

Minutes of the Annual Zonal/Sectoral Review Meeting with the CMDs/Chief Executives and CVOs of the Ministry/Departments/Organizations held on 20.6.2011 in Satarkta Bhawan, CVC, New Delhi.

Shri R. Sri Kumar, Vigilance Commissioner, [VC(S)] and Shri J.M. Garg, Vigilance Commissioner,[VC(G)] chaired the meeting.

List of participants is at Annex.

(A) Introductory remarks:

Shri Anil Sinha, Additional Secretary, CVC, welcomed the participants and briefly mentioned the requirement of such review meetings. In his opening remarks VC (G) emphasized the importance and role of agriculture and fertilizer sectors which are the base for an agrarian economy. He invited the participants to place their difficulties and problems, particularly, in project implementation. Further, he highlighted the significance of vigilance administration as an important tool for the management.

Shri R. Sri Kumar, Vigilance Commissioner, CVC, viewed that vigilance is a management function. He advised the participants of various organizations that they should ensure whether outlays are matching with outcomes. He remarked that the common perception that vigilance is not required has to be tackled in a different way so that vigilance can become a tool for enhancement of efficiency and productivity. For that purpose, he emphasized on technology leverage. He gave a brief introduction to “VIGEYE”, and demonstrated the system to the participants.

(B) Organization specific:

1. Indian Council of Agricultural Research (ICAR) : The representative of ICAR mentioned that there are 97 institutions across the country which are headed by Director of the respective Institutes. In addition to their assigned job of research work, the Directors of these institutions are required to make procurements and also to make some appointments where chances of the complaints are often found. Therefore, each institution has a Vigilance Officer to look after the vigilance work.

Shri J.M. Garg, Vigilance Commissioner, CVC suggested that as a preventive check, two lists of cases be prepared, one for the cases where procurement is more than Rs.1 Crore and other for the purchases the amount is less than Rs.1 Crore. Accordingly, CVO, may check/review these cases.

VC (S) suggested that ICAR should also adopt CSIR pattern for reviewing/dealing with vigilance/surprise check in their various institutes.

2. KRIBHCO: Shri B.D. Sinha, MD, KRIBHCO gave a brief introduction about the organization which is a multi-level production and distribution organization in the field of fertilizers. He shared his experience about e-procurement which has been introduced where human intervention as well as complaints were less. However, he opined that if all CVC guidelines are applied, there would be some operational problems. By and large, he agreed with the CVC’s initiatives related to VIGEYE etc.

VC (G) in agreement with the MD, KRIBHCO mentioned that today common man is concerned of corruption and, therefore, emphasized that the focus need to be on both aspects so that social and administrative responsibilities could be fulfilled together.

3. Rashtriya Chemicals & Fertilizers Ltd. (RCFL): Shri R.G. Ranjan, CMD, RCFL gave an introduction of the organization and vigilance set-up therein. He mentioned that his organization provides a secret fund with the CVO. Shri Rajesh Kundan, CVO, RCFL informed that such secret funds is used for specific work and is also subject to audit. He mentioned that this fund is mainly for predictive vigilance.

VC (S) remarked that the CVOs should also look into the quality aspect of their products and there should be measurable parameters of international level for the quality of their products.

4. Projects & Development India Ltd. (PDIL): Shri K.C. Katta, CMD, PDIL informed about introduction of ERP system and e-procurement system for the procurement of more than Rs.10 Lakh value.

VC (S) suggested that tender notice should be sent by email and followed up by SMS. Further, he inquired about compliance mandatory requirement under Sec-4(i) (b) of RTI Act to display on the website about each organization for measuring the transparency level of that particular organization.

