

(11) (135)

No. AN-I/1382/6/VSN  
Government of India  
Ministry of Defence (Finance)  
Controller General of Defence Accounts  
Ulan Batar Road, Palam, Delhi Cantt-110010

MEMORANDUM

Dated the 5<sup>th</sup> January, 2015

In pursuance of the sanction accorded by the President under Rule 9 of the Central Civil Services (Pension) Rules, 1972, for instituting departmental proceedings against Shri VS Nagarajan, IDAS (Retd.) vide Presidential order bearing Ministry of Defence (Finance)/ Controller General of Defence Accounts Order No AN-I/1382/6/VSN dated 05.01.2015, it is proposed to hold an inquiry against the said Shri VS Nagarajan in accordance with the procedure laid down in Rules 14 and 15 of the Central Civil Services (Classification, Control and Appeal) Rules, 1965.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed statement of articles of charge (Annexure-I). A statement of the imputations of misconduct or misbehavior in support of each article of charge is enclosed (Annexure-II). A list of documents by which, and a list of witnesses by whom, the articles of charge are proposed to be sustained are also enclosed (Annexures III and IV).

3. Shri VS Nagarajan is directed to submit within 10 days of the receipt of this Memorandum a written statement of his defence and also to state whether he desires to be heard in person.

4. He is informed that an inquiry will be held only in respect of those articles of charge as are not admitted. He should, therefore, specifically admit or deny each article of charge.

5. Shri VS Nagarajan is further informed that if he does not submit his written statement of defence on or before the date specified in Para 3 above, or does not appear in person before the inquiring authority or otherwise fails or refuses to comply with the provisions of Rules 14 and 15 of the Central Civil Services (Classification, Control and Appeal) Rules, 1965, or the orders/directions issued in pursuance of the said Rules, the inquiring authority may hold the inquiry against him *ex parte*.

6. The receipt of this Memorandum may be acknowledged.

BY ORDER AND IN THE NAME OF THE PRESIDENT

  
(Sangeet)

Deputy Controller General of Defence Accounts (Administration)

To

Shri V. S. Nagarajan, IDAS (Retd)  
A-2, 901 KUMAR KRUTI  
OPP. D' Mart  
Kalyani Nagar, Pune-411014

[Through PCDA (Officers) Pune]

**Statement of articles of charge framed against Shri VS Nagarajan, IDAS (Retd),  
the then Deputy Controller of Defence Accounts at PCDA (Navy) Mumbai**

**Article-I**

That the said Shri VS Nagarajan IDAS (Retd) while functioning as Group Officer (Administration) in the office of the PCDA (Navy), Mumbai during 2009-2012 recommended/sanctioned expenditure for payment of outsourced Casuals and Data Entry Operators (DEOs) who were deployed for maintenance of Demand Register, Income Tax Register, Processing of bills/claims, filing of broad sheets, credit/debit memos in TA section which involve responsible and technical aptitude and not to be outsourced to individuals who do not fall under the ambit of Conduct Rules. Engagement of casuals/DEOs was in contravention to Rule 178 of General Financial Rules (GFR) and terms and conditions for employment of casual labour. The expenditure so incurred had been unauthorizedly booked to Navy Head (1/685/00), which pertains to other Misc Expenditure of Defence services (Navy). As in -Charge of Admin section Shri VS Nagarajan did not ensure the objective of funds in terms of Rules 21, 25, 26 and 178 of GFR and not complied with his duties prescribed in appendix 1 referred to in Para 367 of Office Manual Part I.

Thus, by his above act of misconduct Shri VS Nagarajan failed to maintain absolute integrity and devotion to duty, and acted in a manner which is unbecoming of a Government Servant thereby, violating the provisions of Rule 3 (1)( i), (ii) and (iii) of Central Civil Services (Conduct) Rules, 1964.

