cause for quantum of penalty and imposition of the final penalty.

46.3 In case of composite cases involving officers who come within the CVC’s jurisdiction - as well as those not within the CVC’s jurisdiction - after initiation of RDA, a reference needs to be made to the CVC for their second stage advice only for those officers who fall within the CVC’s jurisdiction. In case of officers who are not within the CVC’s jurisdiction, a reference needs to be made for second stage advice only if the DA decides to take action which deviates from the first stage advice rendered by the CVC. Where the DA decides to take action in consonance with the CVC’s advice, the case will be processed as per the procedure and only a copy of the final order issued would be sent to the CVC for intimation and record. This procedure will also apply to cases investigated by the CBI involving officials not falling under the jurisdiction of the CVC wherein the Commission has rendered its advice and cases where there were differences of opinion between the CBI and the DA and which were referred to the CVC for advice. (CVC’s Office Order No. 03/01/10 issued under No. 009/VGL/056 dated 28th January, 2010)

46.4 In cases referred by the CVC for investigation and report) if after investigations it is found that the officials involved in the case do not fall under the jurisdiction of the CVC, the case need not be referred to the Commission and may be dealt with by the CVO. However, the action taken by the CVO on the CVC referred complaint has to be intimated to the Commission in order to facilitate monitoring of the complaint. (CVC’s Office Order No. 03/01/10 issued under No. 009/VGL/056 dated 28th January, 2010)
46.5 The above dispensation does not apply to complaints received by the CVC under the Public Interest Disclosure and Protection of Informers Resolution (PIDPI) resolution and which are referred to the CVO for investigation and report. In other words, all complaints falling under THE PIDPI resolution referred to the CVO by THE CVC for investigation and report should necessarily be referred to the Commission for their advice. (CVC’s Office Order No. 03/01/10 issued under No. 009/VGL/056 dated 28th January, 2010)

47. **Regular Departmental Action**

47.1 There is considerable delay in finalisation of criminal cases registered by the CBI. In cases where charges are framed based on Vigilance investigation, and strong evidence is available, Regular Departmental Action should be instituted so that a speedy decision is taken on the conduct of the official and a final decision can be taken as to his continuance in employment in case the charges are serious.

47.2 The CVC have issued instructions that departmental inquiries should be completed within a period of six months from the date of appointment of Enquiry Officer. Regarding other stages of investigation/inquiry, the time schedule has also been laid down in the “Special Chapter on Vigilance Management in Public Sector Enterprises”.

48. **Appeals**

48.1 All appeals against penalties etc. in Vigilance cases where the Chairman is the Appellate Authority are processed by Vigilance and put up to the Chairman for consideration.
AIR INDIA VIGILANCE MANUAL

48.2 Appeal in vigilance cases where punishment has been awarded after concurrence of CVO should be referred to CVO in case a downward revision of punishment is being considered by the Competent Authority. Any downward revision of punishment by the Competent Authority without concurrence of CVO will be construed to be commission of misconduct by the Competent Authority.

49. TRAINING AND EDUCATION IN VIGILANCE

49.1 Imparting training to officials working in Vigilance is the responsibility of the Officer designated for Training. Arrangements are made with the CBI Academy at Ghaziabad, SVP National Police Academy at Hyderabad, the Institute of Secretariat Training and Management at New Delhi and other reputed institutes in India. These Centers are arranging training programmes on various facets of Vigilance, including investigation techniques and disciplinary proceedings. Training programmes are also arranged by the Vigilance Administration at AI's Management Training Establishment under the Central Training Establishment at Hyderabad. For non-Vigilance employees and Officers, Vigilance programmes are arranged at the Station level as a part of their regular training programmes conducted by the concerned departments. These programmes give good exposure in Vigilance functioning and mechanism.

50. VIGILANCE AUDIT

50.1 A scheme of Annual Audit of Vigilance Units at different Stations will be introduced to carry out an in-house inspection of the various systems followed and records maintained by field units of Vigilance department. These inspections will be carried out by a team of two officers- one from Corporate Vigilance and one from the Vigilance Station Unit other than the Station under audit.
51. Job Rotation in Sensitive Posts

51.1 The CVO may identify sensitive posts and ensure rotation of staff in such posts every three years. Orders issued in this regard, along with a list of the sensitive posts identified, may be intimated to the CVC for record. The CVO may also review the functioning of public dealing departments. The CVO will endeavour to get the Air India Management to draw up a Citizens' Charter prescribing time limits for processing of applications and various categories of work involving public dealings. CVO may monitor the implementation of the Citizens' Charter and furnish a compliance report in this regard to the CVC.

52. Code of Conduct for Vigilance Personnel

52.1 Vigilance Organisation

(i) Vigilance is an important function of the management, like other functions viz., Finance, Personnel, Marketing etc. It is now considered part and parcel of the organization. Vigilance, therefore, cannot overlook the ultimate objectives of the organization and has to function within their framework. Though the prime object of Vigilance is to eradicate corruption in the organization, it has to safeguard the interests of the organization and, therefore, has to take a balanced view.

(ii) The Vigilance Organization should never be instrumental in ‘framing’ a case against an employee. It should never be a tool in the process of witch-hunting at the behest of any individual, however highly placed she/he may be.

(iii) Vigilance efforts to tackle existing malpractices and corruption in the organization should, by and large, be objective.
(iv) Vigilance checks should be objective. Preventive checks should be judiciously
designed to give fair coverage to all sensitive departments with due weightage to
factors like:

- Loss of revenue to the organization.
- Harassment of the common man.

(v) Vigilance should steer clear of quarrels/personal enmity between two individuals
as attempts are often made to involve Vigilance in such matters.

(vi) Vigilance should not interfere in administrative matters. This should be left to the
department itself. Complaints having Vigilance angle only need be looked into by
Vigilance.

(vii) There should be no subversion of Vigilance cases to favour an individual on
account of local/political pressures or pulls. Vigilance should give their
recommendations to the Disciplinary Authority without any fear or favour.

52.2 VIGILANCE OFFICIALS

(i) While working in the Vigilance organization, an official has got a very onerous
duty to perform. She/he has to simultaneously protect the interests of both the
organization as well as that of the employee.

(ii) In this context, one’s Conduct could perhaps be divided into two categories -
Official Conduct and Personal Conduct.
52.3 In So Far As Official Conduct Is Concerned, A Few Cardinal Principles Require Mention.

(a) The first point is that speedy investigations must be ensured. Quite often, it is found that the complaint is motivated and false but, unfortunately, as the situation stands today, the officer against whom an enquiry is being conducted remains under a cloud during the period his conduct is under investigation. This tarnishes his reputation within the Service during this period; which not only causes mental anguish to the officer but also reduces his usefulness to the organization for that period. It is, therefore, necessary that investigation is expedited so that either the officer is brought to book quickly and punished, or he is cleared and is able to regain his position in the department. The laid down schedule of investigation should therefore be strictly followed; and frequent discussions should be held by Investigating Officer with superiors and the Dy.CVO to ensure that the investigations are being carried out on correct lines and that they are not delayed. Expeditious finalization of investigation is very important.

(b) The second cardinal principle that is to be followed is that the investigation must be fair and impartial. Enough precautions must be taken to ensure that personal prejudices do not influence the investigation. Besides this, there is another aspect which requires emphasis, i.e. a hasty and faulty conclusion must not be arrived at. The facts and merits of a case and not the reputation of the officer should be the real determinant. Again, whenever disciplinary proceedings are initiated, it must be ensured that departmental enquiries are also conducted expeditiously so that the Organization is able to decide quickly about the role of the Charged Officer in the alleged transaction or malpractice and is able to take an early decision about her/his retention or otherwise in service. The Vigilance Officers must keep constant track of the cases at all stages and ensure logical conclusion.
52.3 Model Code of Conduct – General

- Never disclose the source of your information to anyone.
- Never foul up human relations by divulging the identity of the complainant(s) or informant(s) to the personnel concerned.
- Never discuss the case under investigation with any outsider(s) or even colleague(s).
- Never be lighthearted, flippant or irresponsible in your general conduct.
- Never be swayed by pre-conceptions, prejudices or pressure.

52.4 Preventive Checks

- **Be diligent**: that is, be thorough in investigation/fact finding, dig as far deep into transactions and as far back in time as possible.
- **Be detailed**: that is, let your coverage of the area chosen be intensive and extensive.
- **Be dynamic**: that is, do not merely state static facts; make them come live and speak for you by eliciting any trends and patterns of conduct or any decision making impinging on Vigilance.
- **Be qualitative**: Vigilance Officers should not bother about inflating the number of preventive checks as a criterion for showing more output. They should concentrate on sensitive areas and on the activities of the officers borne on the Agreed and secret lists. Even if checks are fewer in number, they must be thorough and complete and be able to withstand scrutiny. In fact, few checks resulting in more people being caught/detected indulging in various malpractices and result in improvement of procedures, thus eliminating or minimizing the chances for corruption, are much better than the numerous checks conducted perfunctorily.
In respect of Personal Conduct, the following important points may be borne in mind:

(i) Each Vigilance official in a Vigilance organization has to be a hundred percent honest. Vigilance officials have not only to be honest, but appear to be so.

(ii) Personal prejudices and idiosyncrasies must not get the better of logic or reason. Logic/reason is the instrument to reach the final objectives of truth and justice.

(iii) Humility does not necessarily mean weakness. One should be firm in conviction, determination and argument.

(iv) Nothing should be done with a view to perpetrating revenge on any person to settle an old score.

(v) The objective of the Vigilance organization is to bring about cleanliness in the different fields of organizational working. Punishing people is neither the primary nor the only objective; it is incidental to our efforts.

(vi) Be polite and courteous, courtesy costs nothing.

53. REVIEW OF VIGILANCE WORK BY THE BOARD OF DIRECTORS

(A) By Board of Directors

(i) The CVC vide their Office Order No. 59/12/03 dated 9th December, 2003 desired that the Board of Directors should review the Vigilance work once in six months and the CVO is required to send a copy of the review done by the Board to the
CVC. The CVC have also given a specific format, as given below, for the CVOs to report the review by the Board of Directors. This format must be accompanied with a copy of the Memorandum placed before the Board.

<table>
<thead>
<tr>
<th>Name of PSU</th>
<th>Period of Review</th>
<th>No. Of cases reviewed</th>
<th>Specific remarks, if any</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

(B) By Secretary, MoCA or CMD

(i) The Vigilance Manual Volume - I (6th edition), vide Para 2.16.2 provides for review of Vigilance work in an organisation to be undertaken by the Secretary of the Ministry/Department or the Chief Executive of the Organisation. The CVC have been emphasising on the need for a structured regular and continuous review of the Vigilance work in every Organisation/Department. It was observed by the CVC that, even though some organisations have been undertaking such reviews, the same is not being institutionalised and carried out in a uniform pattern.

(ii) The CVC have, therefore, advised vide their Office Order No. 12/03/10 dated 5th March, 2010, that all Organisations/Departments need to hold regular meetings for review of Vigilance work/activities, either on a monthly or quarterly basis, in a structured manner between the CVO and the Chief Executive in the organisations and between the CVO and Secretary of the Ministries/Departments. Minutes of such review meetings held are to be drawn up with actionable points. CVOs of the organisations are required to report the
status of such monthly/quarterly reviews held in their Monthly Reports to the CVC.
PART - II
CHAPTER – I : RECEIPT & REGISTRATION OF COMPLAINTS

54. Complaints

54.1 In the changed and liberalized scenario, Air India is functioning as a vibrant commercial organization with emphasis on self reliance, profitability and competitive strengths to meet challenges from other Indian as well as foreign carriers. In achievement of these objectives, there has to be greater transparency and accountability in the functioning of Managers while handling operations, expenditures and sales. The organization has to get the best possible results with effective Vigilance against unethical acts, corruption and malpractices. These unethical acts come to notice through complaints, supervisory controls, surprise checks, source information etc..

54.2 Complaints form an important source of information about corruption, various irregularities in the Company, malpractices and misconduct on the part of officials.

Complaints are received from a number of sources, namely

(a) General public
(b) People's representatives like MPs, MLAs etc.
(c) Company employees
(d) Press & Electronic Media
(e) Contractors & Suppliers
(f) Surprise Checks
(g) Scrutiny of Annual Property Return Statements
(h) Scrutiny of Purchase/Contract Files
(i) Internal Audit Reports
(j) Government Audit Reports

(k) Reports of Parliamentary Committees such as the Committee on Public Undertakings/Public Accounts Committee/Estimates Committee/Parliament Questions etc.

54.3 All information gathered from reports, returns, newspapers etc. can be included. Information received verbally should be reduced to writing as a Source Information and dealt with similarly.

54.4 Information about corruption and malpractices on the part of officials may also be received from their subordinates or public servants. While normally an employee is required to address communications through proper official channel, there is no objection to entertaining direct complaints or communications giving information about corruption or other kinds of malpractices.

54.5 As per CVC’s instructions, while genuine complainants should be afforded protection against harassment or victimization, serious notice should be taken if a complaint is, after verification, found to be false and malicious. There should be no hesitation in taking severe departmental action or launching criminal prosecution against such complainants.

54.6 Information gathered from different means should also be reduced to writing and registered in the Vigilance Complaints Register at a suitable stage.
55. ANONYMOUS / PSEUDONYMOUS COMPLAINTS

55.1 As per CVC directives, no action is to be taken by the departments/organizations, on anonymous/pseudonymous complaints received by them. However, the complaints received should be examined carefully to

(i) ascertain the identity of the complainant &
(ii) ascertain if there are any specific verifiable facts.

55.2 In case the complainant is not traceable even after making correspondence by registered post and there is no verifiable fact, the complaint should be lodged. In case there are specific verifiable points, however, the CVO may refer the matter to the CVC seeking their instructions for registering a case for investigations.

56. REGISTRATION OF COMPLAINTS

56.1 Every complaint, from whatever source received, should be entered in the Register of Complaints chronologically as it is received or taken notice of. A CR/PE number is to be obtained from Vigilance Administration which will be used as the unique serial number for all correspondence in the matter till its logical conclusion or till the case is registered for preliminary or regular investigations. A complaint containing allegations against several officials may be treated as one complaint for the purpose of registration and should be shown against the highest ranking official.

56.2 Whenever a preliminary open enquiry needs to be conducted into an irregularity/case, the concerned Investigating Officer will obtain proper approval of the CVO on the Note Sheet and request Vigilance Administration for a PE number. This number will be used as the unique serial number for all correspondence in the matter till
its logical conclusion or till the case is registered for regular investigations. A PE is to be registered only to ascertain whether a prima facie case exists.

56.3 When it is established that a prima facie case exists and it is necessary to conduct detailed investigations involving recording of statements by various officials/employees associated with the case, analyzing the outcome and finally making recommendations in the case (Punitive or Preventive), the concerned IO should obtain approval of the CVO on the Note Sheet for registering an RC. As in earlier types of cases, the RC number will thereafter be the unique serial number for all correspondence till the logical conclusion of the case. All cases registered as RC must be reported to the CVC in the Monthly Reports and IOs must ensure that the schedule of time limits for investigations to be completed within three months is strictly adhered to. All cases referred for investigations and report by the CVC need to be registered as RC upfront before commencing investigations. All cases involving officers at two levels below Board level and above, which fall under the jurisdiction of the CVC, need to be registered in a separate Register and need to be categorized as Category - A cases.

CHAPTER – II : PREVENTIVE VIGILANCE

57. SENSITIVE AREAS

57.1 Identification of corruption prone areas in an organization is an important part of Preventive Vigilance. In a big organization like Air India, it is not possible for Vigilance to keep a watch in every nook and corner of its operations. It is, therefore, necessary that such areas/departments where officials mostly come in contact with passengers, contractors, outside parties etc. are identified and watch is kept over them. The Santhanam Committee on Prevention of Corruption has rightly remarked,
“Corruption can exist if there is someone willing to corrupt and capable of corrupting. Both this willingness and capacity to corrupt is found in a large measure in the industrial and commercial classes”.

57.2 As per the directive of the CVC, each PSU has to identify sensitive areas/sensitive posts in the organization and ensure rotation of Staff in such posts every three years. Orders issued in this regard - along with a list of the sensitive posts identified - is to be intimated to the CVC for record.

57.3 Corruption prone areas are known as ‘sensitive areas’ in Vigilance parlance. The responsibility of the Vigilance Officer on assuming office should be to acquaint himself fully with the sensitive spots in the organization, with the procedures which appear to afford scope for corruption or delay; whether preventive measures have already been planned and if so, whether they are being properly implemented.

57.4 Sensitive Posts are identified by the CVO with the help of the Vigilance Officers and the HODs of the various departments and got notified by the CMD. The list must be reviewed every 3 years.

58. **SURPRISE CHECKS IN SENSITIVE AREAS**

“Corruption cannot be eliminated or even significantly reduced unless preventive measures are planned and implemented in a sustained and effective manner”.

