

LOKPAL OF INDIA
Plot No.6, Institutional Area, Phase-II
Vasant Kunj
New Delhi - 110070

Complaint No. : 193/2024

Date : 07.01.2025

Coram : **Shri Justice A.M. Khanwilkar**
Chairperson

Shri Justice L. Narayana Swamy
Judicial Member

Shri Justice Sanjay Yadav
Judicial Member

Shri Sushil Chandra
Member

Shri Justice Ritu Raj Awasthi
Judicial Member

Shri Pankaj Kumar
Member

Shri Ajay Tirkey
Member

ORDER

1. Vide Order dated 27.09.2024, the Full Bench directed the Central Bureau of Investigation (CBI) to inquire into the complaint and submit a Preliminary Inquiry Report by 13.11.2024.



2. After seeking an extension, vide letter dated 07.12.2024, the CBI has submitted their PI Report.
3. The PI report consists of an allegation-wise inquiry report, comments of the Respondent Public Servants (RPSs), comments of the Competent Authority and mentions of various documents/papers, etc. referred to when the PI was undertaken.
4. The list of officials of Andhra Pradesh Handicrafts Development Corporation (APHDC) Limited and the Principal Secretary to the Government of Andhra Pradesh mentioned in the PI is given below:
 - (1) Shri Meda Balasubramanyam Reddy, VC & MD, - **RPS-1**
APHDC, Vijayawada
 - (2) Shri I.V. Lakshminath, OSD, APHDC, - **RPS-2**
Vijayawada
 - (3) Smt.Sunitha Kolaventy, Principal Secretary to - **RPS-3**
Government, Industries and Commerce
Department, Government of Andhra Pradesh
 - (4) Shri M. Vishwa, Executive Director, APHDC, - **RPS-4**
Vijayawada
5. The gist of the allegations as mentioned in the PI Report were as follows:-
 - (i) It is alleged that suspected diversion and sale of government allotted Red Sanders Wood (RSW) meant for artisans by (APHDC).



- (ii) It is alleged that the accused officials of APHDC Limited collected bribes to extend the retirement age of APHDC employees, exploiting Government orders meant for other purposes.
 - (iii) The APHDC Limited management bypassed constitutional provisions and Government guidelines to engage private manpower agency for outsourcing staff, collecting illegal payments in the process.
 - (iv) Statutory audits and accounts have been pending since 2014, leading to widespread corruption and mismanagement, depriving artisans of essential resources and opportunities.
 - (v) I.V. Lakshminath, a reappointed retired employee, has been accused of engaging a corrupt practices and failing to perform his duties, further contributing to the Corporation's mismanagement.
6. CBI inquired into each allegation and concluded all allegations were unsubstantiated.
7. The Full Bench considered the entire material placed before the Bench, viz, PI Report of CBI, comments obtained from the RPSs, comments obtained from the Competent Authority, statements of witnesses, various documents referred to and the conclusions arrived at by the IO, CBI.



8. The observation and the conclusions arrived at by the IO when tested on the anvil of cogent material evidence on record, we perceive that Allegation Nos. 1, 3, 4 and 5 including corruption against the RPSs are unsubstantiated as would warrant any further action against the RPSs.
9. Allegation No.2, is reproduced below: -

“Illegal enhancement of age of superannuation to APHDC Employees

The Government in G.O.Ms.No. 15, Finance Department, dated 31-01-2022 enhanced the age of superannuation from 60 years to 62 years. Taking advantage of the orders, the Principal Secretary, K. Sunitha, VC & MD, Meda Balasubramanyam Reddy, OSD I.V.Lakshminath, have collected huge sums of money and issued proceedings for enhancement of age of superannuation. But the Government have issued instructions on applicability of extension of superannuation age”.

10. The IO concluded in respect of Allegation No.2 that the Inquiry hereby revealed that as alleged there is no role of RPS-2, RPS-3 and RPS-4 who were not part of the decision making nor concerned for the initiation of tender, its process, decision making etc. Inquiry revealed that the such enhancement of retirement of age by RPS-1 being the VC & MD, APHDC Limited is justified due to following reasons: -

- (i) On the previous occasion of enhancement of retirement age from 58 years to 60 years, the VC&MD was empowered in the Board Meetings to take decision and



further VC & MD of APHDC Limited was empowered to amend the relevant portion of the APHDC Limited guidelines. Henceforth, RPS-1 Shri Balasubramanyam Reddy initiated the same, by placing before the board of APHDC Limited and with the concurrence of the Board, went ahead to adopt the Government Order regarding enhancement of retirement age from 60 years to 62 years to the regular employees of APHDC Limited.

