

Minutes of the Annual Zonal/Sectoral Review Meeting with the CMDs/Chief Executives and CVOs of the Organisations held on 04.10.2011

Shri Pradeep Kumar, Central Vigilance Commissioner (CVC), chaired the meeting.

List of Participants is at annex.

A. Introductory Remarks

Central Vigilance Commissioner highlighted the enormous contribution made by the Public Sector Organisations under the Heavy Industry and Mining Sector, to the growth of the country. Being one of the largest suppliers and users of goods and services, for these Organisations integrity assumes extreme importance. Procurement activities need to be carried out in a fair and transparent manner. The other aspect to be looked into is to have an enlightened HRD policy where the honest are encouraged and the corrupt punished. Job rotation is to be practised in sensitive posts and leveraging of technology should be used as a vital tool in combating corruption. For creating such an environment, the top management has to first set an example in honesty.

Shri J.M. Garg, Vigilance Commissioner, (VC(G)) emphasised on the Chief Executives and CVOs to work jointly towards an effective vigilance administration. Periodic review of vigilance matters at Chief Executives level shall avert delays. He further emphasised that ethical values and clean administration have to be promoted, senior executives need to be made aware about vigilance matters, and whistle blower scheme should be encouraged and made popular.

Shri R. Sri Kumar, Vigilance Commissioner, (VC(S)) stressed on participative vigilance from both Chief Executives and CVOs to provide a strong vigilance administration in the Public Sector undertakings. Greater use of technology and empowerment of citizens (as in VIGEYE), must be encouraged to curb corruption and ensure public service delivery. He further, stressed that vigilance investigations must be taken to their logical conclusion. Transparency, Technology, Empowerment and Efficiency and audit trails and accountability and mutual cooperation and metrics to measure performance are essential ingredients for an effective vigilance administration.

B. Organisation specific

1. Department of Heavy Industry (DHI)

CVC desired that Department of Heavy Industry must ensure that all PSUs under its charge have a proper Procurement Manual incorporating various stipulations on public procurement. He also desired that an appropriate framework must be evolved to ensure that disposal of land/assets of PSUs is done in a transparent manner.

VC(G) stressed that leveraging of technology and e-governance must be taken seriously and DHI must arrive at a definite timeframe for their implementation in its various organisations.

2. Andrew Yule & Company Ltd.

The Commission desired that CVO be in position in Andrew Yule & Company Ltd. at the earliest. The Commission also advised that whistle blower policy be encouraged in the organisation.

3. Engineering Projects India Ltd.

The Commission emphasised the importance of level playing field in public procurement /works contracts. Award of contract should be in line with Supreme Court's judgement on the subject as brought out in Commission circular no. 23/7/07 dt. 05.07.2007.

VC(S) desired that in order to reduce delay in project execution, project management system be implemented in the organisation.

4. Hindustan Paper Corporation Ltd.

CVC stressed on the need for uniformity in application of laid down policies on procurement/works. Problems in raw material procurement and marketing areas need to be addressed systematically.

5. Cement Corporation of India Ltd.

CVC desired that care has to be taken to see that disposal of assets is done in fair and transparent manner. In order to do effective monitoring of pilferage of cement by transporters, GPS based tracking could be used. Further, to prevent misappropriation in cement stock, internal systems need to be strengthened and a strong internal audit mechanism be put in place.

6. Bharat Heavy Electricals Ltd.

Director(HR), BHEL submitted that conventional procedures were difficult to implement in two areas, namely - (a) R&D and (b) appointment of agents for exports.

CVC desired that for R&D, BHEL may discuss the issue with CSIR, DRDO etc. Regarding the appointment of agents, it was stated that this system shall eventually have to go. CVC desired that vendor development programme should be implemented as per policy approved by the Board of the company and vendor list should be updated continuously.

Shri O.P. Bhutani, Director(E,R&D), BHEL informed the Commission that e-procurement is planned to be fully implemented by March 2012.

VC(S) desired feedback in respect of metrics for continuous improvement.

VC(G) desired that all organisations must give feedback on effectiveness of Integrity Pact and utility of IEMs.

Shri Arun Jha, CVO, BHEL brought out that complaints received in organisation were mostly related to delay in vendor registration, violation of tender conditions, favouritism to vendor, specifications designed to suit a specific vendor, splitting of tender amounts discretion/subjectivity in decision making etc. He also stated the need for greater emphasis on preventive vigilance.

7. Ministry of Mines

CVC desired that CVO, M/o Mines, should conduct periodical reviews with the CVO's of PSUs under the Ministry at his own level in addition to the QPRs being held by Secretary, Mines. CVC also stressed on the need to review the policy regarding allocation of natural resources as well as to address the issue of environmental degradation resulting from

