No. 1459 (01)/NIFT-HO/Vig./2025/687

सतर्कता विभाग (मुख्यालय) / Vigilance Department (Head Office)

राष्ट्रीय फैशन प्रोद्योगिकी संस्थान / National Institute of Fashion Technology

हौज-खास, नई दिल्ली / Hauz Khas, New Delhi-110016

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दिनांक - 31 अक्टूबर/October, 2025

कार्यालय ज्ञापन / OFFICE MEMORANDUM

Subject: Master Circular on Definition of Vigilance Angle – regarding / सतर्कता कोण की परिभाषा पर मास्टर परिपत्र के संबंध में -

अधोहस्ताक्षरी को केंद्रीय सतर्कता आयोग द्वारा जारी मास्टर परिपत्र संख्या 01/MC/2025 (024/VGL/068) दिनांकित 23.05.2025 जो कि सतर्कता कोण की परिभाषा पर मास्टर परिपत्र के संबंध में है, की प्रति, अग्रेषित करने का निदेश हुआ है।

The undersigned is directed to forward herewith a copy of Master Circular No. 01/MC/2025 (024/VGL/068) dated 23/05/2025 issued by Central Vigilance Commission regarding "**Master Circular on Definition of Vigilance Angle**".

कृपया इसे सभी संबंधितों को जानकारी तथा अनुपालन हेतु संज्ञान में लाएं।

This may be brought to the notice of all concerned for their information and compliance.

रजनी 31/10/25

(रजनी शाह)

सतर्कता अधिकारी

संलग्नः उपरोक्त

Encl.: As above.

To:

- सभी निफ्ट केंद्र निदेशक /Campus Directors of all NIFT Campuses
- निदेशक (मुख्यालय) / Director (Head Office)
- पंजीयक (मुख्यालय) / Registrar (Head Office)
- सभी निफ्ट केंद्र के उप सतर्कता अधिकारी/Campus DVO's of all NIFTCampuses.
- उप-निदेशक (आई. टी.), निफ्ट मुख्यालय / Deputy Director (IT), NIFT-HO - for uploading the same on Website

सत्यमेव जयते

केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION

सतर्कता भवन, जी.पी.ओ. कॉम्पलैक्स,
ब्लॉक–ए, आई.एन.ए., नई दिल्ली–110023
Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-10023

सं./No. 024/VGL/068

दिनांक / Dated 23.05.2025

Master Circular No. 01/MC/2025

Sub:- Master Circular on Definition of Vigilance Angle.

The Central Vigilance Commission has, from time to time, issued a number of guidelines / circulars to the organizations covered under its advisory jurisdiction, regarding the criteria to be followed while determining the existence of vigilance angle or otherwise, in case a misconduct has come to the notice of the authorities concerned. All the guidelines / Office Orders / Circulars issued by Central Vigilance Commission in the past have now been consolidated at one place in the form of 'Master Circular on Definition of Vigilance Angle', which is enclosed herewith.

2. With the issuance of this Master Circular on 'Definition of Vigilance Angle', all earlier guidelines / Office Orders / Circulars issued on this subject stand superseded. The list of such superseded Circulars / Guidelines / Office Orders is attached as Annex-A to the Master Circular. Henceforth, only the present Master Circular should be referred to, while determining existence of Vigilance Angle or otherwise in case any misconduct against employees of organizations covered under Commission's jurisdiction, comes to notice. As and when required in future, the Master Circular may be updated /modified.

3. The Master Circular has also been uploaded on Commission's website i.e. 'www.cvc.gov.in' under the Head 'Guidelines', Sub-Head 'Vigilance Administration'.

(P. Daniel)
Secretary

Encl: As above.

Copy to:-

(i) The Secretaries of all Ministries/Departments of GoI

(ii) All Chief Executives of CPSUs/Public Sector Banks/Public Sector Insurance Companies/Autonomous Bodies etc.

(iii) All CVOs of Ministries/Departments of GoI/CPSUs/Public Sector Banks/Public Sector Insurance Companies/Autonomous Bodies etc.

