

Minutes of the Annual Zonal / Sectoral review meeting with Chief Executives and CVOs of Petroleum sector held on 29.04.2011 at Goa.

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

1. Shri Anil Sinha, Additional Secretary (AS(A)), welcomed the participants. While mentioning the significance of such meetings he indicated that review is not only to see work done by the organizations during last year but also to underline the new initiatives proposed to be taken in the near future. He further emphasized on transparency in system and procedures which should be built in the system itself.

2. Shri J.M. Garg, Vigilance Commissioner, (VC(G)), while highlighting the importance of Petroleum sector emphasized that energy needs are strategic. He further stressed on proactive and predictive vigilance measures and adoption of best practices being followed in different PSUs, including updating of systems & procedures and manuals at regular intervals. He advised that PSU's should not view CVC guidelines and instructions as hindrance, but as a facilitator for Managements to run the Organizations smoothly. He stated that since there is competition ahead from private sector in oil sector, it needs to gear up.

3. Shri R. Sri Kumar, Vigilance Commissioner, (VC(S)), said that idea behind such meetings is for CVOs, Chief Executives and the Commission to understand and underline priorities so that common objectives can be pursued together. On the importance of Vigilance in the organization, he stated that it is the most important management function which ultimately benefits the Organization and all its stakeholders. A presentation on utility and importance of preparation of Metrics for measuring performance and Project VIGEYE was also made. Regarding utility of Metrics, he advised the organizations to utilize the same as a tool to measure achievement after laying down targets and keep monitoring the progress using the said tool.

4. Shri Anil Singhal, CTE, (CTE(AS)), made a presentation on submission of QPRs etc. online by CVOs. He cited specific examples of certain companies adopting restrictive

eligibility criteria resulting in uncompetitive rates. He also mentioned about problem of preparation of improper estimates.

B. Organization Specific

1. M/o Petroleum & Natural Gas (M/o P&NG):

Shri L.N. Gupta, JS & CVO, M/o Petroleum & Natural Gas highlighted overall vigilance functions and initiatives of all PSUs under Ministry of Petroleum & Natural Gas.

2. Indian Oil Corporation Ltd (IOCL):

Shri Arun Singhal, CVO, IOCL (Addl. Charge) informed the Commission that as per M/o P&NG's directives, Vehicle Tracking System (VTS) is being implemented across the country except NE states and J&K, and about 11,000 units have already been installed and balance 6,600 units are expected to be installed by May, 2011. He further stated that route deviation & abnormal long stoppages can be monitored & action taken as per Industry Transport Discipline Guidelines and automatic generation of exception reports at OMCs' offices is in place in IOC for monitoring and taking up with transporters. Regarding other preventive measures, he informed that all documents like SV/TV/TSV/TTV generated on pre-printed stationary with serial control maintained by Area Offices and all transactions transmitted to a central server at the day end.

3. Gas Authority of India Ltd. (GAIL):

Shri Anil Singhal, CVO, GAIL stated that at the initiative of Vigilance department, calculation of monthly operational and handling efficiency of plants has been started. He further stated that comparison of operational efficiency helps to identify the need for technological improvements and fine tuning of operations and comparison of handling efficiency helps to identify any pilferage or misuse of liquid hydrocarbons in the plants. GAIL has adopted its own Online Reverse Auction functionality and future Reverse Auctions will be held on its own platform for major procurements. In Tender Monitoring System, reports on overdue tenders is sent electronically to vigilance once a week.

4. Oil and Natural Gas Corpn. Ltd. (ONGC Ltd.):

Shri A.K. Hazarika, CMD, ONGC explained the significance of the ONGC Whistle-Blower Policy which provides an opportunity to employees to raise concerns against unethical, improper, wrongful conduct/ practices and safeguards against victimization. He further informed that details of contracts awarded above a threshold value of Rs.10 lakhs are being uploaded on website. Tenders have been processed through e-tendering, 99% payments are being made through electronic mode and withdrawals by employees from their Contributory Provident Fund account are also made through e-payment. Through SAP online vigilance clearances system is being introduced.

5. Hindustan Petroleum Corporation Ltd. (HPCL):

Shri S.M. Misra, CVO, HPCL informed that online vigilance clearance system has been introduced in HPCL and NOC to employees, Identity Certificates and other clearances like Promotions, Placements, Retirement, Resignation, etc. has also been made online.

6. Bharat Petroleum Corporation Ltd.(BPCL):

Shri S.K. Joshi, Dir(Finance), BPCL highlighted the system improvement undertaken in the organisation. He submitted that On-Line Vigilance Clearance, On-Line filing of Vigilance Complaints, Bill Tracking System, File Tracking System has been introduced this year by BPCL. Regarding extent of IT usage and the e-governance, he submitted that steps have been taken for implementation of vendor supplied software on SaaS(Software as Service) model to facilitate E-Procurement.

7. Chennai Petroleum Corporation Ltd.(CPCL):

Shri K. Balachandran, MD, CPCL in his submission highlighted the system improvements recommended to reduce opportunities for corruption. He submitted that Bill Monitoring System has been modified to suit SAP environment in CPCL. On-line application for submission for registration of vendors/suppliers/contractors is in place. He further intimated that Study on Truck Invoicing System was done by Vigilance Department and System improvement measures suggested to the Management for implementation. CPCL has framed a 'Whistle Blower Policy' to ensure greater transparency in all aspects of CPCL functioning.