5. Department of Fertilizers: Shri Satish Chandra, JS & CVO, D/o Fertilizers, who is also the CMD, NFL, (additional charge), gave a brief introduction of fertilizer scenario in the country in terms of production and distribution by the fertilizer organizations, including import of fertilizers. He informed that there is fertilizer subsidy to the tune of around Rs.1 Lakh Crore. He further informed that D/o Fertilizers keep a tracking of fertilizer from factory/ distribution point to the dealer's level which are around 3.5 Lakhs across the country. He was of the view that subsidy being provided by the govt. is mainly to benefit the farmer and not for the manufacturing units. He informed that smart cards have been introduced for the farmers and such data is put up on the website. Further, he informed that NFL has started e-procurement and also holding structural meetings with CVO.

6. D/o Animal Husbandry, Dairying & Fertilizers: Shri Sanjeev Ranjan, JS & CVO, D/o AHD&F informed about the activities of the Department and informed that the total plan outlay of the department is around Rs.600 Crores, out of which 80% is for state govts. and 20% for cattle farms being run by the department. There is one person in each farm for vigilance work. Further, he informed about the various steps taken by the departments for modernizations of the cattle farms. He briefed about the Operation Flood and Gujarat Model (Co-operative Model) in the dairy sector which has been found quite successful. He assured that vigilance through IT will be introduced.

VC (G) observed that small and marginal farmers are dependent on milch of cattle and they earn supplementary income by producing milk. Therefore, there should be sufficient earmarking of funds for this sector.

7. Ministry of Textiles: Shri Manish Gupta, Dir(Vig.), M/o Textiles informed that the Ministry 's emphasis is on release of funds as the performance is judged on the basis of the expenditure under the plan outlay. He further emphasized on need of proper training mechanism for the personnel of the Ministries dealing with vigilance matters.

VC (G) suggested that wherever subsidy is involved, the disbursement should be made tough and this should be introduced in the Ministries.

8. National Institute of Fashion Technology (NIFT): The representative of NIFT informed that it is an academic institute and therefore, the vigilance issues in NIFT are of different nature. CVO is involved in the cases related to selection procedure and disbursement of honorarium etc. However, grievance redressal system in the Institute is required to be strengthened.

Additional Secretary (A) suggested that VIGEYE and VIG GPMS may be utilized for grievance redressal also.

VC (S) suggested that the Institute can be involved in anti-corruption campaign.

VC (G) opined that some funds may be allocated for vigilance activities including awareness campaign, apart from Corporate Social Responsibility (CSR) Fund.

9. National Textile Corporation Ltd. (NTC) : Shri K. Ramachandran Pillai, CMD, NTC informed that NTC was a sick company, since inception, but now the company is no more a sick company and is making profits for the last three years. He informed that 18 sick subsidiaries have been modernized with an amount of Rs.400 crores. Indicating action plans, the production would be doubled in the coming year and the company will diversify its activities also. As far as the vigilance set-up is concerned, he mentioned that there is 3-tier structure for dealing with vigilance matters, first at Mill level; second at Regional level and the third at Central level. He informed that they have introduced online registration and e-auction has also been introduced from July 2010. On an enquiry by VC(G) regarding the source of profit, NTC replied that they have reduced their employees strength from 85000 to 8000 by offering VRS scheme. But, still 2000 employees are being paid idle salary which is amounts to Rs.50 crores annually. Further, he informed that 10 companies have been merged into one and now, there is one CMD and four independent directors on the board of the company, instead of ten CMDs and 40 Directors. Thus, they have increased their profit by decreasing their expenditure/liabilities.

In respect of future plans, he informed that the company has adopted an integration plan so that spinning, weaving, processing and garment activities can be integrated in a meaningful way. He appreciated the CVC's software VIGEYE and assured to introduce the same in his company.

VC (S) has observed that NTC should think over for their social responsibility as 77,000 employees have become unemployed. They should have been retrained and put for productive work, instead of hiring new ones. The company should make some efforts in this direction also.

10. Jute Corporation of India (JCI): The representative of JCI gave a brief introduction of the company and its functions in the states of West Bengal, Assam and Tripura. He informed that the company has now started the work relating to seed distribution of jute crop. 1200 personnel have been put for pre and post-harvesting campaign. E-procurement and maintenance of data through email is difficult as the employees are not so literate and properly trained, as their main job is to judge the quality of jute only. However, they have now started to hire computer knowing personnel so that the data as well as procurement could be introduced through IT system.