- *Santhanam Committee Report*

58.1 Vigilance teams should be formed to keep a watch and conduct surprise checks in sensitive areas. The team should be held responsible for Vigilance work in particular areas.
58.2 Surprise checks are one of the important activities of the Vigilance Department. The Vigilance team should make regular surprise checks, mostly in sensitive areas. The Vigilance team may associate one or two officers of the concerned department during such surprise checks. Similarly, joint inspections in the form of surprise checks are also conducted with the officials of other department. On getting information regarding some irregularity being committed, surprise check should be arranged on immediate basis. The advantages of these checks are:

(a) The presence of Vigilance is felt and this itself discourages persons in indulging in malpractices.

(b) It will be known if the existing rules/procedures are being followed. If there are any loopholes in the procedures/systems, these will be known and can be plugged.

(c) The checks should be qualitative and fruitful otherwise they lose their importance.

Such checks should be conducted in absolute secrecy so that the element of surprise is not lost. The concerned department should not be informed about the visit of Vigilance team until the latter reach the spot of inspection.

59. Access To Documents

59.1 A Vigilance Officer, by virtue of powers conferred vide CVC’s Circular No. 3/2/07 issued vide letter No. 007/VGL/013 dated 23rd February, 2007, is empowered to seize or take into custody, all documents/records/material pertaining to a particular complaint/allegation for purpose of investigations. As per the directions of the CVC, if the allegations contain information which can be verified from any documents/records/material, the investigating/Vigilance officer should, without loss of time, secure such records/documents and take them into personal custody.
59.2 All officers of the rank of Assistant Manager and above from the Vigilance Department are, therefore, entitled to free access to all offices, establishments, sub-stations, stores and other work sites as also to all records, documents, registers, correspondence in connection with any enquiry/investigation or surprise visit/check. The Vigilance Official will not be required to divulge the purpose of checking the said site or records.

59.3 On receipt of a formal request for furnishing documents/records, the custodian of the document must furnish these documents within seven working days. In case of any difficulty in furnishing the requested records, the department should, within 07 working days, inform the date by which they will be able to hand over the requested documents/records.

59.4 However, when a sample/material or record/document is to be taken into custody, the concerned Vigilance officer will provide receipt for the same to the authorised custodian of such sample/material/document/record.

59.5 Actions of Officials/Employees blocking or attempting to block access or not allowing access of sites/documents to Vigilance Officers would be construed as a direct violation of the abovementioned CVC order and thus violation of the CVC Act, 2003 thereby committing a misconduct and such officials/employees would be charged for the misconduct and be liable to be proceeded against from the Vigilance angle.

59.6 As a part of Vigilance Investigations, deposition of certain officials/employees is required as witnesses. The presence of certain officials/employees is also required for verification of facts and circumstances in a particular case as also to understand and
analyse the details. Certain officials/employees may be required to be questioned for their actions under investigation.

59.7 Officers at the level of Assistant Manager and above are empowered to issue summons to such officers/employees through the immediate superiors of the officer/employee being summoned - specifying the date, time and venue of office where the summoned officer/employee is required to depose before the concerned Vigilance Officer.

59.8 Disobeying the summons issued to an employee/official without valid reasons would be construed as misconduct and such officials/employees would be charged for the misconduct and would be liable to be proceeded against from the Vigilance angle, besides the investigations being concluded based on available evidence and under the presumption that the charged official has no explanation to offer for the alleged misconduct.

60. JOB ROTATION IN SENSITIVE AREAS

60.1 As per CVC’s instructions, as a preventive measure it would be useful to locate such focal points in each organization and to take steps to ensure that the staff employed at such points are not allowed to continue there indefinitely. Rotational transfers - especially in Sections which have to deal directly with the public - should be effected as a rule. The retention of a person in the same seat in such Sections, beyond a term of three years, should not be allowed except with the approval of higher authority.

(Ref. Commission’s letter no.2/9/66-coord. dated 20th May, 1966)
In Air India, the job rotation policy for sensitive positions must provide for

(a) One third of employees who have completed more than three years in the identified sensitive departments, on the basis of longevity of their service therein may be transferred from these sensitive departments so that, in a period of three years, the entire set of employees working in these sensitive departments for more than three years are replaced in a phased manner.

(b) A minimum gap of three years be observed for reposting an employee back to the sensitive department.

(c) In departments where rotation outside the department is not feasible like Engineering, Materials Management, Finance etc., the job rotation of employees will be done within the department concerned by posting them to handle other portfolios or to other Stations.

61. Scrutiny of Contract/Purchase Files

61.1 The Vigilance Department should scrutinize the files pertaining to sensitive areas. Collection of files from these departments should be done on random basis depending on the value of the case. The files should be scrutinized thoroughly for violation of rules, systems and procedures. Irregularities found, if any, should be further investigated for preventive/punitive action. Random scrutiny of files will also ensure caution by the persons indulging in malpractice since their files can be checked by Vigilance at any time.
62. INVESTIGATION AS PER CTE GUIDELINES

62.1 Introduction: CVC vide Ref. No.OFF-1-CTE-2 dated 2nd November, 2001 issued a booklet on “Intensive Examination of works (Guidelines)”. As per chapter 11 of the said booklet, the CVO is required to carry out periodical inspection of works with the assistance of technical staff in line with the CTE’s inspection. Important functions of CVO in respect of the technical examination of works by CTE are listed below for timely action to enable the organization to effect immediate recovery from the contractors as well as to restrain officials responsible for the lapses from escape.

(a) Submission of:
- Quarterly progress report.
- Documents required for technical examination.
- Replies to I/E reports/rejoinders.
- Investigation Report with the assistance of an independent Engineer.

(b) Ensure:
- Rectification of defects.
- Recoveries from the contractors.
- Implementation of necessary directions of CTEO for preventive measures.
- Presence of Engineers responsible for planning, design, tender scrutiny, award of work and construction during inspection.
- Presence of representative of CVO during inspection.

(c) Carry out periodical inspection of works with the assistance of technical staff of CVO in line with CTE’s inspection.
(d) Preparation and issue of Works Manual.

(e) Implementation of guidelines/circulars issued by the commission/CTE.

63. **INTENSIVE EXAMINATION OF WORKS**

The intensive examination of works should be done on the pattern of the inspection carried out by the team of the CTE organization. The booklet on “Intensive Examination of works (Guidelines)” should be thoroughly studied before commencement of inspection. Some of the important features of the booklet are given below:

63.1 **Selection of Works**

(i) The works should be selected for intensive examination keeping the following guidelines in view:

(a) Complaints received from various sources.
(b) Works under the charge of officers of doubtful integrity.
(c) Works of the departments with substantial workload as compared to others.
(d) Large contracts.
(e) Works of different/unusual nature.

(ii) Efforts should be made to select a work out of the Quarterly Report submitted to CTE organization.
53.2 Inspection

(i) The inspection is generally conducted in two parts. The first part covers the inspection of all records and documents and the second part covers the physical inspection of works/material including checking of measurements and quality of materials and work, collecting samples of materials for testing, wherever possible. The inspection is mostly done with prior intimation so that the concerned Engineers and others may be present at the site to clarify any point. Concerned engineers mean representative of planning, design, tender processing, acceptance of tenders and construction wings. The representative of contractor, the consultant if any, is also encouraged to be present. While taking samples, representative of contractor and construction/implementation team are invariably required to be present at the site.

53.3 Intensive Examination Report

(i) After the intensive examination of work is carried out, an inspection report is submitted to the CVO for advice. The Intensive Examination Report broadly covers the following points:

(a) Preliminary estimates, administrative approval and expenditure sanction, vetting of demands, checking of specifications etc. in respect of purchases.
(b) Detailed estimate, technical sanction.
(c) Appointment of consultant.
(d) Call for tenders and award of work.
(e) Agreement.
(f) Inspection, despatch and acceptance of materials.
(g) Scrutiny of bills.
(h) Scrutiny of site records.
(i) Site inspection.

(ii) The Report brings out instances of lapses/irregularities in awarding contracts, defective contract conditions and clauses, overpayments made to the contractors, execution and acceptance of substandard work, infructuous and avoidable expenditure etc.. After inspection, preventive measures might be suggested in certain areas as a safeguard against malpractices or corrupt practices and to plug loopholes in the procedures, rules, regulations etc..

(iii) In cases where serious irregularities or negligence are observed, paras are referred for further detailed investigation by Vigilance.

53.4 Action on the Report

(i) After receipt of advice of CVO, the comments of various officers at the site of work or in the office of an appropriate level on the inspection report should be obtained. The comments should include the following:

(a) A Statement regarding the correctness of the facts stated in the Report. If some of the facts are not correct, this should be clearly brought out and - at the same time - the correct facts, if different from the facts mentioned in the Report, should also be indicated.

b) A detailed reply to the acts of commission or omission brought out in the Report.

c) Comments on the explanation received from the concerned officers.

(ii) Replies to the observations in the IE Report should be obtained promptly as far as possible and latest within three months from the date of despatch of the Report. Documentary evidence in support of the reply(-ies) should also be enclosed with the
reply(-ies). Arrangements should be made to get the defects pointed out in Report
rectified either by the contractor or otherwise (at the risk and cost of the contractor)
wherever possible.

(iii) Minor irregularities brought out in the Report should be got regularized by the
competent authority after ascertaining the reasons for the same and after
investigating the bonafides in each case. Appropriate preventive measures may be taken
for the future and defaulters suitably warned so that such irregularities do not recur.

(iv) Recoveries should be effected in cases where overpayments are pointed out in
the I.E. Report and recovery statements should be submitted/supported by
analysis of the rates at which the recoveries have been effected. Such recoveries need
not be postponed till payment of the final bill. In case there is any difficulty in making
recovery of the full amount of overpayment pointed out in the I.E. Report, the agreed
amount of recovery should at least be effected from the next bill paid.

(v) In cases where the work is treated as substandard in the I.E. Report, the sanction
of competent technical authority for accepting such substandard work may be
obtained and the rate of payment suitably reduced. Before sanctioning such reduced rate
statements, the structural soundness and functional adequacy of the substandard work
should be established. In cases where the consultants or contractors or suppliers have
put the organization to a loss or have done grossly substandard work for which they
have claimed full payment, action should be taken against such agency.
53.5 Vigilance Investigation

(i) Inspections carried out in line with CTE’s inspection do not automatically give rise to Vigilance cases. Cases in which prima facie conclusion is found that a Vigilance angle is involved will be taken up for detailed Vigilance investigation.

(ii) Broadly, the following are the main areas for corruption:

(a) Invitation of tenders and award of contracts.
(b) Deviations in quantities of abnormally high or abnormally low rated items.
(c) Extensions of time without levy of compensation even where contractor was responsible for the delay.
(d) Acceptance of substandard works/material.
(e) Overpayments to and less/short recovery from contractors.
(f) Deviations in contract terms, conditions, specifications etc. favourable to the contractor.

(iii) Intensive examination report referred to vigilance for investigation should be treated as a complaint.

CHAPTER – III : INVESTIGATIONS

64. Vigilance Angle

64.1 The Special Chapter on Vigilance Management in PSEs issued on 7th July, 1999 by the CVC defined ‘Vigilance angle’ - which was reconsidered by the CVC who issued a revised definition subsequently vide their Office Order No. 23/04/04 and
74/12/05 communicated vide their letters no. 004/VGL/18 dated 13th April, 2004 and 21st December, 2005 respectively.

64.2 The revised definition of Vigilance angle is as detailed 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 she/he has or is likely to have official dealings or her/his subordinates have official dealings or where she/he can exert influence.

(iii) Obtaining for herself/himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing her/his position as a public servant.

(iv) Possession of assets disproportionate to her/his known sources of income.

(v) Cases of misappropriation, forgery or cheating or other similar criminal offences.

64.3 There are, however, other irregularities where the 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.

64.4 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.

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

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

(This replaces Point 6.2, Special Chapter on Vigilance Management in PSEs; CVC current edition)

(NOTE: Commission of criminal offences by misusing the association of the employee with Air India or the facilities available to her/him as an employee will fall within the definition of Vigilance angle.)
65. **Cases Referred To CBI**

65.1 In cases where outside parties/persons are involved, who cannot be examined questioned or who are in possession of material necessary for investigation of a case, such matters may be referred to the CBI for their investigation. In case it is felt necessary to refer a case to CBI, full details of the case will have to be placed before the CMD and only on his approval should the case be referred to the CBI.

66. **Preliminary Enquiry (P.E.)**

66.1 The purpose of preliminary investigation is to ascertain existence of Vigilance angle in the complaint, and this should be done within ONE MONTH from the date of receipt of the complaint. *(CVC Circular No.000/VGL/18, dated 23\textsuperscript{rd} May, 2000).*

66.2 Each complaint will be examined by the CVO to see whether there is any substance in the allegations made in it which merit being looked into. Where allegations are vague and general and prima facie unverifiable, the Investigating Officer may decide, with the approval of the CVO, that no action is necessary and the complaint should be dropped and lodged. However, in respect of such complaints pertaining to the officers in whose case CVC’s advice is necessary, as well as complaints received from the CVC, MoCA or CBI, the P.E. Report will be forwarded to the CVC (together with the views of the CMD), CVO, MoCA or CBI as the case may be. The CVO who will take a decision – based on the recommendation of the IO - regarding ‘lodging’/filing of a complaint; but under information to the CVC/MoCA/CBI, as the case may be.

66.3 Whenever P.E. Report is required to be sent to the CVC, the Investigating Officer should conclude his investigation within a period of two weeks and forward the
Report to the CVO so that the decision on existence of Vigilance angle is taken within the stipulated period of one month.

66.4 A Preliminary Enquiry may result in one of the following decisions:

(a) The complaint is lodged (having no Vigilance angle); or

(b) The complaint with no Vigilance angle is forwarded to the concerned department for administrative action; or

(c) Prima facie Vigilance angle is found and the case is taken up for detailed investigation and registered as an RC.

67. Preliminary Enquiry Guidelines

67.1 The Preliminary Enquiry may be done keeping in view the matters having Vigilance angle as indicated in the CVC Vigilance Manual.

67.2 The investigation process is a comprehensive activity involving:

(a) Information collection;
(b) Application of logic, and
(c) Exercise of sound reasoning.

67.3 The objective is to seek answers to the basic questions what, who, where, when, how and why.
WHAT – happened? (Wrongful omission/commission)

WHO – did it/was responsible? (Persons, i.e. Employees of the Company or Outsiders)

WHERE – to look for and find information? (Location/documents/files)

WHEN – the incident occurred/act was committed? (Time period)

HOW – the act was committed? Means? (Methodology)

WHY – the act was committed? Motive? (Malafide or Bonafide)

Answer to the above investigative questions can be developed through observation or by communication.

57.4 On receipt of complaint, the following checklist may be prepared by the Investigating Officer within three days in consultation with the Dy.CVO:

(a) Veracity of the complainant.
(b) List out allegations made; departments and persons involved against each allegation.
(c) Inspect the site/office/premises for possible evidence.
(d) Collect the files and documents with reference to the allegation for examination. Seizure of files/documents to be taken possession of by I.O. should be done at the earliest.
(e) Study the system/rules/guidelines on the subject.
(f) Study the past practices.
(g) Study delegation of powers. Whether any discretionary power has been used?
(h) Gather information from persons around (selection of persons is important). Recording of statement at this stage may not be necessary.
(i) Analyze the facts and conclude about existence of the Vigilance angle in the complaint.
(j) Prepare and submit P.E. Report within two weeks.

68. **REGISTRATION OF REGULAR CASE (RC)**

68.1 After it has been decided, with the approval of the CVO, that the allegations contained in a complaint should be looked into departmentally, the IO should proceed to make a detailed investigation. The Dy.CVO may conduct the detailed investigation himself or entrust it to one of the Vigilance Officials as an Investigating Officer.

68.2 The detailed investigation of complaints should be completed within three months.

68.3 The detailed investigation may be made in several ways depending upon the nature of the allegations and the judgment of the Investigating Officer. For e.g.,

(i) If the allegations contain information which can be verified from documents, files or other departmental records, the I.O. should, without loss of time, secure such records etc. for personal inspection. If any paper is found to contain evidence supporting the allegations, it should be taken over by him for retention in his personal custody to guard against the possibility of the available evidence being tampered with later on. If the papers in question are required for any current action, it may be considered whether the purpose would be served by substituting authenticated copies of the relevant portions of the record, the originals being retained by the Investigating Officer in his custody. If that is not feasible, the officer requiring the documents or papers in question for current action should be made responsible for their safe custody after retaining authenticated copies for the purpose of enquiry.
(ii) In cases where the alleged facts are likely to be known to any other employee of the department, the Investigating Officer should interrogate them orally or ask for their written Statement. In case of oral interrogation, a full record of the interrogation may be kept and the person interrogated maybe asked to sign as a token of his confirmation of his Statement.

(iii) Wherever necessary, important facts disclosed during oral interrogation or in the written Statement should be sought to be corroborated.

(iv) If it is necessary to make enquiries from the employees of any other Government department or organization or PSE or Bank, the Investigating Officer should seek the assistance of the CVO/nodal authority concerned for providing the necessary facilities.