- (ii) Further, upon receiving indications from the Government, RPS-1, then VC & MD, APHDC Limited reverted the order of enhancement of retirement of age from 60 years to 62 years and brought back to the retirement age to 60 years for regular employees.
- (iii) Inquiry further revealed that after the order issued by RPS-1, the finance department has issued further orders for non-applicability of enhancement of retirement age from 60 years to 62 years to the State PSUs including APHDC Limited.
- (iv) Inquiry revealed that since the RPS-1, i.e. Shri Meda Balasubramanyam Reddy, VC & MD of APHDC Limited has got the decision of enhancement reversed prior to the



Finance Department's clarification, no action was initiated against him even by the Government of Andhra Pradesh.

(v) Inquiry revealed that no bribes were paid by the regular employees of APHDC Limited to any of the RPS for making orders of enhancement of retirement age from 60 to 62 years.

(vi) In view of the above, the allegation No. 2 is not substantiated.

11. The following sequence of events is observed in respect of Allegation No.2:-

- The Government of Andhra Pradesh vide G.O.Ms.No. 15, Finance Department, dated 31-01-2022 enhanced the age of superannuation from 60 years to 62 years in respect of State Government employees.
- Based on many representations received from the individuals working under various corporations and the concerned administrative departments for similar extensions to the employees working under their control, the State Government vide letter dated 13.04.2022 sought certain information and the same was submitted on 19.04.2022 by VC & MD to the Finance Department.



- Item No. 169/6 was put up into the Agenda in the 169th Meeting of Board of Directors for consideration and approval of the said G.O. by VC & MD on 20.04.2022. A perusal of the Agenda reveals that there was no mention therein of the ongoing correspondence with the Government.
- Vide Note No.113/APHDCL/SECL/169TH BM/22 dated 31.05.2022 Minutes of this Board Meeting was issued under the signature of VC & MD.
- Vide Proceedings and Order No.234/APHDC/admn/2022 dated 31.05.2022, enhancement of retirement age from 60 to 62 years to all regular employees of the corporation was given effect under the signature of VC & MD.
- On 20.07.2022, the Chairperson, APHDC made representation to the Principal Secretary to the Government (Industries and Commerce), with a request to take action to cancel irregular proceedings issued by the VC & MD, on enhancement of age of superannuation from 60 to 62 years and on 03.08.2022, Principal Secretary referred the complaint to VC & MD with the request to examine the issue and furnish detailed remarks to Government immediately.



- Vide Circular dated 18.08.2022, VC & MD deferred with immediate effect the order enhancing superannuation age from 60 years to 62 years without assigning any reason.
- Consequently, through proceedings No.234/APHDC/Admn/2022 dated 26.08.2022, VC & MD issued relieve orders from the service in respect of six officials of APHDC superannuating between May and July 2022, who were given benefit of enhanced age of superannuation.

12. It is evident that it was the complaint made by the Chairperson to the Government which led the VC & MD to defer the Board decision for enhancement of superannuation age that was taken without having authority to do so. It is not true that VC & MD had withdrawn on his own before the instructions by the Finance Department vide letter dated 23.09.2022 as concluded by the IO. Therefore, we are not in agreement with the conclusion of the IO in respect of allegation No.2 unsubstantiated against RPS-1. We are in agreement with the conclusion of the IO for allegation unsubstantiated against RPS-2, RPS-3 and RPS-4 as they were not part of the decision making process.



13. The conduct of the RPS-1 in respect of Allegation No.2 being an administrative irregularity, it is open to the State Government to take appropriate action against the RPS-1 in accordance with the law.
14. No further indulgence is required in this matter.
15. Accordingly, the complaint is disposed of.

Sd/-
(Justice A.M. Khanwilkar)
Chairperson

Sd/-
(Justice L Narayana Swamy)
Judicial Member

Sd/-
(Justice Sanjay Yadav)
Judicial Member

Sd/-
(Sushil Chandra)
Member

Sd/-
(Justice Ritu Raj Awasthi)
Judicial Member

Sd/-
(Pankaj Kumar)
Member

Sd/-
(Ajay Tirkey)
Member


(Court Master)

/RR/