On the suggestion of VC (G) for introducing research & development (R&D) activities, JCI informed that no such initiative has so far been taken up by them but, Govt. of West Bengal is doing this on behalf of entire jute industry. He informed that JCI is only for trading and not for production or manufacturing.

11. Cotton Corporation of India (CCI): Shri R.K. Kedia, Director(F), CCI informed that CCI is a profit-making organization with Rs.350 Crore turnover and the website is maintained properly. Tenders of the value of more than Rs.25,000 are floated through website. CCI has identified sensitive areas and surprise checks, rotational transfers etc., are being applied. After a study by Vigilance Division, incidence of cotton fire/risk have come down.

On enquiry by VC (S) of any vigilance angle in the fire incident, the CVO, CCI replied in affirmative and informed that fire incidence came down from 173 to 45 during the last year.

AS (A) invited CVOs participating in the meeting to offer their comments on generic issues which are important from vigilance angle and also based on some best practices which require CVC's intervention.

i) **Shri A.K. Gupta, CVO, KRIBHCO** informed that his organization is a multi-society cooperative organization under MSCS Act, 2002 and the Board Directors exercise full powers. Further, it is difficult to implement CVC's guidelines, particularly for a CVO, who is an outsider. On the basis of his personal experience, he informed that whenever proposal for rotation of staff was suggested by the CVO to the Management, the same was not agreed to. Further, he informed under-weightment of production in each bag is also a big problem and has a clear cut vigilance angle. Additionally, he informed that the contractors charge the transportation of the urea etc., via longest route whereas the new routes/roads are having less distances.

Commission was informed that there were similar issues regarding jurisdiction of CVC with NAFED as they were also not receiving funds from govt. and thus, there was no control of the govt. over NAFED in the day to day affairs being a cooperative and the matter has been referred to M/o Law for advice.

VC (G) observed that these are corporate governance issues are to be addressed by Administrative Ministry. Further, he suggested that in KRIBHCO, the thrust should be on preventive vigilance, particularly, in terms of weight and quality of the production.

VC (S) assured that such type of issues related to conflict of interest would be looked into by the Commission. However, he suggested that CVOs should find out what is in the public interest and what is in the private interest. CVO should introduce third party audit and also suggest penalty clause before awarding the contracts for transportation/ liftment.

ii) **Shri D.C. Sagar, CVO, CCI** informed briefly about the fire incidences and when vigilance department intervened the incidences have come down. CVO has conducted surprise checks, repeated visits, night visits and audit of the raw materials and police cases were made against in-charge of the centre/ godown wherever shortage was found due to one reason or the other.

AS (A) mentioned that the issue of reward to the honest and duty bound employees should be introduced which may be on the lines as discussed by CVO, RCFL in case of secret funds. He observed that there is a need now to look afresh on such motivational initiatives.

VC (G) was of the view that the Commission should examine these issues in totality and some other CVOs may also be invited to discuss on these issues.

iii) Shri Ajoy Kumar, CVO, NFL stated that officers working in the vigilance set up are from the PSU and there is no outsider except CVO. On the other side, the officials of PSU are also not willing to work in vigilance department. He narrated an incident of non-reporting of a vigilance case to CVO due to fear and threat from the culprits who were his colleagues from the same organization. Further, he mentioned that the promotion cases of such vigilance officers who were working properly in the vigilance division, were not taken up timely which resulted in demoralization of the vigilance system.

AS (A) assured the CVOs that the Commission would take up this issue and efforts will be made to protect the vigilance personnel.