(v) During the course of the detailed investigation, the concerned employee, as a fundamental administrative requirement, should also be given an opportunity to tender his version of the facts so as to find out if he has any plausible explanation. In the absence of such an explanation, the concerned employee may be proceeded against unjustifiably. There is, however, no question of making available to him any document at this stage. Such an opportunity need not be given in cases in which a decision to institute departmental proceedings is to be taken without any loss of time, e.g. in cases in which the public servant is due to superannuate soon and it is necessary to issue charge-sheet to him before his retirement.

(vi) Where a case involves both criminal misconduct as well as flagrant violation of systems and procedures of the organization, further investigation into the former
should be left to CBI. The PSE concerned may, however, simultaneously consider the latter and initiate appropriate disciplinary proceedings, in accordance with the prescribed procedure, if required. The CVO of the PSE and the DIG concerned of the CBI should coordinate their efforts to ensure that violation of rules, regulations and PSE norms which are best covered under RDA are left to the disciplinary authority to deal with; the CBI on the other hand should focus their investigation on the criminal aspects of the case.

69. HOW INVESTIGATION SHOULD PROCEED (QUESTIONNAIRE)

69.1 WHAT IS THE TASK? - The first and foremost requirement is to understand the task properly. It should be clear to the I.O. as to what exactly is the scope and purpose of the investigation.

69.2 HOW TO APPROACH? - The I.O. should adopt an objective and analytical approach. He must maintain a genuine interest in finding out the truth and his approach must make the suspected employee confident that he is not biased against him. If the suspected employee volunteers “admission”, it should be recorded and his signatures obtained thereon.

69.3 HOW TO PLAN? - The I.O. must plan his work carefully before beginning to record the evidence. He must know what are the documents required and who the persons are whose evidence may be recorded.

69.4 WHAT ARE THE DOCUMENTS TO INSPECT? - In departmental proceedings, the documentary evidence is of paramount importance. A witness may lie but a document will not. In departmental proceedings, a case built on documentary evidence is
always on a stronger ground than the one based on oral depositions. A careful study of the documents will help in planning the future steps.

69.5 WHOM TO EXAMINE - After a thorough scrutiny of the documents, the I.O. should be in a position to reconstruct the situation and find out the various persons involved in the matter. The I.O. should be able to spot whom to examine and about what.

69.6 HOW TO EXAMINE THE WITNESSES - Before examining the witnesses, the I.O. should acquaint himself fully with the relevant rules and procedures governing the situation. Keeping in view these factors and the role analysis of the witnesses done earlier, the I.O. may plan his investigation. The I.O. should be courteous and gentle to the witnesses. Intimidating or browbeating a witness must be avoided. The witness should be asked to offer the facts in her/his possession.

69.7 HOW TO EXAMINE SUSPECTED EMPLOYEE - The suspected employee should be taken into confidence before his evidence is recorded. He may be examined as the last witness after collecting all other evidence. The examination of the suspected employee is a very important process and is extremely useful in processing the case further.

69.8 HOW TO ANALYSE THE EVIDENCE - The objective of the I.O. is to find out the truth. He should, after collecting all documentary and oral evidence, analyze and draw up his conclusions. He must avoid presenting a motivated and coloured Report and thus should not do injustice to the suspected employee. In a reasonable manner, the Report should contain an analysis of the various pieces of evidence recorded and the conclusions drawn therefrom. In his Report, the I.O. should not say that the allegations
stand proved against the employee concerned; at best he can say that, on the basis of the evidence on record, the allegations prima facie appear to be correct.

68.9 INVESTIGATION TECHNIQUE

(A) Introduction:

Investigation of complaints is not always a straightforward matter. Investigation techniques are acquired by experience and a strong will to investigate. A good investigation is essential to unearth the hidden truth behind a complaint. In order to achieve this goal, the investigators should be properly trained and they should develop basic investigation skills and capacities. A skilled investigator can pick up valuable clues which a normal investigator may not be able to see even if such clues are lying clear on the surface.

(B) Investigation module

(a) Examination and recording of allegation

- Examine the complaint for the allegations made. Identify/bring out the allegations, which may be one or more.
- Record the allegations in clear, well directed and specific terms.
- Record names of person(s), department etc. against whom the allegations have been made.

(b) Based upon the allegation

- List out Files to be examined and immediately seize them from their location.
• List out any documents/records to be scrutinized and take them into possession without delay.
• List out persons directly involved in the allegations for interrogation in future, but make no immediate communication with them till the Files/documents/records are examined in totality.
• If any File/record could not be seized due to non availability at their location, send a written demand for the same to the custodian/HOD etc.

(c) Examination of Files/records

• Keep the specific allegation(s) in mind and flag pages wherever related matter appear in Files/records.
• Carefully go through the Files/records page by page and note down the events/notings etc. datewise; i.e., prepare a short history of the events separately.
• There may be points arising out of the scrutiny having some Vigilance angle which can form an allegation other than/separate from those in the complaint.
• Flag those pages and record all such points separately. Bring out the allegation in clear cut terms from all such points and enlist it in the list of allegations with a note mentioning its source.

(d) Examination done at (c) above will result in either of the following :

• No evidence substantiating the allegation are found.
• *Evidences substantiating the allegations are found.

Based on above result, the following actions may be taken :
• Depending on the merit of the complaint/allegations made, the case can be either closed or further pursued. If the allegations are such that they could only be established through evidences in Files/records etc. and the basis of the complaints rests on these alone, then the investigation can be concluded with the approval of the Dy.CVO.

• *If the basis of the complaint does not rest on Files/records scrutinized alone, then the persons/agencies who can contribute to substantiating the allegations or from whom further clues can be obtained will have to be identified.

Both the situations marked as * above, will lead to obtaining statements from persons or interrogation of persons involved.

(e) Interrogation

(i) Call the person to be interrogated, giving her/him the date, time, venue etc. through written intimation to her/his superior/Sectional Head/HOD. In the case of exigency, the same can be done over telephone. No disclosure is to be made about the nature of the complaint/allegations in this intimation. Only in cases where personal documents like Birth Certificate, School Leaving Certificate etc. are required to be seen/examined, she/he shall be asked to bring them with her/him.

(ii) The Statements/replies obtained during the interrogation are extremely valuable. Therefore, these have to be recorded at the time of interrogation and, as per the norm, one copy of the same has to be handed over to the person interrogated.
(iii) Keeping the allegation fully in focus, prepare a list of queries which must be raised and the clarifications that need to be obtained well in advance of the interrogation, so that no point is missed. Though the necessity of calling the same person more than once cannot be ruled out, try to cover all aspects of the allegations in the very first interrogation, to avoid giving her/him a feeling of harassment.

(iv) When the person to be interrogated arrives:

- Welcome her/him heartily.
- Do not let her/him feel that you are prejudiced about her/his guilt/misconduct.
- Give no indication about the allegation to begin with, till the same becomes essential for further questioning.
- Keep cool while putting questions even when the answers given are irrelevant and go on recording them. Repeat your queries in specific terms till satisfactorily replied.
- If documents etc. are shown to her/him for verification/authentication, the same must be recorded in the proceedings. Such documents should also be signed by her/him as “SEEN”.
- If the person under interrogation names some other person, get the same recorded with full details. If she/he refers to Files etc. not in hand, record these and take her/his commitment to submit the same within a fixed date.
- Ensure all points are covered. Most of the time, the reply given leads to the next question to be asked. Even, in some situations, queries may get directed to a completely new dimension, issue or area of concern.
- During the course of interrogation even a fresh case may crop up; be prepared for that.
(v) At the end of the interrogation:

(a) Ensure correctness of recording of all Statements.
(b) Read out the replies/Statements given by the person interrogated.
(c) Get each page signed and also at the end with date.
(d) Hand over the copy after obtaining a receipt for the same.

(vi) The result of the interrogation shall now be analysed in totality along with the result of scrutiny of Files/records wherever applicable. This may lead to the following:

(a) The allegations are not established.
(b) The allegations are established in full or partly established.
(c) New cases with separate charges may evolve.

(vii) In all the situations, a comprehensive report with recommendations has to be submitted to the CVO, enclosing all the documents and Statements.

(a) For case vi (a) recommendation shall be to close the complaint.
(b) For case vi (b), depending upon the severity of misconduct, the recommendation can be either initiation of RDA for Minor Penalty including ‘censure’, Minor Penalty other than ‘censure’ or Major Penalty proceedings.
(c) For case vii (c), begin with another investigation afresh with the allegations evolved.
70. Regular Case (RC) Report

70.1 The objective of the Investigating Officer is to find out the truth. After the detailed investigation has been completed, the I.O. should prepare a self-contained Report, containing inter alia the material to controvert the defence and his own recommendations.

The structure of the Report may be formulated as under:

(i) Specific allegations on each of the issues contained in the complaint.
(ii) Facts on each allegation along with documentary and oral evidence relied upon.
(iii) Analysis with respect to relevant Rules, procedures, guidelines and the explanation of the suspected employee.
(iv) Findings, clearly bringing out the wrongful omissions/commissions on the part of each of the suspect officials and the wrongful loss caused to the Company.
(v) Need for system improvements, if any, with recommendations.

70.2 The Report of the Investigating Officer should be comprehensive and completely documented so as to enable the Disciplinary Authority to form an opinion as to whether to take disciplinary or any other action. Seized documents and the Statements of the witnesses and the suspected employee(s) recorded during the investigation should be enclosed with the Investigation Report.

70.3 The CVC have provided detailed guidelines - vide their Circular No. 21/8/09 communicated vide letter No. 006/PRC/1 dated 6th August, 2009 - on the documents to be submitted for seeking their First Stage Advice in cases involving officers under their jurisdiction (Two levels below Board level : In the case of Air India, officials at the level of General Manager and above). These guidelines detail the parameters
according to which a Vigilance Report needs to be submitted. For ease of application and understanding, all Vigilance Reports (whether or not relating to the cases to be referred to CVC for advice) will conform to these parameters which are reproduced below:

**VIGILANCE REPORT**

**Title of the Report**

**Source**

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

**Gist of allegations**

**Facts**

- The relevant facts relating to the issue under examination should be presented in chronological or activity-wise sequence.

- Each fact should be supported by documentary evidence (other forms of evidence may also be presented) denoted as E1, E2, E3 etc.. Since the facts occur in chronological order, the evidence E1, E2, E3, etc. should necessarily be arranged below the Report in the same order, thus making it easier for reference.

- While annexing the evidence, the relevant portion of the said document should be highlighted for ready access. For example, the evidence for educational qualifications for promotion should consist of the xerox copy of only the clause prescribing the qualifications and not the whole 20 pages of the Promotion Policy.
There may be several issues in a report which may be conveniently arranged as different paras viz. 2.1, 2.2 etc.

All relevant facts needed to support the observations/conclusion should be gathered and presented. Irrelevant facts, bearing no consequence on the issues under inquiry, should be avoided.

Evidence presented should be credible and adequate.

**Observations**

Ordinarily, observations are logical deductions arrived at through a set of facts. They are in the nature of discrepancies or anomalies observed with reference to the gathered facts. There may be several observations arising out of the analysis of facts.

Observations are also arrived at by evaluating the facts against certain criteria, viz. rules, regulations, policies, procedures, norms, good practices or normative principles. Evidence of these criteria (extracts of rules, procedures, etc.) should also be presented as E1, E2, etc.

**Response of the officials concerned**

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

- Response of the management is also necessary in order to clarify differences in interpretation/understanding of the issues between Vigilance and the management.

*Counter to the response*

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

*Conclusion*

- Conclusion is the logical summation of the observations. The observations denoting various counts of irregularity, lapses or impropriety should finally lead to a logical conclusion on whether the case involves commission of irregularity/impropriety with the intention of corruption.

- Undue favour given to a Party or obtained for self and its adverse impact on the government or the citizens in terms of additional cost, poor quality or delayed service should be clearly highlighted.
Responsibility of officials

- Having determined the Vigilance angle in the case, the next step is to fix the accountability of the individuals involved in the misconduct. Name of officers should be clearly stated in this para.

- The role of each officer should be judged with reference to his prescribed charter of duties. In case the Tender Committee is responsible for the misconduct then, as far as possible, all members should be held responsible equally and collectively.

- Comments of Disciplinary Authority should invariably be included.

Recommendation for action

- Recommendation for closure of the case - if it is found that there is no discernable Vigilance angle or criminal misconduct - should be clearly spelt out.

- Bio data of the officials reported against in the investigation report should be included in the given format.

Recommendation for systemic improvement

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

71. **ACTION ON INVESTIGATION REPORT**

71.1 The Dy.CVO will process the detailed Investigation Report with recommendations for further action and submit it to the CVO who, after perusal of the Report, will take appropriate decision for closure or processing further to recommend RDA and also to make preventive recommendations.

71.2 As per the provision under Article 311 of the Constitution of India which applies to the employees of PSUs, action against employees is to be taken only by the authority who has appointed them and who is called the Disciplinary Authority (DA).

71.3 For the various categories of Air India employees, the details of the Disciplinary Authorities, Appellate and Reviewing Authorities are listed in the Air India Employees’ Service Regulations.

71.4 For cases falling within the CVC’s jurisdiction (officers who are two levels below Board level), a reference to the CVC needs to be made for their First Stage Advice, after obtaining the comments of the DA. The Bio data of the suspected officials, an Assurance Memo signed by the CVO and draft Charge-sheet to be issued to the delinquent(s) should also be sent along with the Report, along with a Tabular Statement - as prescribed vide CVC’s Circular dated 1st December, 2008 - which contains the names of the delinquents, the allegations levelled against them, the findings of the Vigilance investigation, with the recommendations of the CVO and the DA.
71.5 Other cases may not ordinarily be referred to the CVC unless, due to special reasons, the Commission calls for a Report or in cases the PSE would like to seek the advice of the Commission. (Ref. CVC letter No.98/VGL/51 dated 11th August, 1999).

71.6 As per CVC’s instructions, in a composite case which includes officers/Staff who are not within the Commission’s jurisdiction along with other officers who come within the Commission’s jurisdiction, reference would be required to be made to the CVC in respect of these ‘other’ officers and Staff too.

71.7 On receipt of a Report in an RC, the CVO will submit the case to the DA with recommendations for action. The Disciplinary Authority is required to carry out a meticulous evaluation of the actions of various officials with reference to the nature of their duties. She/he is also required to assess the gap between what the managers at different levels of the decision making hierarchy actually did and what they were required to do in accordance with the Manuals/guidelines/orders. They may follow the following criteria for the purpose and highlight in their Reports if the answer to any of the questions is in the affirmative.

(a) Can malafide be inferred or presumed from the actions of any of the concerned officials?
(b) Could any of the officials be said to have engaged in a misconduct or misdemeanor?
(c) Was the conduct of any of the officials reflective of lack of integrity?
(d) Did the official(s) act in excess of their delegated powers/jurisdiction and fail to report the same to the competent authority?
(e) Did they or any of them show any gross neglect of their official functions?
(f) Is there any material to indicate that any of them acted recklessly?
(g) Has the impugned decision caused any undue loss to the organization?
(h) Has any person/party or set of persons/parties, either within the organization or outside it, been caused any undue benefit?

(i) Have the norms or systems and procedures of the organization been flagrantly violated?

71.8 In case the DA does not agree with the recommendations made by the CVO, or there is a difference of opinion between the CVO and DA on any issue pertaining to Vigilance/disciplinary matters in regard to cases which are not to be referred to the CVC, the CMD will resolve the issue in consultation with the CVO. If the difference of opinion still persists, the CMD would bring the matter to the notice of the Board. In case the CMD himself is the DA in a particular case and there is disagreement between the CVO and CMD, the matter will be forwarded to the CVC for a resolution.

71.9 The Disciplinary Authority would consider the detailed Investigation Report and the First Stage advice of the CVC and decide on:

(i) Punitive action - Regular departmental action for Minor/Major Penalty.

(ii) Preventive action - Improvement of system, procedure; and/or

(iii) Issue of Advisory letter/warning /caution.

(iv) Action against private parties.

(iv) Closure of the Vigilance case.

72. Prior Consultation of CVO in Disciplinary Proceedings

72.1 There are various stages in Disciplinary Proceedings consequent to a Vigilance recommendation where the Competent Authority is required to consult the CVO before proceeding further.
Once the Competent Authority takes a decision to implement the Vigilance recommendations for award of Penalties, a draft Show Cause Notice is to be referred to the CVO for vetting. No Show Cause Notice will be issued without it being vetted by the CVO.

If the Competent Authority feels that the explanation received is not satisfactory and decides to proceed with the issuance of charge-sheet, the draft charge-sheet will also be similarly forwarded to the CVO for vetting. If it is felt that, despite the delinquent accepting all the charges, it is necessary to proceed with a departmental enquiry, the issuance of such charge-sheet will also be guided by the above Rule.

