

**Minutes of the Annual Zonal/Sectoral Review Meeting with the CVOs of Port & Shipping Sector held on 05.07.2012.**

Shri Pradeep Kumar, Central Vigilance Commissioner (CVC), chaired the meeting. Shri R. Sri Kumar & Shri J.M. Garg, Vigilance Commissioners also addressed the participants.

List of Participants is at Annex.

**A. Introductory Remarks**

Central Vigilance Commissioner, (CVC) while welcoming the participants stressed the need for Port Organizations to develop the Ports as per the requirement/increase in traffic demand. He observed that lot of complaints received related to estate management like grant/extension of lease of land. CVC also noted the inadequate initiatives on leveraging technology by some ports and the need for transparency in matters related to cargo handling, traffic management, procurement and tenders related to engineering works. Regarding shipping Sector, CVC observed that major areas of concern are procurement and infrastructure projects.

Shri R. Sri Kumar, Vigilance Commissioner [VC(S)] pointed out a big scam detected recently involving Railways in export of iron ore through various ports on the east coast i.e. iron ore for domestic consumption being exported; misdeclaring the same for avoidance of higher railway freight charges. He further stated that the CVOs should keep abreast with the developments and could have given some information of such irregular activities.

Shri J.M. Garg, Vigilance Commissioner [VC(G)] while observing the multifarious activities undertaken by the Ports, stressed on the need to conduct evaluation of integrity pact and role of IEMs so as to further improve their effectiveness and on the extensive use/installation of CCTV in key/problematic areas so as to eliminate corruption and improve efficiency of the Ports. He desired that internal whistle blower policy also needs to be put in place in the Ports/Organizations of the Sector.

**B. Organisation specific**

**1. Shipping Corporation of India (SCI):**

The CVC observed that in the SCI, a few complaints have been received on the irregularities in procurement, and the need to select/appoint agents based on fair and transparent way. On query of the CVC about systems improvements made, CVO, SCI submitted that the integrity pact is being used effectively to address the problems, irregularity to the tune of Rs. 1.6 crores has been observed by the Vigilance in indent/procurement of items for vessels and checks conducted by the Vigilance has resulted in savings to the organizations and action against the defaulters. The Commission asked the CVO, SCI about five prominent achievements, CVO submitted that SCI vigilance is ISO certified, integrity pact was launched in Mar'2009 with SCI being the first organization in M/o Shipping, CCTVs have been installed at the Ports in key

locations, introduction of user friendly Vigilance Kiosk for lodging complaints, award to best Vigilance Officer during Vigilance Awareness Week and e-tendering for procurement adopted from 1<sup>st</sup> July, 2012.

CVC advised all the participants to conduct CTE type inspections regularly. CVC stressed the need for proper documentation and maintenance of a library and advised all the participants to forward copy of the publications on the vigilance matters to the Commission. CVC also desired that the Vigilance Kiosk concept of SCI may be seen and introduction of such kiosks for other organizations be explored by the Commission.

## **2. Dredging Corporation of India (DCI):**

Shri S. Vasudeva Rao, CVO, DCI in his submission highlighted vigilance activities done during the year. CVC enquired about the holdings of dredgers including their condition/serviceability and about the turnover of DCI. The Commission advised that CVO may take help of the Commission in implementation of Leveraging technology initiations like e-tendering etc. in DCI.

## **3. Mumbai Port Trust (MPT):**

Shri P. R. Baviskar, CVO, MPT highlighted the working and setup of the organization. The Commission asked the CVO about the trend of business and area of corruption. CVO submitted that complaints are being received on issues related to renewal of land lease and misuse of leased property. CVC observed that the systems of land lease policy has lot of discretion, which is evident from cases being processed/received in Kandla Port Trust and stressed the need for formulation of a transparent and fair policy with no scope for arbitrariness by the Ministry. CVC also advised that immediate action needs to be taken in cases related to sub-leasing. CVC further suggested the CVO to take help of technological developments for elimination of corruption and desired that non implementation of rotation policy in respect of officials posted in sensitive areas be reported to the Commission after taking up with the Management and stressed for proper implementation of leveraging technology and monitoring delays in payment to the firms. CVO, MPT was also advised to look into the matters of demurrage charges collected by the Port.

## **4. Jawaharlal Nehru Port Trust (JNPT):**

Shri A.P. Srivastava, CVO, JNPT apprised the Commission of the various preventive vigilance activities undertaken including adoption of e-procurement for all tenders above Rs.25 lakhs. CVC desired that the monetary limits be brought down for more coverage through e-procurements. CVO also intimated that payment of the contractors/employees is being credited directly to their accounts. CVC advised CVO to examine the feasibility of payment to the labourers through Banks. CVC further advised that a common list of sensitive posts of all the Ports may be finalized and exchanged and continuation of officials on such sensitive posts needs to be monitored closely. Complaints relating to jumping of 'Q' in Ports is also a major

concern which should be monitored/avoided. CVC also queried about warehouses available at the port, waiting time for the customers and if any irregularities in cargo handling.