(iv) Website of CVC

सत्यमेव जयते

MASTER CIRCULAR
ON
DEFINITION OF VIGILANCE ANGLE

CENTRAL VIGILANCE COMMISSION

CENTRAL VIGILANCE COMMISSION

CONTENTS

SHORT TITLE & COMMENCEMENT.....2

PURPOSE.....2

DEFINITION OF VIGILANCE ANGLE.....2-3

VIGILANCE ANGLE IN PUBLIC SECTOR BANKS 3-5

VIGILANCE ANGLE IN PUBLIC SECTOR INSURANCE COMPANIES.....5-6

VIGILANCE ANGLE IN RESPECT OF QUASI-JUDICIAL FUNCTIONS BEING PERFORMED BY OFFICIALS.....6-9

ACTION ON ADMINISTRATIVE MISCONDUCT.....9

SHORT TITLE & COMMENCEMENT

This circular will be referred as Master Circular on Definition of Vigilance Angle and shall come into effect from the date of its issuance.

PURPOSE

2. The Commission tenders advice in cases involving Vigilance Angle. This master circular is being issued in supersession of all earlier Circulars/Guidelines issued by the Commission from time to time about definition of Vigilance Angle and is aimed at bringing clarity about the same. The list of Circulars/Guidelines being superseded by this Master Circular is enclosed as Annexure 'A'.

(I) DEFINITION OF VIGILANCE ANGLE

3. There are certain categories of misconducts, where existence of vigilance angle becomes quite clear. Vigilance angle would be obvious in following misconducts on the part of an official: -

(i) Demanding and/or accepting gratification other than legal remuneration in respect of an official act or for using his influence with any other official.

(ii) Obtaining valuable thing, without consideration or with inadequate consideration from a person with whom he has or likely to have official dealings or his subordinates have official dealings or where he can exert influence.

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

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

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

4. There are, however, other irregularities where circumstances will have to be weighed carefully to take a view whether the official's

integrity is in doubt. Gross or willful 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, any undue / unjustified delay in disposal of a case, are some of the irregularities where the Disciplinary Authority with the help of the CVO should carefully study the case, consider all relevant factors and weigh the circumstances to come to a conclusion whether there is reasonable ground to doubt the integrity of the official concerned.

5. It is to be kept in view that the purpose of vigilance activity is not to reduce but to enhance the level of managerial efficiency and effectiveness in the organisation. Commercial risk taking is a part of business activities. Therefore, every loss caused to the organisation, either in pecuniary or non- pecuniary terms, need not be considered as having vigilance angle. 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 interest of the organization, is one possible criterion for determining the bonafides 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 and presence of vigilance angle.

(II) VIGILANCE ANGLE IN PUBLIC SECTOR BANKS

6. In Paras 3 to 4 above, common misconducts have been enlisted, indicating presence of vigilance angle in a case. In addition to these misconducts, there are certain acts specific to Public Sector Banks, which may have an identifiable vigilance angle. Some of such misconducts are listed below:-

(a) Irregularities in opening of accounts leading to the creation of fictitious accounts.

(b) Recurrent instances of sanction of Overdrafts (ODs) in excess of discretionary powers / sanctioned limits without reporting.

(c) Frequent instances of accommodations granted to a party against norms e.g., discounting bills against bogus Motor Transport Receipts (MTRs); purchase of bills when bills had earlier been returned unpaid; affording credits against un-cleared effects in the absence of limits and opening Letter of Credits (LCs) when previously opened LCs had devolved;

(d) Cases in which there is a reasonable ground to believe that a penal offence has been committed by the alleged official but the evidence forthcoming is not sufficient for prosecution in a court of law e.g., possession of disproportionate assets;

(e) Misappropriation of Bank's property, money or stores;

(f) Falsification of Bank's records;

(g) Disclosure of secret or confidential information even though it does not fall strictly within the scope of Bank's Secrecy issues;

(h) False claims on the Bank viz., TA claims, reimbursement claims, etc.

(i) Failure to take necessary action to protect the interest of the Bank;

(j) Sacrificing / ignoring the interest of the Bank and causing loss to the Bank.

7. The following actions involving an employee of Public Sector Banks would also come under the purview of vigilance angle, if the employee concerned:

(a) has not acted in accordance with rules and his recommendations are not in the interest of the Bank;

(b) has failed to conduct himself in such a manner that his decisions or recommendations do not appear to be objective and transparent and seem to be calculated to promote improper gains for himself or for anyone else;

(c) has acted in a manner to frustrate or undermine the policies of the Bank or acted against the decisions taken by the management;

(d) seems to have complied with unauthorised and unlawful oral instructions of his seniors without bringing them to the notice of the Competent Authority as per extant guidelines;

(e) has exceeded his discretionary powers and his actions do not appear justifiable or to serve Bank's interest;

(f) has abused or misused his official position to obtain benefit for himself or for another.