If, however, the Competent Authority feels that the explanation offered by the delinquent is satisfactory and that departmental action is not required, the same has to be referred to the CVO for consultation within the time limits stipulated by the CVC. In case the CVO does not agree with the views of the Competent Authority in the matter, it will be referred by the CVO to the CMD for a decision.

Once the Competent Authority receives the Enquiry Report from the Enquiry Officer/Committee in a disciplinary proceeding based on Vigilance recommendations, she/he is expected to go through the Report and apply her/his mind before arriving at a decision to impose a penalty on the delinquent.

After application of mind and after going through the Personal File and history of performance of the delinquent, the Competent Authority will arrive at the appropriate penalty to be imposed on the delinquent in keeping with the laws of Natural Justice.
72.7 It is necessary that all cases with Vigilance angle be regulated by the Vigilance Department in order to maintain consistency in the penalties imposed and ensure that penalties imposed are appropriate w.r.t. to the gravity of the misconduct. Prior Vigilance consultation is, therefore, necessary before the award of the penalty and hence the Competent Authority should seek the concurrence of the CVO by forwarding the proposed Penalty detailing the justifications for her/his decision.

72.8 The final Show Cause Notice to be issued to the delinquent shall be issued only after the CVO has been consulted with respect to the quantum of punishment.

72.9 In cases where the Vigilance recommendations are for RDA for Minor Penalty or RDA for Minor Penalty other than Censure, the Competent Authority may proceed with the issue of the penalty without any reference to/consultation with the CVO as long as the penalty being awarded is in consonance with the CVO’s recommendations.

72.10 So far as action against private parties is concerned, it shall be done by the concerned authority as an administrative action.

CHAPTER – IV : REGULAR DEPARTMENTAL ACTION (RDA)

73. BACKGROUND

73.1 All employees working in Air India are required to maintain absolute devotion to duty and absolute integrity at all times as per the Air India Employees’ Service Regulations. They are also expected to conduct themselves in a manner so as to enhance the reputation of the Company. Employees occupying supervisory posts are to ensure the same in respect of all employees under their control as per the Air India ESR.
Any violation of these provisions or conduct which is unbecoming of an employee of Air India constitutes a wrongful omission/commission for which the concerned employee is held liable for disciplinary action. In certain cases, the wrongful omission/commission on part of the employee leads to wrongful loss to the Company. There are instances where the employee responsible for causing wrongful loss to the Company has malafide intention/vested interest and, in the process, wrongful gain is caused to the employee concerned. In brief, the wrongful omission/commission on part of the employee may involve any one or more of the following:

1. Negligence of duty
2. Causing wrongful loss to the Company
3. Malafide intention

The omission in respect of each particular instance/employee is required to be judged keeping in view the specific facts and circumstances of the case. With a view to safeguard the interests of the employee and to avoid any prejudice/bias on the part of the employer, the Constitution of India provides certain protection under Article 311 to the members of the Civil Services of the Union or All India Services or Civil Services of the States. These constitutional safeguards provide that

- no person shall be dismissed or removed by an authority subordinate to that by which he is appointed.

- no such person as aforesaid shall be dismissed or removed or reduced in rank except after an enquiry in which she/he has been informed of the charges against her/him and given a reasonable opportunity of being heard in respect of these charges.
73.4 As per the decision of the Supreme Court, the protection given under Article 311 is applicable in case of employees working in Public Sector Undertakings like Air India Limited, as well as per the provisions relating to the Fundamental Rights contained in Articles 14, 16 and 21 of the Constitution.

73.3 With a view to ensure compliance with the above provisions of the Constitution and decision of the Supreme Court, Departmental Action against employees of the Company shall have to be processed as per laid down Rules and procedures.

74. **DEPARTMENTAL ACTION UNDER AIR INDIA EMPLOYEES’ SERVICE REGULATIONS**

74.1 Specific Rules and Regulations have been framed by Air India for its employees to maintain discipline and to achieve its objectives. These Rules are called the Air India Employees’ Service Regulations. Any violation of the provisions of the Conduct Rules is termed as ‘misconduct’ and the employee is liable for departmental action for any act of misconduct/misbehaviour. The above Rules which are, in turn, based on the principles of natural justice provide that no penal action may be taken against an employee charged of misconduct without affording reasonable opportunity to put up her/his defence. Departmental action is a serious process intended to give the charged employee a chance to meet the charges and prove her/his innocence. It is quasi-judicial in nature. It is not a ‘criminal trial’ and thus technicalities of the Criminal Law are not applicable to departmental disciplinary proceedings. Whereas criminal proceedings are based on ‘proof beyond reasonable doubt’, the departmental disciplinary proceedings are guided by ‘preponderance of probability’.

74.2 Cases of serious misconduct which are criminal in nature like fraud, bribery, misappropriation of funds etc. are dealt with under the Indian Penal Code and
Prevention of Corruption Act and delinquent employees are prosecuted in the Court of
Law. However, departmental action can also be taken against the employees for the
lapses in duty, in addition to the criminal/civil cases filed in the Court.

74.3 The AIESR lay down the procedure as to how to proceed against a delinquent
employee who is alleged to have indulged in malpractice or who has transgressed
the restrictions imposed by the authorities.

74.4 PENALTIES

Depending upon the nature and seriousness of the misconduct committed by the
employee, the following penalties may be imposed on him for misconduct committed or
for any other good and sufficient reasons.

(A) MINOR PENALTIES :

(a) Censure or warning, with reasons to be conveyed in writing.
(b) Withholding of Passage benefits in full or part for a specified period.
(c) Recovery from the pay of the whole or part of any pecuniary loss caused to the
Company by the default or breach of orders or negligence of the employee
himself.

(B) MAJOR PENALTIES :

(d) Withholding of increments for a specified period or cumulatively.
(e) Reduction to lower stage in the scale of pay for a specified period or cumulatively
with further directions as to whether or not the employee will earn increments of
pay during the period of such reduction and whether, on the expiry of such
period, the reduction will or will not have the effect of postponing the future increments of his pay.

(f) Withholding of promotion for a specified period.

(g) Reduction to a lower scale of pay, post or grade with fixation of basic pay in the lower scale of pay at a stage to be decided by the Competent Authority.

(h) Removal from the services of the Company.

(i) Dismissal from the services of the Company without Provident Fund Contribution and/or Gratuity in part or full subject to PF Regulations and Gratuity Regulations/Gratuity Act 1970, as applicable.

Note: When an employee is dismissed or removed from the service of the Company, such employee shall not be entitled to Passage, medical and other welfare facilities.

75. Imposition Of Penalty

75.1 As per provision under the AIESR, the Disciplinary Authority passes the final order in a departmental proceeding on completion of the inquiry (in case of a proceeding for imposition of Major Penalty) and after considering the submission made by the charge-sheeted employee. Submission by charge-sheeted employee is made in one stage in the case of a Minor Penalty proceeding on receipt of the charge-sheet. In the case of Major Penalty proceedings, the submission is made in three stages - initially on receipt of the charge-sheet either accepting or denying the charges; second stage after receipt of the Enquiry Report; and finally on the DA seeking a submission on the quantum of penalty proposed.

75.2 The disciplinary proceedings are quasi-judicial in nature. As such, the DA is required to consider all relevant papers including the charge-sheet, the inquiry
report and the submission made by the charge-sheeted employee. She/he is required to apply her/his mind and pass a speaking order covering all relevant issues. Very often orders passed by the Disciplinary Authority are struck down by the judicial forum on the grounds that all relevant issues have not been considered and/or, more importantly, the Disciplinary Authority does not appear to have applied her/his mind. With a view to overcome similar difficulties, it is necessary that final order imposing penalty should be a speaking order and cover all relevant issues in a logical manner.

75.3  Before issuing the final order, however, it is necessary for the DA to seek consultation with the CVO for the penalty proposed to be awarded. Such a reference must be made prior to seeking a submission from the charge-sheeted employee on the quantum of penalty. Thus, it naturally follows that the DA, only after receiving concurrence of the CVO on the proposed penalty, must proceed with seeking submission from the charge-sheeted employee on the quantum of punishment.

75.4  While passing the final order, the matter should be dealt with separately in respect of each charge framed against the employee. The order should be in four parts:

(a) The wrongful omission/commission on part of the employee(s) in brief
(b) Findings of the Inquiry (in case of Major Penalty) in brief
(c) Submission made by the charge-sheeted employee and
(d) Analysis of the above in respect of the said charge and coming to the conclusion whether the charge has been proved or not based on the principles of preponderance of probability, which guides departmental proceedings.

75.5  As an ideal employer, the Disciplinary Authority is supposed to act in a manner free of any bias. Further, she/he is required to assess the position in respect of
each charge carefully keeping in view the interests of the organization before deciding the proceedings. In respect of the charges which are considered as proved, based on the relevant facts and circumstances, the Disciplinary Authority may impose suitable penalty as provided in the AIESR. As per the guidelines issued by the CVC, the Disciplinary Authority is supposed to keep the nature of omission, circumstances and financial implications of the omission in mind while imposing penalty on the charge-sheeted employee. Taking a lenient stand in disciplinary proceedings should be avoided as it affects discipline, morale of the employees and interests of the organization adversely.

75.6 In cases where the CVC’s First Stage Advice has been obtained, a reference for Second Stage Advice needs to be made to the CVC, seeking their concurrence for the quantum of punishment before seeking a submission from the charge-sheeted employee. The reference for Second Stage Advice needs to be made only for the employees within the CVC’s jurisdiction and the cases of other officers not falling within the CVC’s jurisdiction can be processed further without any reference to the Commission as long as the DA initiates action as recommended by the CVC in their First Stage Advice.

76. **Appeal and Review**

76.1 The AIESR gives detailed guidelines for Appeals and Reviews.

76.2 CVC Guidelines

The CVC Vigilance Manual - Special Chapter, Point-25 provides that:
(a) If in Appeal or Review, the Appellate/Reviewing Authority proposes to modify the original order of punishment, the Commission’s advice is not necessary. The Authorities are expected to keep the CVC’s advice and decide on the appeals. In case the Appellate Authority decides to deviate from the advice given by the Commission, the CVO is required to report to the Commission which will take an appropriate view whether the deviation is serious enough to be included in its Annual Report. These provisions will not apply mutis mutandis to cases where CVC’s advice is not necessary. The reference will, however, be made to the CVO in such cases of officials not falling in the CVC’s jurisdiction.

(b) Where the Commission has not advised a specific penalty, the CVO shall scrutinize the final orders passed by the disciplinary authority and ascertain whether the penalty is commensurate with the nature and gravity of the lapses. If the punishment imposed is inadequate or inappropriate, the CVO may recommend a modification thereof to the reviewing authority.

76.3 Dealing with Appeal

On receipt of the Appeal, the CVO will have the matter examined by the concerned IO who will bring out the points raised by the charged employee in relation to the charges mentioned in the charge-sheet, related documents, Inquiry Report, charge-sheet served to the charged employee by the Disciplinary Authority (DA) and the final order passed by the DA. He would analyze, whether the points raised by the charged employee in the appeal were brought out and examined during the Enquiry or in the charge-sheet of DA giving copy of Inquiry Report in case of major penalty or while examining the reply of the employee to the charge-sheet in case of minor penalty. After analyzing the details of the case, comprehensive note will be prepared by the IO bringing out the omission/commission on the part of the charged employee and findings of the inquiry, the statement of defence submitted by the charged employee and the gist of the
order passed by DA. The new points, if any, brought in the appeal, shall be examined in comparison to the facts of the case for the perusal of the Disciplinary Authority.

**76.4** Dealing with an application for review by the charged officer:

An application for review put up by the charged officer will also be dealt in the same manner as in case of an appeal by him.

**76.5** On issuance of the final order by the DA, the CVO will have the matter examined by the concerned IO vis-à-vis the omission/commission committed by the employee, the charges established and the First/Second Stage Advice rendered in the case. In case it appears that the punishment awarded is not commensurate with the misconduct and the advice given in the matter, the details of the case along with the reason for review shall be put up to the Reviewing Authority for consideration.

**77. Suspension**

**77.1** An employees involved in Vigilance related misconduct needs to be placed under suspension in the following scenarios:

(i) Where, during investigations it is found that the presence of the suspect employee on the office premises is detrimental to the conduct of fair investigations; or

(ii) Where, during investigations it is found that the presence of the suspect employee may allow her/him to tamper with evidence or intimidate the witnesses in the case; or

(ii) Where a case against him or her in respect of any criminal offence is under investigation or trial; or
(iii) An employee who is detained in custody, whether on a criminal charge or otherwise, for a period exceeding 48 hours shall be deemed to have been suspended with effect from the date of detention by an order of the appointing authority, and shall remain under suspension until further orders.

77.2 CVC Guidelines

(i) As per the CVC Vigilance Manual Volume - I, Chapter – V, Paras 2.4 & 2.5, read with CVC letter No. 000/VGL/70 dated 25th September, 2000, suspension is an effective tool for checking corruption. There have been many instances where senior officials, who had been trapped or were alleged to have disproportionate wealth or who were facing charge-sheets on other serious charges, had not been suspended. It has also come to notice that officers charged of corruption, if not suspended, manage to get their inquires delayed because delay in criminal/departmental proceedings enables them to continue in service even though the charges against them are grave enough to deserve the punishment of dismissal from service. Such officials can also use the opportunity of continuance in service for earning money through illegal/corrupt means. The Commission, therefore, are of the view that officers facing criminal/departmental proceedings on serious charges of corruption should be placed under suspension as early as possible and their suspension should not be revoked in a routine manner.

(ii) Public interest should be the guiding factor in deciding whether or not a public servant should be placed under suspension; or whether such action should be taken even while the matter is under investigation and before a prima facie case has been established. The instructions provide that it would be appropriate to place a person under suspension if:
(a) the continuance of the public servant in office is likely to prejudice investigation, trial or inquiry (apprehending tampering with documents or witnesses); or

(b) where the continuance in office of the public servant is likely to seriously subvert discipline in the office in which she/he is working.

(c) where the continuance in office of the public servant will be against the wider public interest. For e.g., if there is a public scandal and it is considered necessary to place the public servant under suspension to demonstrate the policy of the Government to deal strictly with officers involved in such scandals, particularly corruption;

(d) where the investigation has revealed a prima facie case justifying criminal/departmental proceedings which are likely to lead to her/his conviction and/or dismissal, removal or compulsory retirement from service; or

(e) where the public servant is suspected to have engaged herself/himself in activities prejudicial to the interest of the security of the State.

(iii) It may be considered desirable to suspend a public servant for misdemeanour of the following types:

(a) an offence or conduct involving moral turpitude;

(b) corruption, embezzlement or misappropriation of Government money, possession of disproportionate assets, misuse of official powers for personal gains;

(c) serious negligence and dereliction of duty resulting in considerable loss to Government;

(d) desertion of duty; and

(e) refusal or deliberate failure to carry out written orders of superior officers.
(In case of types (c), (d) and (e), discretion should be exercised with care).

(iv) The CBI would recommend suspension of the concerned employees in appropriate cases.

(v) Since the suspension of public servants on serious charges, like corruption, is directly related to Vigilance administration, the CVC have indicated that all disciplinary authorities follow the instructions enumerated in Paras 2.4.7.2.(ii) strictly. The CVC have also indicated that, if the CBI recommends suspension of a public servant and the Competent Authority does not propose to accept the CBI's recommendation in that regard, it may be treated as a case of difference of opinion between the CBI and the administrative authority and the matter may be referred to the Commission for their advice. The CVC have also directed that if a person was suspended on the recommendation of the CBI, the CBI be consulted if the administrative authority proposes to revoke the suspension order.

78. Sealed Cover Procedure

78.1 At the time of consideration of the cases of employees for promotion, details of employees in the consideration zone for promotion falling under the following categories should be specifically brought to the notice of the Departmental Promotion Committee:

(i) Employees under suspension;
(ii) Employees in respect of whom a charge-sheet has been issued and the disciplinary proceedings are pending; and
(iii) Employees in respect of whom prosecution for a criminal charge is pending.
78.2 The Departmental Promotion Committee shall assess the suitability of the employee coming within the purview of the circumstances mentioned above, along with other eligible candidates, without taking into consideration the disciplinary case/criminal prosecution pending. The assessment of the DPC, including ‘Unfit for Promotion’, ‘Not Suitable’, and the grading awarded by it will be kept in a sealed cover. The cover will be superscribed: “Findings regarding suitability for promotion to the grade/post of ........................................ in respect of Sri ........................................... (name of the employee). Not to be opened till the termination of the disciplinary case/criminal prosecution against Sri ........................................... . 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 an employee for his promotion are kept in a sealed cover.

78.3 The same procedure outlined in the para above will be followed by the subsequent Departmental Promotion Committees convened till the disciplinary case/ criminal prosecution against the employee concerned is concluded.

78.4 On the conclusion of the disciplinary case/criminal prosecution which results in dropping of allegations against the employee, the sealed cover or covers shall be opened. In case the employee 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 employee 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. However, whether the officer concerned will be entitled to any arrears of pay for the period of notional promotion preceding the date of actual promotion and, if so, to what extent will be decided by the appointing authority by taking
into consideration all the facts and circumstances of the disciplinary proceedings/criminal prosecution. Where the authority denies arrears of salary or part of it, it will record its reasons for doing so.