**Article-II**

That the said Shri VS Nagarajan IDAS (Retd) while functioning as Group Officer (Administration) in the office of the PCDA (Navy), Mumbai during 2009-2012 recommended/sanctioned expenditure for procurement of stores without ensuring availability of budget/fund and the expenditure so incurred was unauthorizedly booked under Code head 01/685/00 which pertains to Navy Misc expenditure. Such payments were also made in cash instead of e-payment/cheques in violation of CVC guidelines. As in - Charge of Admin section Shri VS Nagarajan did not ensure the objective of funds in terms of Rules 21,25 and 26 of GFR and not complied with his duties prescribed in appendix 1 referred to in Para 367 of Office Manual Part I.

Thus, by his above act of misconduct Shri VS Nagarajan failed to maintain absolute integrity and devotion to duty, and acted in a manner which is unbecoming of a Government Servant thereby, violating the provisions of Rule 3 (1) (i), (ii) and (iii) of Central Civil Services (Conduct) Rules, 1964.

**Article-III**

That the said Shri V.S. Nagarajan IDAS (Retd) while functioning as Group Officer (Administration) in the office of the PCDA (Navy), Mumbai during the period 2009-2012 recommended hiring of private vehicles and payment was released to M/s T.S. Travels and booked unauthorizedly to Code head 01/685/00 which pertains to Navy Misc Expenditure. Inordinate expenditure from Government fund for the purpose other than authorized expenditure was irregular and unjustified. As in-Charge of administration Shri VS Nagarajan did not ensure the objective of funds in terms of Rules 21, 25 and 26 of GFR and not complied with his duties prescribed in appendix 1 referred to in Para 367 of Office Manual Part I.



Thus, by his above act of misconduct Shri VS Nagarajan failed to maintain absolute integrity and devotion to duty, and acted in a manner which is unbecoming of a Government Servant thereby, violating the provisions of Rule 3 (1) (i), (ii) and (iii) of Central Civil Services (Conduct) Rules, 1964.

**Article-IV**

That the said Shri V.S. Nagarajan, while functioning as Group Officer (Administration) in the office of the PCDA (Navy), Mumbai during 2009-2012 recommended/sanctioned expenditure for services viz renovation of office, guest house, residential complex, AMC of computers and peripherals, AMC for water coolers, air conditioners and water purifier etc without ensuring availability of funds and expenditure on this accounts was unauthorizedly booked to Navy Misc code head. The Code head to which the expenditure was being booked, availability of funds, progressive expenditure incurred etc were not taken care of. As in-Charge of Admin section Shri VS Nagarajan did not ensure the objective of funds in terms of Rules 21,25 and 26 of GFR and not complied with his duties prescribed in appendix 1 referred to in Para 367 of Office Manual Part I.

Thus, by his above act of misconduct Shri V.S. Nagarajan failed to maintain absolute integrity and devotion to duty, and acted in a manner which is unbecoming of a Government Servant thereby, violating the provisions of Rule 3 (1) (i), (ii) and (iii) of Central Civil Services (Conduct) Rules, 1964.

**ANNEXURE-II****Statement of imputation of misconduct or misbehavior in support of the articles of charge framed against Shri V.S. Nagarajan, IDAS (Retd.), the then Deputy Controller of Defence Accounts at PCDA (Navy), Mumbai****Article-I**