8. It may be noted that the list of misconducts as indicated in Paras 6 and 7 above, is only an "illustrative list" and not an exhaustive one. There may be other misconduct by officials of Public Sector Banks which may attract vigilance angle. Therefore, the authorities concerned, including the respective Disciplinary Authority and the Chief Vigilance Officer, should examine a perceived misconduct in the light of broad parameters, as described in Para 3 to 4 above, before arriving at a conclusion regarding presence of vigilance angle or otherwise, in that matter.

(III) VIGILANCE ANGLE IN PUBLIC SECTOR INSURANCE COMPANIES

9. Business in Insurance is a risk transfer mechanism by which an organisation / individual (called "the insured") can exchange uncertainty for certainty. Vigilance angle in Insurance Sectors would be visible in following misconducts:-

(a) Pre-dating of cover notes;

(b) Settlement of bogus claim in collusion with the insured / Surveyor / Workshop;

(c) Payment of an inflated amount as a claim;

(d) Irregularities in disposal of salvage, etc.;

(e) Cases of misappropriation of cash, purchase of inferior material at inflated cost, purchasing, constructing, hiring and releasing of

premises without observing set norms and irregularities in awarding contract;

(f) Acceptance of a bad risk for insurance cover;

(g) Collusion with doctors, Hospitals, Third Party Administrators (TPAs) and other outsourced agencies (Agents, Brokers, Surveyors, Advocates) and others on medical examination of prospects;

(h) Deliberate bad underwriting practices;

(i) Acting against the interest of the company in placement of funds;

10. It may be noted that the list of misconducts as indicated in Para 9 above, is only an "illustrative list" and not an exhaustive one. There may be other misconducts by officials of Public Sector Insurance Companies which may attract vigilance angle. Therefore, the authorities concerned, including the respective Disciplinary Authority and the Chief Vigilance Officer, should examine a perceived misconduct in the light of broad parameters, as described in Para 3 to 4 above, before arriving at a conclusion regarding presence of vigilance angle or otherwise, in that matter.

(IV) VIGILANCE ANGLE IN RESPECT OF QUASI-JUDICIAL FUNCTIONS BEING PERFORMED BY OFFICIALS

11. It has been observed that there is lack of uniformity in examination of lapses / misconducts committed by officials performing quasi-judicial functions. In certain cases, it is routinely defended that the official had exercised his quasi-judicial powers and no disciplinary proceedings were warranted. In certain other cases, for similar lapses, disciplinary proceedings were proposed alleging that the official had shown recklessness or acted negligently and lacked devotion to duty. It may be noted that the Hon'ble Supreme Court had laid down the criteria for examination of cases against officers exercising quasi-judicial functions in the *K.K. Dhawan Vs. UoI case (1993 AIR 1478)* case. The same was being ignored by organizations consequent upon Hon'ble Supreme Court's judgement in another case of Z.B. Nagarkar Vs.

Union of India [(1999) INSC 311]. Later on, the Hon'ble Supreme Court in its judgment in the case of Union of India Vs. Duli Chand has clarified that the decision in the Z.B. Nagarkar's case did not represent the law correctly and the decision in the *K.K. Dhawan Vs. UoI case (1993 AIR 1478)* case (decided earlier by a larger bench of the Supreme Court) would prevail. The criteria laid down by the Hon'ble Supreme Court in K.K. Dhawan's case is reproduced below:-

(a) Where the officer had acted in a manner as would reflect on his reputation for integrity or good faith or devotion to duty.

(b) If there is prima facie material to show recklessness or misconduct in the discharge of his duty;

(c) If he has acted in a manner which is unbecoming of a Government Servant;

(d) If he had acted negligently or that he omitted the prescribed conditions which are essential for the exercise of the statutory powers;

(e) If he had acted in order to unduly favour a party;

(f) If he had actuated by corrupt motive, however, small the bribe may be because Lord Coke said long ago "though the bribe may be small, yet the fault is great".

