

No. 15(7)/2002-DPE(GM)-GL-96
Government of India
Ministry of Heavy Industries and Public Enterprises
(Department of Public Enterprises)

Public Enterprises Bhawan
Block No. 14, C.G.O. Complex
Lodhi Road, New Delhi-110 003

Dated the 11th August, 2009

OFFICE MEMORANDUM

Subject: Purchase of shares by CVOs and other officials in vigilance set up of Central Public Sector Enterprises (CPSEs) under preferential quota meant for employees in Public Issues.

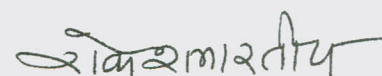
The undersigned is directed to invite attention to the subject mentioned above and to state that it has come to the notice of Central Vigilance Commission (CVC) where the Chief Vigilance Officer (CVO) of a CPSE was allotted shares in the IPO out of quota reserved for employees of the CPSE. CVC felt that such extraordinary benefits compromise the independence and objectivity of CVOs in overseeing vigilance administration in the CPSEs. CVC has, therefore, indicated that outsider full-time CVOs in the CPSEs should not be considered for allotment of shares in IPOs under the preferential quota meant for employees in IPOs of CPSEs.

2. The matter has been considered by the Government and it has been decided to restrict the CVO who is not an employee of that CPSE from applying/allotment of shares under employees quota in Public Issues of CPSEs.

3. This Department had earlier issued consolidated guidelines vide O.M No. 15(7)/2003-DPE(GM) dated 15th December, 2003 on 'Strengthening Vigilance Machinery in Public Sector Enterprises'. In view of the above mentioned observation of CVC, a new Clause (xii) would deemed to have been incorporated therein, which would read as under:

(xii) "CVOs and other officials in vigilance set up of CPSEs, who are not employees in the concerned CPSEs shall not be eligible for allotment of shares in Public Issue under the quota meant for employees of CPSEs. Such extraordinary benefits compromise on independence and objectivity of CVOs in overseeing the vigilance administration in CPSEs."

4. All the administrative Ministries/Departments are requested to suitably instruct the CPSEs under their administrative control in this regard.



(Rakesh Bhartiya)

Director

Tele: 24360218

Secretaries of administrative Ministries /Departments concerned with CPSEs.

Copy to:-

1. Chief Executives of all CPSEs
2. Central Vigilance Commission (Ms. Shalini Darbari, Director), Satarkata Bhavan, G.P.O. Complex, Block A, INA, New Delhi-110023 w.r.t. O.M No. 003/VGL/1(pt)/50390 dated 27.7.09.