That the said Shri V.S. Nagarajan, IDAS (Retd) while functioning as Group Officer (Administration) in the office of the PCDA (Navy), Mumbai during the period 2009-2012 sanctioned/recommended expenditure for payment of outsourced Casuals and Data Entry Operators (DEOs) who were deployed for maintenance of Demand Register, Income Tax Register, Processing of bills/claims, filing of broad sheets, credit/debit memos in TA section which involve responsible and technical aptitude and not to be outsourced to individuals who do not fall under the ambit of Conduct Rules. Rule 178 of General Financial Rules (GFR) permits outsourcing of services in the interest of economy and efficiency without contravening the basic guidelines on the subject. As per general terms and condition for employment of casual labour, persons on daily wages should not be recruited for work of regular nature. Recruitment of daily wages may be made only for work which is of casual or seasonal or intermittent nature or for work which is not of full time nature, for which regular posts cannot be created. Rule does not permit engagement of casuals and DEOs on regular basis who are detailed to carry out duties supposed to be carried out by regular Govt. employees. Engagement of casuals/DEOs was in contravention to Rule 178 of GFR and terms and conditions for employment of casual labour. As per Rule 25 (1) of GFR all sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom such expenditure is to be met. Shri VS Nagarajan did not adhere to aforesaid provisions of the GFR and sanctioned/recommended expenditure without mentioning the provisions of fund and the fund of Navy Misc head was used to incur expenditure. As per rules 21 and 26 of GFR, it should be ensured that the expenditure is incurred for the purpose for which funds have been provided. However, these provisions were not complied with and the fund of Navy Misc head was unauthorizedly used to make payment of casuals and DEOs employed in PCDA (Navy), Mumbai. As per classification hand book, budgetary head 01/685/00 pertains to other misc Expenditure of Indian Navy. As in-Charge of administration Shri V.S. Nagarajan did not ensure the objective of funds in terms of Rules 21, 25 and 26 of GFR and not complied with his duties prescribed in appendix 1 referred to in Para 367 of Office Manual Part I.

Thus, by his above acts of misconduct, the said Shri V.S. Nagarajan, failed to maintain absolute integrity and devotion to duty, and acted in a manner unbecoming of a Government Servant, thereby violating Rule 3 (1) (i), (ii) and (iii) of the Central Civil Services (Conduct) Rules, 1964.

**Article-II**

That the said Shri V.S. Nagarajan, IDAS (Retd) while functioning as Group Officer (Administration) in the office of the PCDA (Navy), Mumbai during the period 2009-2012 sanctioned/recommended expenditure for procurement of stores and the said expenditure was unauthorizedly booked under code head 01/685/00 which pertains to Navy Misc expenditure. As per rules 21 and 26 of GFR, it should be ensured that the expenditure is incurred for the purpose for which funds have been provided. As per Rule 25 (1) of GFR all sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom such expenditure is to be met. Shri VS Nagarajan did not adhere to aforesaid provisions of



the GFR and sanctioned/recommended expenditure without mentioning the provisions of fund and the fund of Navy Misc head was unauthorizedly used to incur for procurement of stores for PCDA (Navy), Mumbai. As per classification hand book, budgetary head 01/685/00 pertains to other misc expenditure of Indian Navy. Payment was also made in cash instead of e-payment/cheque in violation of CVC guidelines prescribed under their Office Order No. 20/4/04 circulated vide No. 98/ORD/1 dated 06.04.2004 and instructions contained in CGDA circulars No. A/III/12157/ECS/COMM-IV dated 24.10.2006 and A/III/12157/ECS/COMM-VIII dated 20.05.2009. As in-Charge of administration section Shri V.S. Nagarajan did not ensure the objective of funds in terms of Rules 21,25 and 26 of GFR and not complied with his duties prescribed in appendix 1 referred to in Para 367 of Office Manual Part I.

Thus, by his above acts of misconduct, the said Shri V.S. Nagarajan IDAS (Retd.) failed to maintain absolute integrity and devotion to duty, and acted in a manner unbecoming of a Government Servant, thereby violating Rule 3 (1) (i), (ii) and (iii) of the Central Civil Services (Conduct) Rules, 1964.

**Article-III**

That the said Shri V.S. Nagarajan, IDAS (Retd) while functioning as Group Officer (Administration) in the office of the PCDA (Navy), Mumbai during the period 2009 - 2012 hired private vehicles. Shri V.S. Nagarajan recommended /sanctioned the proposal for expenditure on this account and the amount was booked to code head 01/685/00 for use of hired private vehicle. Inordinate expenditure from Government fund for personal use and booking of expenditure to Navy Misc head was irregular and unjustified. Further as per rules 21 and 26 of GFR, Shri VS Nagarajan being Group officer (Administration) of PCDA (Navy) was responsible to ensure that the expenditure is incurred for the purpose for which funds have been provided. As per Rule 25 (1) of GFR all sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom such expenditure is to be met. Shri V.S. Nagarajan did not adhere to aforesaid provisions of the GFR and recommended/sanctioned expenditure without mentioning the provisions of fund and the fund of Navy Misc head was used to incur for hiring vehicles. As per classification hand book, budgetary head 01/685/00 pertains to other misc expenditure of Indian Navy. As in- Charge of the Admin section Shri VS Nagarajan did not ensure the objective of funds in terms of Rues 21, 25 and 26 of GFR and not complied with his duties prescribed in appendix 1 referred to in Para 367 of Office Manual Part I.