12. Further, The Hon'ble Supreme Court in its judgment dated 12th July 2016 in *R.R. Parekh Vs. Gujarat High Court Case (Civil Appeal Nos. 6116-6117 of 2016 [AIR 2016 SC 3356]*, has prescribed the procedure / principles to be followed while examining cases against an official exercising judicial function. The relevant part (Para 15) of the judgment is reproduced below:

"The issue of whether a judicial officer has been actuated by an oblique motive or corrupt practice has to be determined upon a careful appraisal of the material on the record. Direct evidence of corruption may not always be forthcoming in every case involving a misconduct of this nature. A wanton breach of the governing principles of law or procedure may well be indicative in a given case of a motivated, if not reckless disregard of legal principle. In the absence of a cogent

explanation to the contrary, it is for the disciplinary authority to determine whether a pattern has emerged on the basis of which an inference that the judicial officer was actuated by extraneous considerations can be drawn. Cases involving misdemeanours of a judicial officer have to be dealt with sensitivity and care. A robust common sense must guide the disciplinary authority. At one end of the spectrum are those cases where direct evidence of a misdemeanour is available. Evidence in regard to the existence of an incriminating trail must be carefully scrutinized to determine whether an act of misconduct is established on the basis of legally acceptable evidence. Yet in other cases, direct evidence of a decision being actuated by a corrupt motive may not be available. The issue which arises in such cases is whether there are circumstances from which an inference that extraneous considerations have actuated a judicial officer can legitimately be drawn. Such an inference cannot obviously be drawn merely from a hypothesis that a decision is erroneous. A wrong decision can yet be a bona fide error of judgment. Inadvertence is consistent with an honest error of judgment. A charge of misconduct against a judicial officer must be distinguished from a purely erroneous decision whether on law or on fact.....".

13. The principles laid down by Hon'ble Supreme Court for determining as to whether an act of a judicial officer has been actuated by an oblique manner or corrupt practice are as below:

(a) Since, direct evidence of corruption may not always be forthcoming in every case involving a misconduct, a wanton breach of the governing principles of law or procedure may well be indicative in a given case of a motivated, if not reckless disregard of legal principle.

(b) In the absence of cogent explanation, it is for the disciplinary authority to determine whether a pattern has emerged on the basis of which an inference that an officer was actuated by extraneous considerations can be drawn.

(c) The disciplinary authority has to determine whether there has emerged from the record one or more circumstances that indicate that the

decision which form the basis of the charge of misconduct was not an honest exercise of judicial power.

(d) A charge of misconduct against a judicial officer must be distinguished from a purely erroneous decision whether on law or on fact.

14. The commission desires that the CVOs and the authorities concerned in the respective organisations while considering the lapses of officials exercising quasi-judicial powers, should keep in mind the criteria laid down by the Hon'ble Supreme Court in its decisions in case of K.K.Dhawan's Vs. UoI case (1993 AIR 1478) & R.R.Parekh Vs. Gujarat High Court Case (Civil Appeal Nos. 6116-6117 of 2016 [AIR 2016 SC 3356] as brought out in Paras 10 and 12 above, and arrive at a decision accordingly including in those cases, where CVC is to be approached for advice.

(V) ACTION ON ADMINISTRATIVE MISCONDUCT

15. 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 relevant service rules.

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Annexure – 'A'

LIST OF CIRCULARS / GUIDELINES BEING SUPERCEDED BY MASTER CIRCULAR ON DEFINITION OF VIGILANCE ANGLE

S. No.	Subject	Office Order / Circular No.	Date
1	Vigilance Angle – definition of.	23/04/04	13.04.2004
2	Vigilance angle - definition of (partial modification regarding)	74/12/05	21.12.2005
3	Criteria to be followed while examining the lapses of authorities exercising quasi-judicial powers in accordance with the criteria laid down by the Hon'ble Supreme Court.	39/11/07	01.11.2007
4	Criteria to be followed while examining the lapses of authorities exercising judicial or quasi-judicial functions -regarding.	12/10/16	24.10.2016
5	Amendment/Modification to Para 8.1 of Chapter VIII of Vigilance Manual, 2021 -Vigilance Angle in Public Sector Banks – Reg.	16/08/22	29.08.2022
6	Para 9.1 of Special Chapter on Vigilance Management in Public Sector Insurance Companies vis-à-vis the role and Functions of the CVC.	98/VGL/62	15.10.2001