**5. Kandla Port Trust (KPT):**

Shri R. Ponugumatla, CVO, KPT highlighted the vigilance activities done during the year. CVC was intimated that in KPT most of the employees are presently involved in handling various cases/issues related to lease of land. CVC advised the CVO that the lease issues should be dealt with in transparent manner. CVO, KPT requested for appointing a dedicated officer for dealing with the land issues, to which Commission desired that the matter may be taken up with the Ministry. Regarding large number of nomination contracts being awarded in KPT, CVC advised that award of work/contract should be based on competitive bidding and not on nomination basis and also to ensure no award of contract to PSUs on back to back basis with a private company. CVO was advised to furnish details of cases where contracts have been awarded to PSUs on back to back basis and details of cases in which CTE's inspection was requested.

**6. Chennai Port Trust (CPT):**

Shri M. Dandayudhapani, CVO, CPT apprised the Commission about the vigilance activities in CPT. The Commission advised that CVO to focus on large cases of procurement and CVO should not be a party to the decision making of the Management. CVO was further advised to commence e-procurement immediately and to focus on registration of firms/suppliers carefully which is an area of corruption.

**7. Paradip Port Trust (PPT):**

Shri K.N. Mishra, CVO informed of the functions of vigilance set up in PPT. CVC enquired about the Procurement Manual in the PPT. CVC observed that leveraging technology is not being utilized satisfactorily and advised for commencement of 'e' Procurement immediately.

**8. Ministry of Shipping (MoS):**

Shri M.C. Jauhari, JS & CVO, MoS, gave a presentation on the role of the Ministry and the initiatives undertaken recently. CVC queried whether any of the Port has a Chairman/Dy.Chairman, who is also holding the charge of CVO. CVO informed that no Chairman is holding the charge of CVO. CVC expressed his concern about delays on the part of the MoS in disposal of cases. CVC advised the CVO to look into pending cases make and efforts for early submission/finalization of the pending matters.

**9. Kolkata Port Trust (KPT):**

Shri S.K. Choudhary, CVO, KPT intimated the CVC that maximum cases on land management are being received in KPT. However, eviction of old lessees from the port land is a problem and action is being initiated to take possession of encroached land.

**10. Cochin Port Trust (CPT)and New Mangalore Port Trust (NMPT):**

Shri Manoj Chandran, CVO, NMPT and CPT in his submission highlighted the system improvements adopted and under implementation in the organization.

**11. VO Chidambram Port Trust VOPT):**

Shri R. Ramakrishnan, CVO reported that there is no Dy.CVO or other executive staff in the VOPT in vigilance set up. He also requested the Commission to consider inter-port transfers of vigilance officers. CVC advised the CVO to write to the Ministry in this regard.

**C. Concluding Remarks:**

Secretary, CVC in his concluding remarks observed that the discussions were fruitful and follow up action would be continued.

The meeting ended with vote of thanks to the Chair and the participants.

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**Annex.**

**List of Participants for the meeting on 05.07.2012 ( Port & Shipping Sector):**

1. Shri M.C. Jauhari, JS & CVO, M/o Shipping
2. Shri M. Dandayudhapani, CVO, Chennai Port Trust
3. Shri Ramjee Ponugumatla, CVO, Kandla Port Trust
4. Shri A.P. Srivastava, CVO, Jawaharlal Nehru Port Trust & Mormugao Port Trust
5. Shri M.B. Sagar, CVO, Shipping Corporation of India Ltd.
6. Shri P.R. Baviskar, CVO, Mumbai Port Trust
7. Shri S.K. Choudhary, CVO, Kolkata Port Trust
8. Shri K.N. Mishra, CVO, Paradip Port Trust
9. Shri Manoj Chandran, CVO, NMPT & Cochin Port Trust
10. Shri S. Vasudeva Rao, CVO, Dredging Corpn. of India Ltd.
11. Shri R. Ramakrishnan, CVO, V.O Chidambaranar Port Trust

**CVC officials :**

1. Shri K.D Tripathi, Secretary
2. Shri Anil Sinha, Addl. Secretary
3. Shri Alok Bhatnagar, Addl. Secretary
4. Shri Anil Singhal, CTE
5. Shri Ramesh Chandra, CTE
6. Shri Surendra Mohan. Director
7. Shri K Subramaniam, OSD to CVC
8. Shri J.Vinod Kumar, OSD
9. Shri M.A. Khan, Under Secretary