Thus, by his above acts of misconduct, the said Shri V.S. Nagarajan IDAS (Retd.), failed to maintain absolute integrity and devotion to duty, and acted in a manner unbecoming of a Government Servant, thereby violating Rule 3 (1) (i), (ii) and (iii) of the Central Civil Services (Conduct) Rules, 1964.

**Article-IV**

That the said Shri V.S. Nagarajan, IDAS (Retd) while functioning as Group Officer (Administration) in the office of the PCDA (Navy), Mumbai during the period 2009 - 2012 sanctioned/recommended expenditure for services viz renovation of office, guest house, residential complex, AMC of computers and peripherals, AMC for water coolers, air conditioners and water purifier etc and expenditure on this account was booked to Navy Misc code head. The Code head to which the expenditure was being booked, availability of funds, progressive expenditure incurred etc were not taken care of while according/recommending sanction. As per

rules 21 and 26 of GFR, it should be ensured that the expenditure is incurred for the purpose for which funds have been provided. As per Rule 25(1) of GFR all sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom such expenditure is to be met. Shri V.S. Nagarajan did not adhere to aforesaid provisions of the GFR and sanctioned/recommended expenditure without mentioning the provisions of fund and the fund of Navy Misc head was used to incur expenditure for services of PCDA (Navy), Mumbai. As per classification hand book, budgetary head 01/685/00 pertains to other misc expenditure of Indian Navy. As in-Charge of administration section Shri V.S. Nagarajan did not ensure the objective of funds in terms of Rules 21, 25 and 26 of GFR and not complied with his duties prescribed in appendix 1 referred to in Para 367 of Office Manual Part I.

Thus, by his above act of misconduct Shri VS Nagarajan, failed to maintain absolute integrity and devotion to duty, and acted in a manner which is unbecoming of a Government Servant thereby, violating the provisions of Rule 3 (1) (i), (ii) and (iii) of Central Civil Services (Conduct) Rules, 1964.



**List of documents by which the articles of charge framed against Shri V.S. Nagarajan, IDAS (Retd.), the then Deputy Controller of Defence Accounts are proposed to be sustained.**

1. Extract of appendix 1 referred to in para 367 of Office Manual Part-I.
2. Extract of Rules 21, 25, 26 and 178 of GFR.
3. Copy of classification Hand Book in r/o code head 01/685/00
4. Extract of general terms and conditions for employment of casual labor.
5. Summary of expenditure booked under code head 01/685/00 by AN Section of PCDA(Navy) during 2009-10, 2010-11 and 2011-12.
6. CVC letter No.98/ORD/1 dated 6<sup>th</sup> April 2004
7. CGDA letter No. A/III/12157/ECS/COMM-VIII dated 20/05/2009
8. CGDA letter No. A/III/12157/ECS-Comm-IV dated 24<sup>th</sup> October 2006
9. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 25.01.2010 and Contingent Bill in r/o of DV No. 24 of 02/10.
10. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 08.03.2010 and Contingent Bill in r/o of DV No. 59 of 03/10.
11. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 12.03.2010 and Contingent Bill in r/o of DV No. 64 of 03/10.
12. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 08.03.2010 and Contingent Bill in r/o of DV No. 68 of 03/10.
13. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 08.03.2010 and Contingent Bill in r/o of DV No. 72 of 03/10.
14. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 16.02.2010 and Contingent Bill in r/o of DV No. 91 of 03/10.
15. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 22.03.2010 and Contingent Bill in r/o of DV No. 98 of 03/10.
16. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 22.03.2010 and Contingent Bill in r/o of DV No. 99 of 03/10.
17. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 19.03.2010 and Contingent Bill in r/o of DV No. 111 of 03/10.
18. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 12.03.2010 and Contingent Bill in r/o of DV No. 141 of 03/10.
19. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 31.03.2010 and Contingent Bill in r/o of DV No. 142 of 03/10.

20. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 10.03.2010 and Contingent Bill in r/o of DV No. 154 of 03/10.
21. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 30.03.2010 and Contingent Bill in r/o of DV No. 155 of 03/10.
22. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 30.03.2010 and Contingent Bill in r/o of DV No. 156 of 03/10.
23. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 30.03.2010 and Contingent Bill in r/o of DV No. 157 of 03/10.
24. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 31.03.2010 and Contingent Bill in r/o of DV No. 158 of 03/10.
25. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 30.03.2010 and Contingent Bill in r/o of DV No. 169 of 03/10.
26. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 31.03.2010 and Contingent Bill in r/o of DV No. 179 of 03/10.
27. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 31.03.2010 and Contingent Bill in r/o of DV No. 181 of 03/10.
28. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 31.03.2010 and Contingent Bill in r/o of DV No. 183 of 03/10.
29. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 19.03.2010 and Contingent Bill in r/o of DV No. 184 of 03/10.
30. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 02.05.2011 and Contingent Bill in r/o of DV No. 19 of 05/11.
31. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 20.06.2011 and Contingent Bill in r/o of DV No. 56 of 06/11.
32. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 10.11.2010 and Contingent Bill in r/o of DV No. 59 of 06/11.
33. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 17.06.2011 and Contingent Bill in r/o of DV No. 60 of 06/11.
34. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 15.09.2011 and Contingent Bill in r/o of DV No. 57 of 20/09/11.
35. PCDA (Navy), Mumbai Contingent Bill in r/o of DV No. 58 of 20/09/11.
36. PCDA (Navy), Mumbai office Note No. EDP/01/LP/GOA dated 10.06.2011 and Contingent Bill in r/o of DV No. 59 of 20/09/11.
37. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 14.09.2011 and Contingent Bill in r/o of DV No. 70 of 22/09/11.
38. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 14.09.2011 and Contingent Bill in r/o of DV No. 72 of 22/09/11.



- 39. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 16.09.2011 and Contingent Bill in r/o of DV No. 78 of 23/09/11.
- 40. PCDA (Navy), Mumbai office Note No. AN/IV/015/Misc dated 12.09.2011 and Contingent Bill in r/o of DV No. 91 of 28/09/11.
- 41. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 09.01.2012 and Contingent Bill in r/o of DV No. 29 of 01/2012.
- 42. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 09.01.2012 and Contingent Bill in r/o of DV No. 30 of 01/2012.
- 43. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 12.01.2012 and Contingent Bill in r/o of DV No. 31 of 01/2012.
- 44. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 09.01.2012 and Contingent Bill in r/o of DV No. 43 of 01/2012.
- 45. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 24.01.2012 and Contingent Bill in r/o of DV No. 68 of 01/2012.
- 46. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 19.01.2012 and Contingent Bill in r/o of DV No. 73 of 01/2012.
- 47. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 16.01.2012 and Contingent Bill in r/o of DV No. 74 of 01/2012.
- 48. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 16.01.2012 and Contingent Bill in r/o of DV No. 83 of 01/2012.
- 49. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 24.01.2012 and Contingent Bill in r/o of DV No. 86 of 01/2012.
- 50. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 25.01.2012 and Contingent Bill in r/o of DV No. 87 of 01/2012.
- 51. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 19.01.2012 and Contingent Bill in r/o of DV No. 88 of 01/2012.
- 52. PCDA (Navy), Mumbai office Note No. AN/IV/105 dated 25.01.2012 and Contingent Bill in r/o of DV No. 89 of 01/2012.

2

~~126~~

ANNEXURE-IV

List of witnesses by whom the articles of charge framed against Shri V.S. Nagarajan, IDAS (Retd), the then Deputy Controller of Defence Accounts at PCD A (Navy), Mumbai are proposed to be sustained.

.....NIL.....