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Dr. Sudhir Krishna



सचिव भारत सरकार
Secretary to the Government of India

ps/misc
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ANIC-I
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मुंबई
आवक क्र 5617
दिनांक 12/9/13

D.O.No.K-14011/ 22 /2005-MRTS/Coord
Dated the 29th August 2013

Dear

Subject: Appointment of CVO in Metro Rail Companies having 50:50 ownership of Govt. of India and State Govt. concerned.

The issue of vigilance framework in metro rail companies with 50:50 ownership of Govt. of India and the State Govt. concerned, set up on the pattern of Delhi Metro Rail Corporation Ltd. (DMRC), had been under consideration for a long time. Initially, in 1995, there was only one such company i.e. DMRC. Presently, there are five such companies already set up under the Companies Act, 1956, and a few more are in the offing. The estimated total project cost of on-going metro rail projects including the metro rail project of Jaipur Metro Phase-1, which has been recently cleared by PIB to be taken on this pattern, is about Rs.1,35,000 crore involving both equity contribution by the Central Govt., State Govt. and also Senior Term Debt. All these metro rail projects are being implemented in Central Sector (as metro railway is a Railway and, accordingly, a Central Subject as per Entry 22 of the Union List) and are being implemented under the Central Metro Acts, namely, Metro Railways (Construction of Works) Act, 1978 and the Metro Railways (Operation and Maintenance) Act, 2002, with Ministry of Urban Development, Govt. of India being the administrative ministry.

2. All these joint ownership metro rail companies are Govt. companies as per Clause 617 of the Companies Act, 1956. Furthermore, as per the CVC Act 2003, Section 8(1)(h), these companies would broadly fall under the superintendence over the vigilance administration by the CVC. In fact, C&AG, in the Performance Audit Report of DMRC Phase-I in 2008 (Report No.PA 17 of 2008) has recommended adoption of the guidelines of Deptt. of Public Enterprises, Deptt. of Economic Affairs and Central Vigilance Commission to strengthen corporate governance. Accordingly, this condition of following these guidelines generally has been included as one of the conditions of sanction of all metro rail projects taken up on the 50:50 joint ownership pattern since 2009-10.

3. Presently, DMRC appoints CVO in consultation with CVC. The CVO presently is an employee on absorption in DMRC. In other 50:50 ownership companies, the CVO has not been appointed in consultation with CVC. As far as appointment of CVO is concerned, the Vigilance Manual stipulates that the CVO in a Public Sector Undertaking (PSU), as far as practicable, should not belong to the organization to which he is appointed. It also states that the outsider CVO shall not be permanently absorbed in the PSU on expiry or in continuation of his tenure as CVO in that organisation.

AC(R)

22/10

Assist. (M/G)

✓ M. C. Wale Cont.....2/-
Dr. V. K. S.

4. In view of the above, it has been decided, with the approval of the Minister of Urban Development, that there is a need to strengthen the vigilance administration in these 50:50 joint ownership companies through posting of CVOs by DoPT of the level of Joint Secretary to the Govt. of India in the same manner as is being done in other Central PSUs. Accordingly, I request you kindly to take urgent action in this regard under advice to this ministry.

With regards,

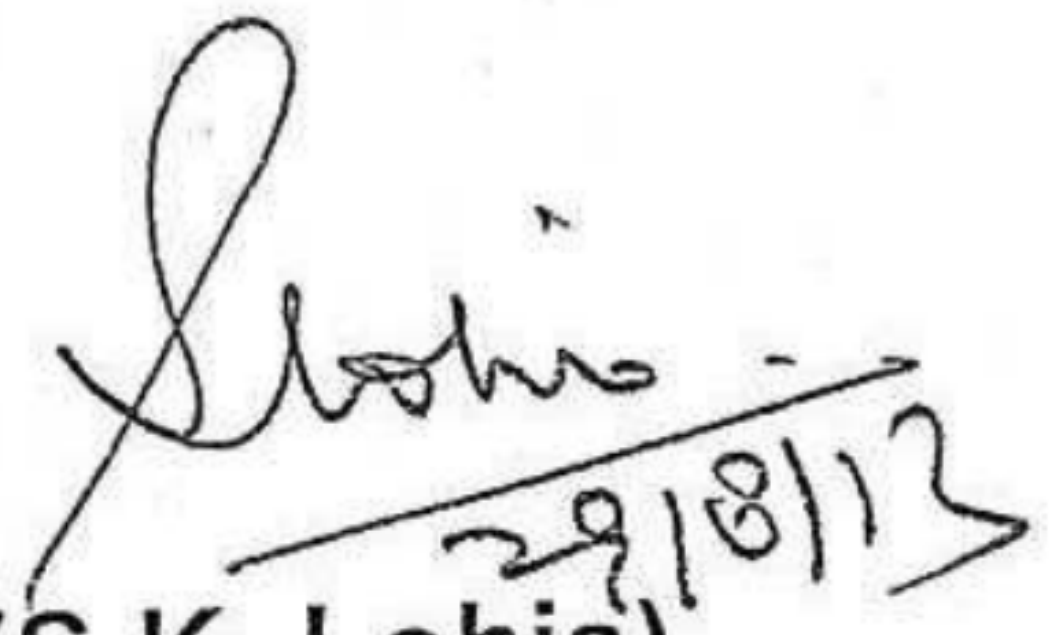
Yours sincerely,

Sd/-
(Sudhir Krishna)

Dr. Syamal Kumar Sarkar,
Secretary,
Department of Personnel & Training,
Ministry of Personnel, Public Grievances and Pensions
North Block,
New Delhi-110001.

Copy to:-

1. CVC, Satarkata Bhavan , INA, New Delhi - 110 023, for kind information and necessary action.
2. Chief Secretaries of all the State Government concerned for kind information.
- ✓ 3. Managing Directors of all Metro Rail Corporations on 50:50 ownership Pattern, for placing it in their respective BoDs.


(S.K. Lohia)
Officer on Special Duty (UT)
& ex-officio Joint Secretary
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