78.5 It is not possible to anticipate and enumerate exhaustively all the circumstances under which such denial of arrears of salary or part of it may become necessary. However, there may be cases where the proceedings, whether disciplinary or criminal, are (for example) delayed at the instance of the employee or the clearance in the disciplinary proceedings or acquittal in the criminal proceedings is with benefit of doubt or on account of non-availability of evidence due to the acts attributable to the employee etc. These are only some of the circumstance where such denial can be justified.

78.6 If any penalty is imposed on the employee 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 the next DPC in the normal course and having regard to the penalty imposed on him.

78.7 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 employee, at least the penalty of “Censure” should be imposed.

78.8 It is necessary to ensure that the disciplinary case/criminal prosecution instituted against any Government servant is not unduly prolonged and all efforts should be taken to finalise the proceedings expeditiously so that the need for keeping the case of an employee in a sealed cover is limited to the barest minimum. It is, therefore, necessary that the appointing authority concerned should review comprehensively the
case of employees, 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 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 progress made in the disciplinary proceedings/criminal prosecution and the further measures to be taken to expedite their completion.

78.9 In spite of the six monthly review referred to in the para above, there may be some cases where the disciplinary case/criminal prosecution against the employee is 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 the employee in a sealed cover. In such a situation, the appointing authority may review the case of the employee, provided he is not under suspension, to consider the desirability of giving him ad hoc promotion, keeping in view the following aspects:

(a) Whether the promotion of the employee will be against public interest;
(b) Whether the charges are grave enough to warrant continued denial of promotion;
(c) Whether there is any likelihood of the case coming to a conclusion in the near future;
(d) Whether the delay in finalisation of the proceeding - departmental or in a Court of Law - is not directly or indirectly attributable to the employee concerned; and
(e) Whether there is any likelihood of misuse of official position which the employee may occupy after ad hoc promotion which may adversely affect the conduct of the departmental case/criminal prosecution.
78.10 The appointing authority should also consult the Central Bureau of Investigation and take their views into account in cases where the departmental proceedings or criminal prosecution arose out of the investigations conducted by the Bureau.

78.11 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 Government servant, her/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 employee is suitable for promotion on ad hoc basis. Where the employee is considered for ad hoc promotion, the Departmental Promotion Committee should make its assessment on the basis of the totality of the individual’s record of service, without taking into account the pending disciplinary case/criminal prosecution against her/him.

78.12 After a decision is taken to promote an employee 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 a 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 Air India reserves the right to cancel the ad hoc promotion and revert the employee at any time to the post from which he was promoted.

78.13 If the employee concerned is acquitted in the criminal prosecution on the merits of the case or is fully exonerated in the departmental proceedings, 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 employee
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 above.

78.14 If the employee is not acquitted on merits in the criminal prosecution but purely on technical grounds and Air India either propose 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.

78.15 The procedure outlined in the preceding paras should also be followed in considering the claim for confirmation of an employee under suspension, etc. A permanent regular vacancy should be reserved for such an employee when his case is placed in the sealed cover by the DPC.

78.16 An employee who is recommended for promotion by the Departmental Promotion Committee, but in whose case any of the circumstances requiring following of a sealed cover procedure arise after the recommendations of the DPC are received but before he is actually promoted, will be considered as if her/his case had been placed in a sealed cover by the DPC. She/he shall not be promoted until she/he is completely exonerated of the charges against her/him and the provisions of Sealed Cover procedure will be applicable in his case also.
79. **General**

CONTINUATION OF DISCIPLINARY PROCEEDINGS AFTER RETIREMENT

79.1 The Disciplinary proceedings initiated against an employee before his superannuation/retirement will continue after superannuation/retirement of the employee concerned. It will be open to the Competent Authority to impose the punishment of dismissal/removal from service with effect from the date of superannuation/retirement of the employee. In that event, the Competent Authority may deny retirement benefits to the employee. Additionally, the Competent Authority, by means of an order in writing, would decide the quantum of Gratuity and Employer’s contribution of Provident Fund and interest thereon (in part or in full) to be withheld considering the nature of misconduct or pecuniary loss alleged to have been caused to the Company and the same will not be paid to the employee at the time of his retirement. The decision to forfeit the withheld amount of gratuity and the Company’s contribution towards Provident Fund, along with interest (in part or in full), will depend upon the outcome of the disciplinary proceedings.

79.2 For the purpose of completion of the disciplinary proceedings which have been initiated prior to her/his retirement/superannuation, the employee shall attend the pending enquiry/disciplinary proceedings till the completion of the same in the same manner, discipline and obedience as if she/he was in service; failing which the Head of Corporate Function/Strategic Business Units at the Corporate or Regional level, as the case may be, shall be within their rights to withhold her/his retirement dues and post-retirement facilities and benefits.
80. **Anti-Corruption Measures**

80.1 Since corrupt officers have become very adept at their work, sometimes leaving no evidence behind by which they can be caught, it is absolutely necessary that a strict watch is kept on each and every activity of theirs so that they can be caught red-handed. This envisages taking adequate measures for maintaining the image of an organization.

81. **List Of Officers Of Doubtful Integrity**

(a) A list of officers who, after enquiry or during the course of inquiry, have been found to be lacking in integrity, is maintained in each organization.

(b) The list should be prepared by the CVO by 15th January every year on a calendar year basis and be forwarded to the CBI by 31st January, duly approved by the CMD.

(c) The Following categories of officers are to be included in the said list:

(i) Convicted in a Court of law on a charge of lack of integrity or for an offence involving moral turpitude.

(ii) Awarded departmentally a Major Penalty on charge of lack of integrity or on charge of gross dereliction of duty.

(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 are prosecuted but acquitted on technical grounds.
(d) Names of officers who have been convicted/punished are retained in the list for a period of three years.

82. **List of Officers Appearing on Agreed List**

82.1 Another list called the Agreed List is prepared, including such officers against whose honesty or integrity there are complaints, doubts or suspicion. This List is prepared after mutual discussion between the CVO and the SP, CBI. To achieve best results, it is important that there should be free and frank exchange of information during these discussions.

82.2 Collection of information is the most important part of this programme. This has to be organized on a systematic and well planned basis. In this work, assistance should be taken from the Departments, and the help and cooperation of private persons and social organizations should also be enlisted.

82.3 No adverse or punitive action is contemplated against any officer on the basis of these lists unless checks, verification or enquiries bring forward adequate material to reasonably conclude that she/he is lacking integrity. The Agreed List remains in force for one year from the date of its preparation. The List will be prepared and signed by the CVO and the SP, CBI and will be operative for the period commencing from 1st April of the current year till 31st March of the following year. At the end of this period, the List will be reviewed and the names of those officers against whom there is no sufficient evidence to proceed against will be deleted from the List.

82.4 As and when requested by the CBI, the Vigilance department 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 verification about them.

32.5 The CVC, vide Ref.No. 3K-DSP-10 dated 7th April, 2000, have observed that the number of cases emerging against officers appearing on the Agreed List are not commensurate with the public perception about corruption. This could be because the Vigilance department generally regard it to be 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 CVC are 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 have advised that CVOs should take immediate steps, as expected from the CBI, to keep a watch over the activities of the officers appearing on the Agreed List and the list of officers of Doubtful Integrity. The positive results achieved in this regard are reported to the CVC.

32.6 The CVC, vide instructions No.3(v)/99(6) dated 18 August, 1999, had directed all departments/organizations under their purview not to post 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, also needs to be furnished to the Commission. The CVO must also certify that none of the officers appearing on the Agreed List and list of officers of Doubtful Integrity have been posted in sensitive positions.
83. **ACTION TO BE TAKEN BY VIGILANCE AND CBI**

83.1 Officers appearing on the Agreed List:

(Ministry of Home Affairs Ref.No.130/1/66-AVD dated 5th May, 1966 and CVC Ref.No. 3K-DSP-10 dated 7th April, 2000)

(i) Closer and more frequent scrutiny and inspection of their work and performance by the Vigilance department, particularly in spheres where there is scope for discretion or for favours;

(ii) Discrete check on their reputation, both by Vigilance department and CBI;

(iii) Unobtrusive watch over their contacts, style of living, etc. by the CBI;

(iv) Secret enquiry by the CBI regarding their assets and financial resources. The Vigilance department 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 corrupt practices.

83.2 Air India Action Plan must be directed as under:

(i) Officers appearing in the Agreed List of suspected officers and list of Doubtful Integrity should be shifted from sensitive areas and compliance report should be immediately sent to the CVC.

(ii) IOs should conduct frequent preventive surprise checks in the areas where such officers are working. This includes physical inspection of the work done by the officer in case the officer is deployed for field work and/or
The list of family members and dependents of such officers may be prepared and their standard of living including levels of education of each dependent, including children, siblings, etc. may be kept under constant watch.

The spending habits of these officers - including visiting Clubs, drinking habits especially in Clubs and parties - may be kept under watch.

Instances of extravagance, including show of money in social functions etc. should be noted.

The Property Return files of such officers should be thoroughly scrutinized by Vigilance for onward report in case of any change in status.

84. **Agreed List of Points and Places Where Corrupt Practices Are Prevalent**

**84.1** The Agreed List between CVO and SP, CBI will also be prepared of points and places where corrupt practices are prevalent. It may be emphasized that these are not lists of all those points and places where there is scope or likelihood of corruption but only of those where corruption is believed to exist in substantial measure. The preparation of these Agreed Lists of points and places of corruption must necessarily be done by those in the field. The SP, CBI aided by the DIG of Police concerned, wherever necessary, will settle and prepare these lists locally after discussion with the CVO. The departments can contribute substantially to the preparation of these lists. They are
likely to have a much greater appreciation of the position in their Units or Sections and are in the best position to compile or to assist in compiling these lists.

34.2 It must be clarified that:

(a) ‘Points’ are those items of work and those stages at which decisions are taken or orders are passed which provide scope for corruption; e.g. processing of tenders, appraising, grant of quota/certificates, Agency discounts/Commissions etc..

(b) ‘Places’ would be sections, sectors, units of an office/Department/undertaking.

34.3 After these lists are prepared, the following action should be taken by the Vigilance Department and the CBI:

(i) Closer and more frequent scrutiny and inspection by the Vigilance department of the work done at these points and places.

(ii) Surprise checks by the Vigilance department.

(iii) Quiet and unobtrusive watch by the CBI followed by raids as and when appropriate.

(iv) Collection of information about specific instances of bribery and corrupt practices so as to initiate open enquiries.
85. **LIST OF UNSCRUPULOUS CONTRACTORS, SUPPLIERS, FIRMS AND CLEARING AGENTS**

85.1 A list will be prepared of unscrupulous contractors, suppliers, firms and clearing agents who are suspected of indulging in corrupt practices. These lists are to be prepared by the Vigilance department as they are in the best position to do so. These need not be Agreed Lists. Copies of these lists should be sent to the CBI for information. Particular care should be exercised in the preparation of these lists. The Vigilance department should lay down the criteria on the basis of which names are to be included in these lists.

85.2 The following action will be taken by the Vigilance department and by the CBI in respect of contractors etc. on these lists:

(i) The lists should be circulated by the Vigilance department to their officers advising them to be careful and cautious in all dealings with such Parties.

(ii) Closer check and scrutiny should be ensured by the Vigilance department of the requests or applications made by such Parties and of the contractors for works or supplies awarded to or executed by them and of any business or transaction undertaken by them.

(iii) Quiet and unobtrusive watch should be kept by the CBI over the contractors or such Parties in official circles.

(iv) Information should be collected by the CBI of specific instances of malpractices on the part of such Parties with a view to starting open enquiries.
86. **Banning Of Business Dealings**

86.1 Air India Limited, being a Public Sector Enterprise, is ‘State’ within the meaning of Article 12 of the Constitution and every person has a right to deal with Air India. It has to ensure that Fundamental Rights enshrined in Chapter III of the Constitution of India are observed in letter and spirit. Air India has also to safeguard its commercial interests and would prefer to deal with Companies/Parties with a high sense of integrity. It would be in Air India’s interest NOT to deal with unscrupulous Companies/Parties which commit deception, fraud, criminal offences or misconducts. In this context, the following observation of the Hon’ble Supreme Court in Erusion Equipment and Chemicals Ltd. vs. State of West Bengal (AIR 1975 SC 266) are relevant and are reproduced below:

(i) “Blacklisting” (now called “Banning of Business Dealings”) has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government for purposes of gains. The fact that a disability is created by the order of blacklisting indicates that the relevant authority is to have an objective satisfaction. The fundamentals of fair play require that the person concerned should be given an opportunity to represent his case before he is put on the blacklist.

(ii) The State which has the right to trade has also the duty to observe equality. The Government cannot choose to exclude persons by discrimination. The order of blacklisting has the effect of depriving a person of equality of opportunity in the matter of a public contract. A person who has been dealing with the Government in the matter of sale and purchase of materials has legitimate interests or expectations. When the State acts to the prejudice of such a person, it has to be supported by legality. The State can enter into contract with any person it chooses. No person has a fundamental right to insist that the Government must
enter into a contract with her/him. A citizen has a right to claim equal treatment, to enter into a contract which may be proper, necessary and essential to her/his lawful calling. Where the blacklisting order involves civil consequences, it casts a slur. It creates a barrier between the persons blacklisted and the Government in the matter of transactions.

(iii) The blacklists are "instruments of coercion". Hence persons must be given an opportunity to be heard before their name is put on the blacklist. The above judgment has been upheld by the Hon’ble Supreme Court in its subsequent rulings and the principle enunciated above applies to the PSEs like Air India. The latest case on the subject is “Raghunath Thakur vs. State of Bihar (AIR 1989 SC 620) wherein it was contended on behalf of the State Government that there was no requirement in the Rule of giving any prior notice before blacklisting any person. The Hon’ble Supreme Court observed that in so far as the contention that there is no requirement specifically of giving any notice is concerned, the respondent is right. But it is an implied principle of the rule of Law that any order having civil consequence should be passed only after following the principles of natural justice. It has to be realized that blacklisting any person in respect of business ventures has civil consequences for the future business of the person concerned in any event. Even if the rules do not express so, it is an elementary principle of natural justice that Parties affected by any order should have the right of being heard and making representations against the Order.

86.2 SCOPE

(i) The General Conditions of Contracts of Air India generally provide that Air India reserves its rights to remove from the List of Approved Suppliers or to ban Business Dealings if a Company has been found to have committed
misconduct; as also to suspend Business Dealings pending investigation. If, in any GCC, such permission does not exist, it must be incorporated.

(ii) Similarly, in case of sale of material, there is a Clause to deal with customers/buyers who indulge in lifting of material in an unauthorized manner. If in any Sale Order such a stipulation does not exist, it may be incorporated.

Explanation: Paragraph to be added in Terms & Conditions of the Sale Order.

“In case the buyer, his partner, member, servant, labour, agent, representative and/or any person working for and on behalf of the buyer is found involved in any unauthorized or wrongful removal of materials not sold or in any attempt for such removal, this shall amount to breach of contract caused by the buyer and Air India shall be entitled to forfeit the entire security deposit and any other amount, money or material that may be lying with Air India at the risk and cost of the buyer. The buyer shall be further liable for all the losses that might be caused to Air India on account of such unauthorized/wrongful removal. In such an event, Air India shall ban business dealings with such buyer. The decision of Executive Director - Materials Management will be final and binding on the buyer in all such cases”.

(iii) The procedure of

(a) Removal of Companies/Parties from the List of Approved Suppliers;
(b) Suspension; and
(c) Banning of Business Dealings has been laid down in these Guidelines.

(iv) These Guidelines apply to all regions/stations/units of Air India.
(v) It is clarified that these guidelines do not deal with the decision of the Management not to buy any particular product due to its poor/inadequate performance or for any other reason.

DEFINITIONS

In these Guidelines, unless the context otherwise requires:

(i) "Company/Party" shall mean and include a Public Limited Company or a Private Limited Company, a Firm whether registered or not, an individual, a Cooperative Society or an association or a group of persons engaged in any commerce, trade, industry, etc.

(ii) ‘Inter-connected Companies’ shall mean two or more companies having any of the following features:

(a) If one owns or controls the other in any manner;
(b) If the Directors, Partners, Managers or Representatives are common;
(c) If management is common;
(d) If one is a subsidiary of the other.

(iii) ‘Competent Authority’ shall mean the following:

(a) Functional Directors/Executive Directors of Air India
(b) Any other authority nominated by CMD, Air India
(iv) ‘Appellate Authority’ shall mean Chairman and Managing Director, Air India or any other authority nominated by Chairman, Air India. Appellate Authority shall be higher than the Competent Authority.

(v) ‘Investigating Department’ shall mean any Department or Unit investigating into the conduct of the Company/Party and shall include the Vigilance Department, Central Bureau of Investigation, the State Police or any other agency set up by the Central or State Government having power to investigate.

