

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:3667
ANSWERED ON:13.02.2014
IRREGULARITIES IN THE FUNCTIONING OF PSUS
Vijayan Shri A.K.S.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) Whether the Central Vigilance Commission (CVC) has pointed out several irregularities and corrupt practices in the functioning of Public Sector Undertakings (PSUs) in all prominent sectors;
- (b) If so, the details thereof, sector/PSU-wise;
- (c) Whether the CVC has also expressed concern about the inaction on the part of the authorities in plugging these irregularities; and
- (d) If so, the action taken/proposed to be taken by the Government in this regard?

Answer

MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) to (d): The CVC conveys the irregularities detected in the functioning of a PSU directly to its administrative Ministries/Departments, which is responsible for taking necessary corrective action. The CVC reviews the action taken by the administrative Ministries/Departments and issues further, necessary advice/instructions.

Data on irregularities and corrupt practices in the functioning of Public Sector Undertakings (PSUs) in all prominent sectors is not centrally maintained in this Department.

The Commission observed that public procurement is one of the prime area vulnerable to corruption and there is need for clear and transparent procedure for enhancing the competitiveness in public procurement. The Commission stresses on the need to adhere to the time frame in investigation and timely submission of reports.

The Commission advise the CVOs about the focus areas where they need to pay greater attention to ensure that the vigilance mechanism functions smoothly and effectively. The Annual Zonal /Sectoral meetings held every year provide the platform for sharing ideas and best practices concerning vigilance work. The need for a centralized Complaint Handling System and specialized training for vigilance staff is also emphasized. Commission also desires that CVOs should give more focused attention towards preventive vigilance work. Constant review of existing systems and procedures, and leveraging of technology through e-procurement and reverse auctions as a tool for greater transparency is emphasized by the Commission.