VC (G) asked to put up this issue of NFL to him and further, suggested that such issues are required to be discussed in structured meetings where top management and CVO with his team may participate in the discussion. He informed that CVO is well aware of the fact that except CVO, all others are departmental employees and people generally do not want a posting in vigilance department. However, he assured that whatever action is required on this issue that would be taken up including a suggestion that every officer should have a three year term to work in each department, including vigilance department.

iv) Ms. Neelam Shami Rao, CVO, NIFT informed that in NIFT vigilance work is not in much quantity. She suggested that some additional work can also be given to CVOs. Further, she suggested that the vigilance team should be put under full control of the CVO and they can visit anywhere for the vigilance work and for that purpose, they should not require any permission – administrative or financial for the purpose of travelling etc., from the management. CVO, NIFT further suggested that the CVO who come to the post of Director and when they become Joint Secretary in their cadre, the post should be upgraded to the level of Joint Secretary, irrespective of the status of the organization, whether it is a ‘B’ or ‘C’ schedule organization. It was also suggested that CVOs should have some powers to bring personnel from outside to strengthen the vigilance set-up in that particular organization.

VC (S) agreed to the suggestion that vigilance staff should work under administrative and financial control of the CVO concerned and CVO should be the final authority for all purposes in respect of the staff working under him/her.

(C) Concluding Remarks:

Shri K.D. Tripathi, Secretary, CVC concluded the discussions and observed that this time interaction was fruitful as CEOs and CVOs were together in the meeting. He expressed happiness over the issues relating to subsidy for fertilizer, improvement in the production of textile sector, revival package of sick units, vigilance and non-vigilance matters, policy related issues and practical problems of CVOs, were discussed in length. He was of the view that policy issues relating to term and status of deputation of CVOs are need-based. It was also assured by him that CVC on its part will issue necessary directions to the management of various organizations that CVO is an important part of the organization and CVO is to assist the CEO directly and to balance between both. At last, he thanked all the participants for the deliberations.

The meeting concluded with a vote of thanks to the Commission.

List of Participants (CEOs & CVOs) for the meeting on 20.06.2011:

1. Shri Satish Chandra, JS & CVO, D/o Fertilizers & CMD of National Fertilizer Ltd.
2. Shri Ajoy Kumar, CVO, National Fertilizer Ltd.
3. Shri K.C. Katta, CMD, Projects & Development India Ltd.
4. Shri B.R. Meena, CVO, PDIL, FCIL & HFCIL
5. Shri R.G. Rajan, CMD, Rashtriya Chemicals & Fertilizers Ltd.
6. Shri Rajesh Kundan, CVO, Rashtriya Chemicals & Fertilizers Ltd.
7. Shri Rajesh Ranjan, Director & CVO, D/o Agriculture Research & Education & ICAR
8. Shri B.D. Sinha, MD, KRIBHCO
9. Shri A.K. Gupta, CVO, KRIBHCO
10. Shri Sanjeev Ranjan, JS & CVO, D/o Animal Husbandry and Dairying
11. Shri Manish Gupta, Director(Vig.), M/o Textiles
12. Shri Chandra Choodan, Registrar, NIFT
13. Ms. Neelam Shami Rao, CVO, NIFT
14. Shri K. Ramachandran Pillai, CMD, National Textile Corporation Ltd.
15. Shri B.D. Gupta, CVO, National Textile Corporation Ltd.
16. Shri A.K. Chakraborty, CMD, Jute Corporation of India Ltd.
17. Shri C. Sengupta, CVO, Jute Corporation of India Ltd.
18. Shri R.K. Kedia, Directro(Fin), The Cotton Corporation of India Ltd.
19. Shri Dinesh Chand Sagar, CVO, The Cotton Corporation of India Ltd.

CVC officials:

1. Shri K.D. Tripathi, Secretary
2. Shri Anil Sinha, Addl. Secretary
3. Shri Hari Kumar, Addl. Secretary
4. Shri Anil Singhal, CTE
5. Shri Keshav Rao, Director
6. Shri K. Subramaniam, Director
7. Shri K.P. Saroha, Dy.Secretary
8. Shri J.Vinod Kumar, OSD