(vi) ‘List of approved suppliers’ shall mean and include list of Approved/Registered Suppliers, Contractors, Builders, etc.

36.4 SUSPENSION OF BUSINESS

(i) If the conduct of any Company/Party dealing with Air India is under investigation by any department, the Competent Authority may consider whether the allegations under investigation are of a serious nature and whether - pending investigation - it would be advisable to continue business dealings with the Department/Company/Party. If the Competent Authority, after consideration of the matter - including the recommendation of the Investigating Department, if any - decides that it would not be in the interest of Air India to continue business dealings pending investigation, it may suspend business dealings with the Company/Party. The order to this effect may give a list of the charges under investigation. If it is decided that interconnected Companies would also come within the ambit of the order of suspension, the order should specifically say so. The order of suspension would operate for a period of not more than six months and may be
communicated to the Company/Party as also to the Investigating Department. The Investigating Department may ensure that their investigation is completed well before the period of six months.

(ii) The order of suspension shall be communicated to all Departmental Heads within Air India and no business dealing may be held with the Company/Party during the period of suspension.

(iii) As far as possible, the existing contracts with the Company/Party may continue unless the Competent Authority, having regard to the circumstances of the case, decides otherwise.

(iv) If the gravity of the misconduct under investigation is very serious and it would not be in the interest of Air India, as a whole, to deal with such a Company/Party pending investigation, the Competent Authority may send her/his recommendation to CVO along with the material available. If the CVO considers that, depending upon the gravity of the misconduct, it would not be desirable for all the Regions/Stations/Units/Offices and Subsidiaries of Air India to have any dealings with the Company/Party concerned, an order suspending business dealings maybe issued to all the Regions/Stations/Units/Offices by the Competent Authority - a copy of which may be endorsed to the Company/Party concerned. Such an order would operate for a period of 6 months from the date of issue.

(v) During the 6 months when the order of suspension is in operation, the Competent Authority which issued the order may review the order of suspension either on receipt of a representation from the Company/Party or suo moto. If the Competent Authority considers, in the light of its review,
that the order may be revoked, it may do so by issuing an order and communicating the same to all concerned.

(vi) If the Company/Party concerned asks for reasons for the suspension, the Company/Party may be informed that their conduct is under investigation but it is not necessary to enter into correspondence or argument with the Company/Party at this stage.

(vii) It is not necessary to give any Show Cause Notice or personal hearing to the Company/Party before issuing the order of suspension. However, if investigations are not complete within a 6 month period and the Competent Authority considers that suspension may continue beyond the 6 months, Show Cause Notice may be issued to the Company/Party concerned.

36.5 BANNING OF BUSINESS DEALINGS

(i) If the investigations, *prima facie*, establish the misconduct of the Company/Party concerned, the Competent Authority may consider whether the misconduct *prima facie* established warrants removal from the list of Approved Suppliers or it is serious enough to ban business dealings and whether such a ban should be restricted to the Region/Station/Unit/Office concerned or it may be applied to all the Regions/Stations/Units/Offices of Air India.

(ii) Some of the grounds on which business dealings may be banned are enumerated below:
(a) If the security consideration, including questions of loyalty of the Company/Party to the State, so warrants;

(b) If the Director of the Company, proprietor or partner of the firm, manager/representative of the Company/Party is convicted by a Court of Law for offences involving moral turpitude in relation to its business dealings with the Government or any other public sector undertaking or Air India.

(c) If there is strong justification for believing that the Directors, Proprietors, Partners, Managers or Representatives of the Company/Party have been guilty of malpractices such as bribery, corruption, fraud, substitution of tenders, interpolations etc.

(d) If the Company/Party continuously refuses to return the dues of Air India without showing adequate cause; and this is not due to reasonable dispute which would attract proceedings in arbitration or Court of Law.

(e) If the Company/Party employs a public servant who was dismissed/removed or employs a person convicted for an offence involving corruption or abetment of such offence.

(f) If business dealings with the Company/Party have been banned by the Govt. or any other Public Sector Enterprise.

(Note: The examples given above are only illustrative and not exhaustive and the Competent Authority may decide to ban business dealings for any good and sufficient reason).

(iii) Banning of Business Dealng would be of two types:

(a) Banning of business dealings restricted to the Region/Station/Unit/Office concerned; and
(b) Banning of business dealings by all the Regions/Stations/Units/Offices of Air India.

36.6 BANNING OF BUSINESS RESTRICTED TO THE REGION/STATION/UNIT/OFFICE IT CONCERNS

(i) A Standing Committee will be appointed by the CMD for processing the case of “Banning of Business Dealings”. This Standing Committee will comprise of one executive from Materials Management Department and one representative from Vigilance Department. The functions of the Committee shall, inter-alia, include:

- Recommending issue of Show Cause Notice to the Party by the concerned department dealing with the Party.
- Examination of the reply to the Show Cause Notice and calling the Party for personal hearing, if required.
- Making a final recommendation to the Competent Authority for banning or otherwise.

(ii) If the Competent Authority decides that business dealings with the Company/Party should be banned, a Show Cause Notice may be issued to the Company/Party and an enquiry held accordingly.

(iii) The CVO, may also suo moto initiate a process for blacklisting of a Company/Party based on investigations conducted by the Vigilance Department and recommend to the Competent Authority to blacklist the Company/Party.
36.7 BANNING OF BUSINESS DEALINGS BY ALL REGIONS/STATIONS/UNITS/OFFICES/SUBSIDIARIES OF AIR INDIA

(i) If in the opinion of the Competent Authority, guilt or misconduct of the Company/Party has been so serious that all the Regions/Stations/Units/Offices of Air India should also ban business dealings with the Company/Party, the proposal should be sent to the CVO - Air India setting out all the facts of the case and the justification for the action proposed, along with all the relevant papers and documents.

(ii) The CVO will then examine the entire case and where she/he concludes that prima facie, the ban should cover all the Regions/Stations/Units/Offices of Air India, a Show Cause Notice in the manner prescribed above may be issued to the Company concerned.

(iii) The CVO, may also suo moto initiate a process for blacklisting of a Company/Party based on investigations conducted by the Vigilance Department, and recommend to the Competent Authority to blacklist the Company/Party.

36.8 REMOVAL FROM LIST OF APPROVED SUPPLIERS ETC.

(i) If the Competent Authority decides that the charge against the Company/Party is of a minor nature, it may issue a Show Cause Notice as to why the name of the Company/Party should not be removed from the list of Approved Suppliers, etc.
The effect of such an order would be that the Company/Party would not be disqualified from competing in Open Tender Enquiries but Selective/Limited Tender Enquiries may not be given to the Company/Party concerned.

Past Performance of the Company/Party may be taken into account while awarding the contract.

**PROCEDURE FOR ISSUING SHOW CAUSE NOTICE**

In cases where the Competent Authority decides that action against a Company/Party is called for, it must issue a Show Cause Notice to the Company/Party. A Statement containing the imputation of misconduct or misbehaviour may be appended to the Show Cause Notice and the Company/Party should be asked to submit a written Statement in its defence within 15 days.

If the Company/Party requests for inspection of any relevant document in the possession of Air India, necessary facility for inspection of such documents must be provided.

The Competent Authority, on receipt of the reply to the Show Cause Notice and recommendation of the Standing Committee or where no reply is received, must consider the same and pass an appropriate speaking order:

(a) Exonerating the Company/Party if the charges are not established.
(b) Removing the Company/Party from the list of Approved Suppliers etc.
(c) Banning Business Dealing.
(iv) If it is decided to ban business dealings, the period for which the ban would be operative must be mentioned. The order must also mention that the ban would extend to the interconnected Companies of the Company.

36.10 APPEALS AGAINST THE DECISION OF THE COMPETENT AUTHORITY

(i) The Company/Party may file an Appeal against the order of the Competent Authority banning business dealing, etc. The Appeal shall lie to the Chairman, Air India. Such an Appeal shall be preferred within one month from the date of receipt of the order banning business dealing, etc..

(ii) The Chairman would consider the appeal and pass appropriate order which shall be communicated to the Company/Party as well as the Competent Authority.

36.11 CIRCULATION OF THE NAMES OF THE COMPANIES/PARTIES WITH WHOM BUSINESS DEALINGS HAVE BEEN BANNED

(i) Depending upon the gravity of misconduct established, the CVO may circulate the names of Companies with whom Business Dealings have been banned to the Government Department, other Public Sector Enterprise etc. for such action as they deem appropriate.

(ii) If the Government Department or a Public Sector Enterprise requests for more information about the Company/Party with whom Business Dealings have been banned, a copy of the Report of the Inquiring Authority, together with a copy of the order of the Competent Authority/Appellate Authority, may be supplied.
(iii) If business dealing with any Company/Party has been banned by the Central or State Government or any other Public Sector Enterprise, Air India may - without any further enquiry or investigation - issue an order banning business dealing with the Company/Party and its interconnected Companies.

87. VIGILANCE CLEARANCE

37.1 THE CONCEPT

‘Integrity’ and ‘Devotion to duty’ are the basic ingredients of public service. The modern conception of ‘integrity’ of Public Servants - in the sense that they should not use their official position to obtain any kind of financial or other advantage for themselves, their families or friends - is due to the development of the rule of law and the evolution of a large, permanent public service. The Government owes to the public which elected it to office that it employs for the implementation of its policies only persons whose honesty, efficiency and behaviour are above reproach. The Planning Commission in one of its earliest Reports had emphasized on ‘integrity’ in public services, stating that persons with highest integrity should only be appointed in senior positions in Government and PSUs.

37.2 NORMS OF VIGILANCE CLEARANCE IN AIR INDIA

(i) OBJECTIVE

To provide guidelines as to specific circumstances in which Vigilance Clearance (VC) can be withheld.
(ii) SCOPE

(a) The guidelines shall cover all regular employees of the Company.

(b) The Vigilance clearance shall be required for the following purposes:

- Promotions
- Posting to Foreign Stations
- Voluntary Retirement
- Resignation
- Issuance of NOC for Passport

(c) The Vigilance Status of an employee shall also be required for final settlement of dues after retirement, completion of probation period/confirmation.

(d) Apart from the above, the CMD may call for Vigilance profiles in respect of any employee on case-to-case basis.

(iii) RESPONSIBILITY

For the cases involving selection by PESB, Vigilance clearance shall be given by the Ministry based on the Vigilance profile prepared by the CVO. Giving Vigilance clearance shall be the responsibility of the Vigilance Administration after obtaining approval of CVO/Dy. CVO.
(iv) VALIDITY

Vigilance clearance/ status shall be given as on date only. The Vigilance clearance shall be for a specific purpose and is not to be used for other than the specified purpose. Vigilance clearance once given shall remain valid for a period of three months from the date of granting clearance.

(v) PROCEDURE

Vigilance clearance can be sought by the Personnel Department, Headquarters or the Section within a Department which is administratively responsible for effecting promotion/postings etc.. Vigilance Clearance shall always be treated as confidential and in no circumstances is it to be passed on to another department/agency. While seeking Vigilance clearance, the Name, Staff number, Grade, Section/Department and Station/Unit are to be specifically given. Annual Property Returns for the current year must be forwarded to the CVO/Vigilance Administration along with the request seeking Vigilance Clearance. In no case shall a Vigilance Clearance be handed over in person to the employee concerned.

(vi) The Following shall be the criteria for granting Vigilance Clearance:

Vigilance clearance will not be given under the following conditions:

(a) Charge-sheet has been issued.
(b) RDA for Major/Minor Penalty is in progress and during the currency of the punishment - i.e. from the date of signing of charge-sheet till completion of the punishment period/issue of exoneration order.
(c) Charge-sheet has been filed in the Court of Law.
(d) During suspension period.

(e) Recommendations have been given by Air India to CVC for imposition of RDA for Minor/Major Penalty.

(f) Where, after a preliminary enquiry, it has been found that prima facie a case exists against the employee concerned and action is contemplated against the employee. However, in such cases, the investigations need to be completed within the next three months and the withheld clearance needs to be reviewed.

(g) If the CBI are holding any open enquiry and/or have filed FIR for PE/RC cases but the Investigation Report is not received.

(h) CBI’s Investigation Report has been received recommending RDA/Sanction for Prosecution and is under examination.

(i) Sanction for Prosecution has been given but Charge-sheet has not been filed in the Court of Law.

37.3 Vigilance Clearance shall not be accorded to a retired employee/official for re-appointment on contract if:

- their names were borne on the “Agreed/ Secret” list while in service, or they were involved in any current Vigilance/CBI case(s) in which disciplinary action or prosecution is likely.
- as a result of Vigilance/CBI cases, a Major Penalty or two Minor Penalties had been imposed on the employee/official, while in service.
- disciplinary or prosecution proceedings are in process against the employee/officer.
- the employee/officer has been warned more than three times as a result of Vigilance/CBI action while in service.
37.4 While giving Vigilance clearance, it may be specifically indicated if Vigilance clearance is granted or is being withheld.

88. Procedural Audits

88.1 The CVC have been focusing on Public Procurement Processes for some time now as it is felt that this was an area of concern and more vigil was required in this area as there existed irregularities in the procurement process of goods and services. In order to overcome this, proper procedures and guidelines should be set so as to minimize the scope for discretion. It has been emphasized that, for prevention of irregularities in the Tender procedure, preventive measures must be initiated. One of the measures suggested by the CVC was Procedural Audit of Tender/contract files.

88.2 Vigilance Officers, besides their regular assignments, need to carry out Procedural Audits of high value POs/Contracts as well as check system and procedures. Audits that involve scrutiny of voluminous records can be done by a team of two Vigilance Officers. Emphasis needs to be placed on transparency and competitiveness in the process of procurement.

88.3 The following broad guidelines are detailed for the benefit of Vigilance Officials:

(i) Provisioning should be done properly taking into account:
   (a) Past Experience
   (b) Availability
   (c) Inventory carrying cost
   (d) Critical nature of the item

(ii) Only mandatory specifications need to be drawn up.
Due care should be taken when drawing up specifications.

Tender documents should include:

(a) Detailed specifications
(b) Date and time of receipt of tender
(c) Place for receipt of tender
(d) Address of the website
(e) Date(s) of opening of technical and financial bids.

No modification should be made in the Tender document once it is frozen for issue.

Technical and financial bids should be opened in the presence of the vendors/Parties.

Technical Evaluation should be done in a proper manner with reference to the specifications in the Tender document. Quotations that do not meet the mandatory specifications must be summarily rejected.

All documents forming part of the Tender need to be page numbered.

The deliberations of the Technical Evaluation should be minuted properly.

Financial bids of only the technically qualified vendors should be opened.

Negotiations can be undertaken only with L1 party/vendor.
(xii) No negotiations unless the same is expected to yield a substantial reduction.

(xiii) If L1 fails/refuses to deliver, then there is no alternative but to re-tender.

(xiv) In case of change in specifications after receipt of quotes from Parties, corrigendum in Tender needs to be issued to all and on website and, in particular, specifically to those who have responded to the Tender.

38.4 A sample checklist, as a Ready Reckoner, for officers undertaking the Audit is given below.

**PROCEDURAL AUDIT - READY RECKONER**

<p>| TENDER FILE NO. | : |
| Names of Handling Officers | : |
| Dealing Officer | : |
| Sanctioning Officer | : |
| Officer approving/awarding the contract | : |
| Financial approval by | : |</p>
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Details to be verified</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Indent No.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Whether file has been page numbered</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Filing System – whether Part File has been maintained</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Applicable Manual/Procedure</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>User/Requisitioning Department</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Use of Call Centre</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Provisioning</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Type of Tender</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Whether uploaded on website</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Whether published in newspaper</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Due Date</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Whether Due Date Extended</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Any change in Specifications</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>If change in specifications, if change communicated or corrigendum issued</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Specifications</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Samples</td>
<td></td>
</tr>
<tr>
<td>Sl. No.</td>
<td>Details to be verified</td>
<td>Remarks</td>
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</tr>
<tr>
<td>17.</td>
<td>Production Samples</td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>Lead Time</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>EMD, Penalties and Deposits or any exemption(s)</td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>Payment Terms</td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td>Delivery Schedule</td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td>Whether location for submission was clearly mentioned</td>
<td></td>
</tr>
<tr>
<td>23.</td>
<td>Whether Exit Clause mentioned</td>
<td></td>
</tr>
<tr>
<td>24.</td>
<td>Opening of Technical Bids</td>
<td></td>
</tr>
<tr>
<td>25.</td>
<td>Whether opening of Technical Bids communicated to Bidding Parties</td>
<td></td>
</tr>
<tr>
<td>27.</td>
<td>Evaluation of Technical Bids</td>
<td></td>
</tr>
<tr>
<td>28.</td>
<td>Opening of Commercial Bids</td>
<td></td>
</tr>
<tr>
<td>29.</td>
<td>Observations, if any, at the time of opening of Commercial Bids</td>
<td></td>
</tr>
<tr>
<td>Sl. No.</td>
<td>Details to be verified</td>
<td>Remarks</td>
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<tr>
<td>--------</td>
<td>------------------------------------------------------</td>
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</tr>
<tr>
<td>30.</td>
<td>Comparative Statement of Commercial Bid prepared</td>
<td></td>
</tr>
<tr>
<td>31.</td>
<td>Price Negotiations</td>
<td></td>
</tr>
<tr>
<td>32.</td>
<td>Names of Tender Committee Members</td>
<td></td>
</tr>
<tr>
<td>33.</td>
<td>New Item Stocking Request (NISR)</td>
<td></td>
</tr>
<tr>
<td>34.</td>
<td>Submission of Samples</td>
<td></td>
</tr>
<tr>
<td>35.</td>
<td>Purchase Order</td>
<td></td>
</tr>
<tr>
<td>36.</td>
<td>Performance Bank Guarantee</td>
<td></td>
</tr>
<tr>
<td>37.</td>
<td>Warranty Terms and Period</td>
<td></td>
</tr>
<tr>
<td>38.</td>
<td>Production Sample</td>
<td></td>
</tr>
<tr>
<td>39.</td>
<td>Lab Test Report</td>
<td></td>
</tr>
<tr>
<td>40.</td>
<td>Installation/Commissioning</td>
<td></td>
</tr>
<tr>
<td>41.</td>
<td>Whether post Tender details published on website</td>
<td></td>
</tr>
<tr>
<td>42.</td>
<td>Details of Release of EMD</td>
<td></td>
</tr>
</tbody>
</table>

### Field Studies

**39.1** Vigilance is an integral part of the management. It provides important instruments for improving performance of an organization. This includes promoting clean business transactions, professionalism, productivity, promptness and ethical practices. It also assists in systemic improvements in curbing opportunities for
corruption. Therefore, Vigilance helps in improving efficiency and effectiveness of the personnel as well as the organization.

39.2 In tune with the above basic principles, and as a Preventive Vigilance measure, Field Studies on specific area/issue or Tender is carried out in order to get to the root of the problem or irregularity and suggest systemic changes for improvement and to prevent/forestall recurrence of irregularities in future. As part of the Field Study, details of similar issues/contracts/procedures implemented by different Departments at various Stations are collected, correlated to get at the cause for deviations/irregularities so as to prevent recurrence in future and effect savings in revenue terms by way of improvements in the systems and procedures followed.

39.3 Issues relating to deployment of manpower for various functions, award of contracts for crew lay over hotel accommodation, contract for accommodation for delayed flight passengers, issue of snack coupons at Airport (GCOs) for delayed flight passengers, transport contract, service contracts for maintenance of various equipment, lease of residential premises and office space, catering contract, contracts for supply of newspapers/magazines, contract for implementing automation, Transportation Service Contracts (TSCs) etc. are some of the areas wherein Vigilance Field Studies play a significant role in plugging loopholes and recommending effective systemic changes.

39.4 Field Study recommendations from Vigilance have resulted in effective implementation of appropriate uniform system in different areas, thereby curbing wasteful expenditure. Thus, as part of the Preventive Vigilance mechanism, Field Study is an effective Management Tool for identifying and implementing systems and procedures to benefit the organisation.
PART - III
90. **Timely Completion of Disciplinary Proceedings**

90.1 The Central Vigilance Commission have laid down a time schedule for processing of the various stages in a disciplinary proceeding - right from receipt of a recommendation for conduct of the disciplinary proceeding from the CVO till the logical conclusion of the case. The Schedule for the proceedings is given in the subsequent page.

90.2 Inordinate delay in initiating action on Vigilance Reports leads to miscarriage of justice, with the delinquents retiring from services thereby diluting or nullifying the recommended action.

90.3 It would be the responsibility of the Competent Authority, to who the Vigilance recommendation was made, to ensure that the disciplinary proceedings are initiated and completed within the time limits prescribed by the Central Vigilance Commission - not only in cases which are referred to the Commission for advice, but also in those cases where recommendations are made by the CVO to the Disciplinary Authorities.

90.4 Any delay over and above the prescribed time limits for finalisation of disciplinary cases can be viewed as misconduct and the officials responsible for the delay can be charged for misconduct and proceeded against from the Vigilance angle.

90.5 The CVO is the designated authority to review all pending Investigation Reports, Disciplinary cases and other Vigilance matters regularly and take necessary steps for expediting action on the pending matters.
The Special Chapter on Vigilance Administration in PSEs lays down the time limit for each activity in the Vigilance administration of disciplinary proceedings. The following time limits have been prescribed:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Activity in Departmental Action</th>
<th>Time Limit</th>
<th>Responsible Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Department's comments on Investigation Report/Vigilance recommendations</td>
<td>15 days from receipt of Investigation Report/Vigilance recommendations</td>
<td>DA</td>
</tr>
</tbody>
</table>
| 2.     | Issue of Charge-sheet, if required. | (i) One month from date of receipt of Commission’s advice.  
(ii) Two months from date of receipt of Investigation Report. | DA |
<p>| 3.     | Time for submission of defense statement. | Ordinarily ten days or as specified in Air India Service Regulations. | CE |
| 4.     | Consideration of defense statement. | 15 (fifteen) days. | DA |
| 5.     | Issue of final order in Minor Penalty cases. | Two months from receipt of defense statement. | DA |
| 6.     | Appointment of EO/PO in Major Penalty cases. | Immediately after receipt and consideration of defense statement. | DA |
| 7.     | Conduct of departmental inquiry and submission of report. | Six months from date of appointment of EO/PO. | EA |</p>
<table>
<thead>
<tr>
<th></th>
<th>Sending copy of the EO’s report to the CE for his representation.</th>
<th>i) Within 15 days of receipt of EO’s report if any of the Articles of charge has been held proved; ii) 15 days if all charges held as not proved. Reasons for disagreement with EO’s findings to be communicated.</th>
<th>DA</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td>Consideration of CE’s representation and forwarding EO’s report to CVC for Second Stage Advice or to CVO to reconsider Vigilance recommendations.</td>
<td>One month from date of receipt of representation.</td>
<td>CVO/DA</td>
</tr>
<tr>
<td>9.</td>
<td>Issuance of orders on the Inquiry Report.</td>
<td>i) One month from date of CVC’s advice. ii) Two months from date of receipt of EO’s report if Commission’s advice was not required.</td>
<td>DA</td>
</tr>
</tbody>
</table>

Where DA is the Disciplinary Authority, EA is the Enquiring Authority (Enquiry Officer) and CE is the Charged Employee, EO is the Enquiry Officer & PO is the Presenting Officer.

### 92. Maintenance Of Registers And Formats

#### 92.1 Information about corruption, malpractices or misconduct may come to the CVO from different sources. Apart from this, the CVO should also have a system of collecting her/his own intelligence about possible malpractices and misconduct among...
employees. All complaints, from whichever source received, should be promptly entered in the “Complaint Register” and the CVO should ensure that the Register is put up to her/him regularly so that the Preliminary Investigation is held within the prescribed time limit of one month. Once it is decided that the allegations should be looked into departmentally, the CVO should ensure that the detailed Investigations are completed promptly, within a period of three months, and the progress is reviewed.

Keeping in view the requirements of Air India Ltd. for dealing with investigation of complaints, most of the database management is handled through use of software. However, three basic Registers are used as recommended by CVC and as per the requirements for handling statistics.

(i) Complaint Register (CR)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Source of complaint</th>
<th>Date of receipt</th>
<th>Name &amp; designation of officer complained against</th>
<th>Reference to File No.</th>
<th>Action taken</th>
<th>Date of action</th>
<th>Remarks</th>
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</tbody>
</table>

(ii) Regular Cases Register (RC) – Separate Registers will be maintained for Cat. “A” RC cases and Cat. “B” RC cases once a complaint is taken up for detailed investigation.
REGULAR CASES REGISTER (RC)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Source of complaint</th>
<th>Date of receipt</th>
<th>Name &amp; designation of officer complained against</th>
<th>Reference to File No.</th>
<th>Action taken</th>
<th>Date of action</th>
<th>Remarks</th>
</tr>
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</tr>
</tbody>
</table>

(iii) Regular Departmental Action (RDA) Register

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Date of Initiation of Action</th>
<th>Nature of Proceedings</th>
<th>Name &amp; Designation of Officer(s) Involved</th>
<th>Date of Appointment of Inquiry Officer/ Date of sending Documents to Inquiry in Major Penalty Cases</th>
<th>Date of Receipt of Inquiry Officer’s Report</th>
<th>Date of Receipt of Reply to Imputations in Minor Penalty Cases</th>
<th>Date of Decision of Proceedings</th>
<th>Outcome of Proceedings</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

These Registers will be maintained in the formats given above. An Index for locating any particular case and requiring cross reference with the other Registers, will be provided in
each Register. These Registers shall be maintained calendar yearwise, from 1\textsuperscript{st} January to 31\textsuperscript{st} December. For convenience, the format may be pasted on the inner side of the cover (at top in case of Index) so that writing of the heading for the row/column on each page can be avoided. A separate page (both sides) may be kept for dealing with each case. All pages of the Register shall be serially numbered and certified on the front page while starting any new Registers. Old Registers are to be kept as permanent records in the Record Room.

92.3 On completion of preliminary investigation of a complaint, in case Vigilance angle is established, a Regular Case will be registered and details thereof will be maintained in the Regular Case (RC) Register in the prescribed format.

92.4 Following the detailed investigation in a regular case, as and when it is decided to initiate departmental proceeding, details thereof will be maintained in the Regular Departmental Action (RDA) Register in the prescribed format. This will be maintained charge-sheeted employee wise in case of single proceeding and for group of employees in case of a joint or common proceeding. Separate page will be provided for each proceeding in the Register. Relevant details in respect of charge-sheeted employee(s), starting from the decision for initiating RDA, charge-sheeting, appointment of inquiry authority, presenting officer, till final order, will be maintained in this Register. The RDA Register will also record details of Appeals and Reviews, if any, in these cases.

92.5 Details on all reports received from the Central Bureau of Investigation - namely, Preliminary Investigation Report, First Information Report, Detailed Investigation Report - and action taken thereon will be maintained online case-wise. Details of action taken for following up with the Zonal CBI Office, in respect of cases where FIR has been filed and detailed investigation is under process, will also be maintained in the same manner.
92.6 Details of the Surprise Checks conducted from time to time, the outcome(s) of the Checks and follow up action taken will be maintained on the Vigilance online database system.

92.7 Details of Field Studies and Procedural Audits, and the preventive recommendations made as a result of any investigation or otherwise, will also be maintained on the Vigilance online database system.

92.8 Information in respect of earlier cases will also be updated and computerized in due course. Information in the Registers will be updated on regular basis and used for preparation of Periodic Reports/Returns.

93. Submission Of Reports By Investigating Officers

93.1 All Investigating Officers will submit Monthly Report on the work done by them during the month in the format prescribed by Administration after approval of Dy.CVO/ CVO. The Monthly Report - complete in all respects - should be sent to Vigilance Administration by the first day of the succeeding month.

93.2 The Dy.CVO will review the MRs submitted by the IOs and ensure factual accuracy and timely submission of the Reports, which are of critical importance for monitoring activities of the organisation. The Reports should be sent by e-mail so as to reach the designated officer in Vigilance Administration within the scheduled date.
## MONTHLY REPORT OF CVO

**ORGANISATION : AIR INDIA**

### 1. COMPLAINTS

<table>
<thead>
<tr>
<th>Source</th>
<th>Opening Balance</th>
<th>Received during the month</th>
<th>Total</th>
<th>Disposal</th>
<th>Balance</th>
<th>Agewise Pendency (Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CVC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTHERS</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

### 2. ACTION ON CVC ADVICE (Nos.)

<table>
<thead>
<tr>
<th>Stage of Advice</th>
<th>Type of Proceedings</th>
<th>Opening Balance</th>
<th>Received during the month</th>
<th>Total</th>
<th>Disposal</th>
<th>Balance</th>
<th>Agewise Pendency (Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Major</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Minor</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>Major</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. DEPARTMENTAL INQUIRIES (Nos.)

a) UNDER THE CVC JURISDICTION

<table>
<thead>
<tr>
<th>Opening Balance</th>
<th>Received during the month</th>
<th>Total</th>
<th>Disposal</th>
<th>Balance</th>
<th>Agewise Pendency (Months)</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

b) OTHERS (Nos.)

<table>
<thead>
<tr>
<th>Opening Balance</th>
<th>Received during the month</th>
<th>Total</th>
<th>Disposal</th>
<th>Balance</th>
<th>Agewise Pendency (Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&lt; 6</td>
</tr>
</tbody>
</table>

4. PROSECUTION SANCTIONS

<table>
<thead>
<tr>
<th>Opening Balance</th>
<th>Received during the month</th>
<th>Total</th>
<th>Disposed</th>
<th>Balance</th>
<th>Agewise Pendency (Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sanctioned</td>
<td>Refused</td>
<td>&lt;3</td>
</tr>
</tbody>
</table>
## 5. Agewise data of disposed departmental proceedings (time taken to conclude the proceedings from the stage of registration of complaint till final disposal) (Nos.)

<table>
<thead>
<tr>
<th>Nature of Proceedings</th>
<th>&lt;3 Months</th>
<th>3-6 Months</th>
<th>6 Months -1 Yr.</th>
<th>1-2 Years</th>
<th>&gt;2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 6. QUALITATIVE PARAMETERS OF VIGILANCE ADMINISTRATION

### a) MAJOR PENALTY PROCEEDINGS

<table>
<thead>
<tr>
<th>No. of Cases</th>
<th>No. of officials against whom proceedings finalized</th>
<th>Cut in pension</th>
<th>Dismissal/ Removal/ Compulsory Retirement</th>
<th>Reduction in Lower time scale/ Rank</th>
<th>Other Major Penalties</th>
<th>Minor Penalties other than Censure/ Warning</th>
<th>Censure/ Warning</th>
<th>No Action</th>
</tr>
</thead>
</table>
### b) MINOR PENALTY PROCEEDINGS

<table>
<thead>
<tr>
<th>No. of Cases</th>
<th>No. of officials against whom proceedings finalized</th>
<th>Reduction to lower stage</th>
<th>Postponement/Withholding of Increment</th>
<th>Recovery from pay</th>
<th>Withholding of promotion</th>
<th>Censure/Warning</th>
<th>No Action</th>
</tr>
</thead>
</table>

### c) RANKWISE BREAK UP OF PUNISHMENT AWARDED

<table>
<thead>
<tr>
<th>Group Name</th>
<th>No. of Cases</th>
<th>No. of officials against whom proceedings finalized</th>
<th>Cut in pension</th>
<th>Dismissal/Removal/Compulsory Retirement</th>
<th>Reduction in lower time scale/Rank</th>
<th>Other Major Penalties</th>
<th>Minor Penalties other than Censure/Warning</th>
<th>Censure/Warning</th>
<th>No action</th>
</tr>
</thead>
</table>

Group C

Group B

Group A Upto DS/Dir.
### List of cases where Major Penalty imposed

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Sl.No.</th>
<th>Case No.</th>
<th>Name(s) of Charged Officer(s)</th>
<th>Date of Charge-sheet</th>
<th>Date of final order</th>
<th>Punishment</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>CVC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### PART B

PREVENTIVE VIGILANCE (TO BE PREPARED BY THE CVO)

### 8 a) INVESTIGATION REPORTS SUBMITTED BY THE CVO

<table>
<thead>
<tr>
<th>Upto the end of the previous month (from January)</th>
<th>During the month</th>
<th>Action recommended on the cases of the Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Major</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
b) RANKWISE DETAILS ON ACTION RECOMMENDED ABOVE

<table>
<thead>
<tr>
<th></th>
<th>Upto the end of previous month</th>
<th>During the Month</th>
<th>Action Recommended on the cases of the Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Major</td>
</tr>
<tr>
<td>1. Group C</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Group B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Group A upto DS/Dir. level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. JS and above</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. INSPECTIONS CONDUCTED BY THE CVO (CTE TYPE INSPECTIONS & OTHERS)

<table>
<thead>
<tr>
<th></th>
<th>Upto end of previous month</th>
<th>During the month</th>
<th>No resulting in Vigilance Cases</th>
<th>Recovery effected (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periodic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surprise</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major Works</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. SCRUTINY OF APRs

<table>
<thead>
<tr>
<th>Total No. of APRs</th>
<th>No. scrutinized up to end of the previous month</th>
<th>No. scrutinized during the month</th>
<th>Balance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
11. WHETHER FOLLOWING LISTS PREPARED

- Agreed List
- Officers of doubtful integrity

12. OTHER ACTIVITIES

(a) Training Courses conducted in Vigilance Awareness :
(b) Systems Improvements Undertaken :
(c) Extent of IT usage and E – governance :
(d) Job Rotation :
(e) Whether QPR has been furnished to CTE (Yes/No) :
(f) Whether CTE Type Inspection undertaken by the CVO (Yes/No) :

13. Whether Tenders put up on website :

14. Whether details about Tenders above the threshold value are put on the website subsequent to finalization of Tenders

15. Remarks/comments on Vigilance matters of the organization :

(Signature)
Chief Vigilance Officer

Place :
Date :
94.2 The above Monthly Report for a particular month is required to be submitted by the 10\textsuperscript{th} day of the succeeding month. An Annual Report in the same format is also required to be submitted to the CVC by the end of January of the subsequent year.

95. **MoCA Quarterly**

95.1 A Quarterly Report in the following format is required to be submitted to the Ministry of Civil Aviation.

**PART – II**

**MINISTRY OF CIVIL AVIATION**

**AIR INDIA LTD.**

1. Preventive Vigilance

<table>
<thead>
<tr>
<th>SIMPLIFICATION OF RULES &amp; PROCEDURES (1)</th>
<th>WHETHER STUDY COMPLETE (2)</th>
<th>DETAILS OF IMPLEMENTATION (3)</th>
<th>REMARKS (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Area/Organisation Selected</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(ii) No of Inspections conducted (5)</th>
<th>Number (6)</th>
<th>Cases detected (7)</th>
<th>Action taken (8)</th>
<th>Remarks (9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Regular Inspections</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Surprise Inspections</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| (iii) Annual review of Property Returns filed By Group A and Group B service officers. | |

Rev.No.:00 October 31, 2011
(iv) Whether a plan for rotation of Staff in sensitive areas has been drawn up.

(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 column (a) in pursuance of plan drawn up for rotation of Staff.

(c) Reasons for non-implementation of plan for rotation of Staff.

2. **Strengthening of Vigilance Machinery**

(i) Details of vacant posts of CVO as on 30.09.2002

(ii) No of vacancies filled up

(iii) Details of vacant posts.
### Surveillance and Detection

#### (I) - (a) No. of names included in the Agreed List

- (to be indicated in the return for the first quarter. In case the Agreed List is not finalized in the first quarter, the number should be indicated in the quarter in which it is finalized.

The details of surveillance to be indicated from the second quarter onwards.

<table>
<thead>
<tr>
<th>(i) Cases Pending investigation with CVO</th>
<th>Over 1 year</th>
<th>Between 6 to 12 months</th>
<th>Between 3 to 6 months</th>
<th>Less than 3 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>No pending at the beginning of the quarter.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No in which investigation has been completed.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No of cases added during the quarter.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No of cases carried forward.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cases pending for communication of comments of department on CBI’s Investigation Report to CVC

a) No of cases pending in the beginning of the quarter

b) No of cases in which comments have been sent during the quarter

C) No of cases added during the quarter

d) No of cases carried forward

<table>
<thead>
<tr>
<th>Cases under investigation</th>
<th>GOVT. SERVANTS</th>
<th>GOVT. SERVANTS</th>
<th>EMPLOYEES OF PSU</th>
<th>AIR INDIA EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gazetted</td>
<td>Non Gazetted</td>
<td>No. of officials of rank of Junior Management Level of PSU &amp; above (Assistant Manager &amp; above)</td>
<td>Others (No. of Union Category Staff)</td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Departmentally

Less than 3 months

3 to 6 months

More than 6 months

b) By the CBI

Less than 3 months

3 to 6 months

More than 6 months

Total
ACTION PENDING ON INVESTIGATION REPORTS

<table>
<thead>
<tr>
<th>Less than 3 months</th>
<th>More than 3 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gazetted Non Gazette</td>
<td>Persons of Junior Management Level of PSU &amp; above (Assistant Manager &amp; above)</td>
</tr>
</tbody>
</table>

PART IV

MINISTRY OF CIVIL AVIATION - AIR INDIA LTD.

Deterrent punitive action

<table>
<thead>
<tr>
<th>Cases pending decision for more than 6 months after CVC’s First Stage Advice</th>
<th>Over 1 year</th>
<th>Between 6 to 12 months</th>
<th>Between 3 to 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) No. of cases pending in the beginning of the quarter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) No. of cases decided during the quarter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) No. of cases added during the quarter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) No. of cases carried forward</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii)</td>
<td>Cases in which appointment of Commissioners for departmental enquiries nominated by CVC is pending for more than three months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. in which CDI has been appointed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of C.S.S added during the quarter</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. carried forward</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>iii)</th>
<th>Oral enquiries against Gazetted Officers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of cases pending at the beginning of the quarter</td>
</tr>
<tr>
<td></td>
<td>No. of cases disposed off</td>
</tr>
<tr>
<td></td>
<td>No of cases added during the quarter</td>
</tr>
<tr>
<td></td>
<td>No. of cases carried forward</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>iv)</th>
<th>Oral enquiries against Non Gazetted Officers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of cases pending at the beginning of the quarter</td>
</tr>
<tr>
<td></td>
<td>No. of cases disposed off</td>
</tr>
<tr>
<td></td>
<td>No of cases added during the quarter</td>
</tr>
<tr>
<td></td>
<td>No. of cases carried forward</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>v)</th>
<th>Cases pending for more than 6 months after CVC’s Second Stage Advice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of cases pending at the beginning of the quarter</td>
</tr>
<tr>
<td></td>
<td>No. of cases disposed off</td>
</tr>
<tr>
<td></td>
<td>No of cases added during the quarter</td>
</tr>
<tr>
<td></td>
<td>No. of cases during forward</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>vi)</th>
<th>Cases pending for want of sanction for prosecution in CBI cases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of cases pending at the beginning of the quarter</td>
</tr>
<tr>
<td>vii)</td>
<td>Review under FR 56 (J)</td>
</tr>
<tr>
<td>------</td>
<td>------------------------</td>
</tr>
<tr>
<td></td>
<td>No. of cases pending at the beginning of the quarter</td>
</tr>
<tr>
<td></td>
<td>No. of cases disposed off</td>
</tr>
<tr>
<td></td>
<td>No of cases added during the quarter</td>
</tr>
<tr>
<td></td>
<td>No. of cases carried forward</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>viii)</th>
<th>Please indicate whether the return has been reviewed at Secretary’s level.</th>
</tr>
</thead>
</table>

---

### PART V

**MINISTRY OF CIVIL AVIATION**

**AIR INDIA LTD.**

<table>
<thead>
<tr>
<th>(i) Suspension</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Under Suspension</td>
<td>(Total No. of officials)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Break Up

---

**GOVT. SERVANTS**

- Gazetted
- Non Gazetted

**EMPLOYEES OF PSU**

- Persons of rank of Junior Management Level of PSU & above (Assistant Manager & above)
- Others (Union Category)

---

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October 31, 2011
(b) Under suspension for less than 6 months

(c) Under suspension for over 6 months

(d) Whether over 3 month cases have been reviewed

<table>
<thead>
<tr>
<th></th>
<th>GOVERNMENT SERVANTS</th>
<th>EMPLOYEES OF PSU AIR INDIA EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gazetted</td>
<td>Non Gazetted</td>
</tr>
<tr>
<td>a)</td>
<td>Less than 6 months</td>
<td>Persons of rank of Junior Management Level of PSU &amp; above (Assistant Manager &amp; above)</td>
</tr>
<tr>
<td>b)</td>
<td>Between 6 months</td>
<td>Others (Union Category)</td>
</tr>
<tr>
<td></td>
<td>(No. of Persons)</td>
<td></td>
</tr>
<tr>
<td>c)</td>
<td>More than 1 year</td>
<td></td>
</tr>
</tbody>
</table>
### ANNEXURE - A

1) **AREAS COVERED**

*(Simplification of Rules and Procedures)*

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Areas Covered</th>
<th>Whether Study completed</th>
<th>Whether Recommendations made to concerned Department for action/implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>c)</td>
<td>More than 1 year (No. of Persons)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### ANNEXURE - B

**INSPECTIONS**
Annexure - C

Programme of Inspection

for the Quarter

Officers of the Vigilance Department are expected to focus on sensitive areas, conduct surprise checks, station inspections and field studies as under:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Sensitive Areas of the Department</th>
<th>Surprise Checks/Inspections</th>
<th>Field Studies</th>
</tr>
</thead>
</table>

(The organisation is required to specify the areas to be undertaken for the quarter)

B) Source Information:

For quality CF Cases – Projected:

Completion of Investigation of Investigation pending more than 3 months/six months/one year

D) Compliance of CVC’s Instructions

Compliance of instructions received from CVC is being closely monitored.

E) Time Bound Conclusion of Departmental Enquiries

Annexure - D

Training
96. **Quarterly Progress Report To Be Submitted To Chief Technical Examiner (CTE) Of CVC For Their Examination**

Quarterly Progress Reports of the Civil, Electrical, Horticulture and Procurement of Stores, etc., are required to be submitted to the CTE’s Organisation as an input for them to undertake Technical Examinations by the 15th day of the month following the quarters ending March, June, September and December. The Reports cover details of Original Civil works, Original Horticulture works, Electrical Works, Stores & Purchase Contracts, Medical Equipment, Consultancy contracts, Service Contracts and Medicine Supply contracts. Details in each of these areas are presented as a separate Annexure.

Format for all the Annexures is as below:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of work &amp; Location</th>
<th>Estimated cost in Rs. (Crores)</th>
<th>Tendered amount in Rs. (Crores)</th>
<th>%age. above/below schedule of rates applicable</th>
<th>Agreement No. &amp; Date</th>
<th>Agency</th>
<th>Date of Physical progress</th>
<th>Name of EIC with address</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Rev.No.:00  
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I Quarterly Report pertaining to original works:

Annexure A: Details of original Civil works costing Rs. 1 Crore and above.

Annexure B: Details of Original Horticulture works costing Rs. 2 lakhs and above.

II Quarterly report pertaining to other works:

Annexure A: Details of Electrical Works awarded by Properties and Facilities Department of Air India and Electrical Works awarded by Engineering Facilities Division of Engineering Department, Air India.

Format is same as that for the original works.

Annexure B: Details of Stores and Purchases contracts valued over Rs. 2 Crores.

Format is same as that for the original works, except the name of Engineer-In-charge is replaced with name of the concerned Officer and address of the Supplier.

Annexure C: Details of Medical equipment contracts valued over Rs. 1 Crore.

Format is same as that for the original works, except the name of Engineer-In-charge is replaced with name of the concerned Officer and address of the Supplier.

Annexure D: Details of Consultancy contracts – 2 largest value contracts.

Format is same as that for the original works, except the name of Engineer-In-charge is replaced with the name of the concerned Officer.
Annexure E: Details of Service contracts—2 largest value contracts.

Format is same as that for the original works, except the name of Engineer-In-charge is replaced with the name of the concerned Officer and address of the Supplier.

Annexure F: Details of Medicine Supply contracts valued—4 largest value contracts.

Format is same as that for the original works, except the name of Engineer-In-charge is replaced with the name of the concerned Officer and address of the Supplier.

97. **Follow up on cases**

97.1 Once a case is assigned to an Investigating Officer (IO) for investigation, it will be the responsibility of the concerned IO to follow the case till it reaches its logical conclusion - i.e., even after completion of investigation, the IO is responsible for

(i) keeping track of the case from the time he submits his Report to the Dy.CVO/CVO as it moves from the CVO to the Competent Authority/CVC;

(ii) drafting of the Charge-sheet and its service and thereafter institution of the departmental enquiry;

(iii) conduct of the DE, its timely conclusion and final award of the appropriate penalty after CVO's concurrence.
AIR INDIA VIGILANCE MANUAL

97.2 All the above will be watched and followed up by the IO who will pass on the status information to Administration at each stage of the case. This will primarily ensure ownership of the case and prevent the case from slipping on time frames.

CHAPTER – II : CURRENT VIGILANCE INITIATIVES

98. Improving Vigilance Administration By Leveraging Technology

98.1 In order to resolve the large number of complaints received by CVC about inordinate delays, non-adherence to ‘first-come-first-served’ principle, ambiguities regarding documents and information sought, the raising of piecemeal/dubious queries on applications etc. which often led to allegations of corruption, the CVC felt the need bring about greater transparency and accountability in the discharge of regulatory, enforcement and other public dealings of Government organisations. The CVC, vide their Circular No. 40/11/06 dated 22nd November 2006, instructed government organizations to display greater transparency and accountability in the handling of their public dealings - ranging from Procurement through tendering, Award of contracts/works, Recruitment etc. - by processing them through the following two stages.

98.2 In the first stage, the following requirements are to be complied with:

(a) All Rules and Procedures to be made publicly available by putting them on the Company’s/Organisation’s website.
(b) All Application Forms/Proforma placed on the website should be made available in downloadable form.
(c) All documents to be enclosed or information to be provided by the Applicant should be clearly detailed on the website and should also form part of the Application Form.

(d) Immediately after receipt of the Application, the Applicant is to be informed about the deficiencies, if any, in the documents/information submitted.

(e) No repeated queries are to be made in piecemeal manner and, if done, will be viewed as a 'misconduct' having Vigilance angle.

(f) Adequate publicity about these facilities should be given in newspapers along with website addresses of the Company/organisation.

98.3 In the second stage, the status of individual Applications/matters, including award of contracts/tenders, should be made available on the organization’s website and should be updated from time to time so that the Applicants remain duly informed about the status of their applications.

98.4 By virtue of the above notification of the CVC, while the responsibility for the implementation of the Circular rests with the Company/organisation, Vigilance is responsible for monitoring the implementation of the same.

99. **Integrity Pact Programme**

99.1 The CVC vide their Office Order No. 41/12/07 dated 4th December, 2007, recommended the adoption of the Integrity Pact concept by PSUs.

99.2 The Integrity Pact Programme was adopted by the National Aviation Company of India Ltd. (NACIL - present Air India) wef. 11th June, 2009 in respect of all contracts with a value of Rs. 10 crore and above. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer, committing the
persons/officials of both sides - through a written and signed Agreement - not to resort to any corrupt practices in any aspect/stage of a contract. Only those vendors/bidders, who commit themselves to such a pact with the buyer, would be considered competent to participate in the bidding process.

99.3 As part of the Integrity Pact Programme in Air India, each Department Head has nominated a Nodal Officer who is responsible for reporting and monitoring all Tenders of the value Rs. 10 crore and above. At the Regional level, the EDs of the respective Regions have also nominated Nodal Officers (normally the regional representative from the Materials Management Department) to monitor and report tenders of the value of Rs. 10 crore and above. The Nodal officers shall mandatorily report Tenders having a value of Rs. 10 crores and above to the Nodal Officer of MMD - with a copy to the Nodal Officer of the Vigilance Department - who is designated as the Coordinator for Air India to liaise on a regular basis with the Independent External Monitor (IEM) appointed by Air India for scrutiny of all Tender processing. The Nodal Officers shall send updates at regular periodical intervals to the Nodal Officer of MMD about the status of action during the various phases of the contract: from the stage of Notice Inviting Tenders(NIT)/pre Bid stage, through the stages of evaluation of the Technical and Commercial Bids, to the stage of the last payment and even the later stages covered through warranty, guarantee, etc..

99.4 The Integrity Pact Programme envisages the following role for the IEM:

(i) The IEMs will peruse all Tenders sent to them by the Nodal Officer of MMD and decide on the specific Tenders that they would like to examine in detail. IEMs are also responsible for examining all complaints received by them wrt. any tender above the threshold value and giving their recommendations/views to the Chief Executive of the organization. On a suspicion of serious irregularities requiring
legal/administrative action, the IEMs may also send their reports directly to the CVO and the CVC. For this purpose, the IEM will have access to all Contract documents whenever required. Ideally, IEMs of an organization should meet in two months to take stock of the ongoing tendering processes.

(ii) The recommendations of IEMs would be in the nature of advice and would not be legally binding. The role of the CVO of the organization shall, however, remain unaffected by the presence of IEMs. A matter being examined by the IEMs can be separately investigated into by the CVO in terms of the provisions of the CVC Act or Vigilance Manual, if a complaint is received by the CVO or the CVO is directed by the Commission to investigate.

99.5 While the Materials Management Department have been designated as the nodal department for the implementation of the programme, the role of Vigilance Department is to closely monitor the implementation of the programme.

100. **Access Of CVO To All Complaints**

100.1 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 depends entirely on an 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 lack of appreciation or for other bonafide/malafide reasons. This was also revealed through the Vigilance Audit conducted by the CVC in some organizations.
100.2 In order to have uniform practices and procedures in the handling and processing of complaints in an organisation/department, it was found imperative that a ‘Complaint Handling Policy’ be laid down by all organisations/departments for the receipt, handling and processing within the organisation of all types of complaints/grievances received 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 follow up. All Departments/Organisations have, therefore, been directed by the CVC vide their Circular No. 15/07/09 dated 01st July, 2009 to put in place necessary policy(-ies) and systems in this regard.

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

100.4 The CVC have also directed the CVOs to scrutinize, on a continuous basis, ALL complaints, grievances etc. received by other Departments/Divisions/Units across the Company/organisation in order to ensure that issues/allegations involving Vigilance angle, if any, in such complaints are duly attended to by the Vigilance Department.