8. Engineers India Ltd. (EIL):

Shri A.K. Purwaha, CMD, EIL highlighted that Bill Watch System has been strengthened by introducing payment processing methodology with 'First in, First out' during the year in EIL. With agency code and password, vendors can view their payment details/status of invoices. EIL also has the facility for online registration of vendors, E-payment/E-receipt have been achieved more than 90% of the total transactions. An interactive session with EIL vendors was also held in June, 2010 and complaints and grievances of vendors addressed.

9. Oil India Ltd. (OIL):

Shri N.M. Borah, CMD, OIL stated that OIL vigilance complaints can be made through the company's website and 'Bill Tracking System', On-Line Vendor registration, On-Line Vigilance Clearances would be introduced by August, 2011. Regarding e-payment started from Sept. 2010, now almost 90% of the payments are made electronically. He further, submitted that on system study conducted, system improvements has been suggested to the Management in Contract and Purchase Manuals. On the suggestions of Ministry of Petroleum and Natural Gas, an exercise was conducted jointly by CVO, ONGC and CVO, OIL to devise a common criteria for identification and rotation of officers holding sensitive posts in the upstream sector. On the basis of the common criteria, 119 posts were identified as sensitive and joint report has been sent to the Ministry.

10. Balmer Lawrie & Co. Ltd.:

Shri S.K. Mukherjee, MD, Balmer Lawrie & Co. Ltd. in his submission stated that Company had introduced intranet services and implemented online HR Management System (HRMS) for officers to facilitate personal claims, Leave/LTC Records etc. Regarding system improvement, all tenders valuing Rs. 20 lakhs and above are executed through E-tendering and also uploaded on the Company's website. On the issue of payment of suppliers and contractors, he submitted that on First Come First Serve Basis payment are released. Commission suggested to maximize the usage of e-payment in the company. He further mentioned practical issues involved in effecting rotational transfers of officers due to domain specialisations in respective fields. He explained that Management had identified certain functions as sensitive and agreed to rotate officers holding such positions.

11. Numaligarh Refinery Ltd. (NFL):

Shri D. Chakravarty, MD, NFL submitted that agenda for e-tendering and e-payment was set in line with the directive of CVC and Ministry of Petroleum and Natural Gas. E-payment target of 95% was achieved by Feb., 2011. However, due to remote location and internet connectivity issues and majority of local vendors being non-tech savvy, target for e-tendering is lagging behind, as only 45% could be achieved and target for the year 2011 is set as 75% by the end of year 2011. He further submitted that Intensive Vigilance orientation programs were organized at various forums so that more and more officials are covered. Regarding man power issues, he submitted that management had decided to strengthen the manpower in vigilance department.

C. Concluding Remarks:

AS(A) in his concluding remarks appreciated the initiatives taken by all PSUs of Petroleum Sector and stated that such type of interactive sessions with the Chief Executives and CVOs together would continue in future and advised all the PSUs of Oil Sector use of IT in combating corruption in their respective fields.

The Commission decided to constitute a Committee headed by the CMD, ONGC to study e-procurement activities and to draw modalities on various aspects related to e-procurement and Reverse Auction in the Oil Sector. The Committee would be headed by Shri A.K. Hazarika, the CMD, ONGC. Shri S.K. Joshi, Director (Finance), BPCL, Shri Arun Singhal, CVO, GAIL and Smt. I. Sasikala, CVO, BPCL were nominated as members and Shri S.R. Athawale, ED(Chief MM), ONGC as Member Secretary. The Commission desired that the Committee to complete the study and furnish report to the Commission for its perusal.

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

List of Participants for the meeting on 29.04.2011 (Petroleum Sector):

1. Shri L.N. Gupta, JS & CVO, M/o Petroleum & Natural Gas
2. Shri A. K. Hazarika, CMD, ONGC Ltd.
3. Shri Nayan Mani Borah, CMD, Oil India Ltd.
4. Shri A.K. Purwaha, CMD, Engineers India Ltd.
5. Shri Deepak Chakravarty, MD, Numaligarh Refinery Ltd.
6. Shri K. Balachandran, MD, Chennai Petroleum Corpn. Ltd.
7. Shri S.K. Mukherjee, MD, Balmer Lawrie & Co. Ltd.
8. Shri S.K. Joshi, Director (Finance), Bharat Petroleum Corpn. Ltd.
9. Shri V.K.Thakral, CVO, Oil India Ltd., ONGC Ltd. & Numaligarh Refinery Ltd.
10. Dr.Vinod Aggarwal, CVO, Engineers India Ltd.
11. Smt. I. Sasikala, CVO, Bharat Petroleum Corpn. Ltd.
12. Shri Arun Singhal, CVO, GAIL & Indian Oil Corpn. Ltd.
13. Shri S.M. Misra, CVO, Hindustan Petroleum Corpn. Ltd.
14. Shri R. Balakrishnan, CVO, Chennai Petroleum Corpn. Ltd.
15. Ms. Arundhaty Ghosh, CVO, Balmer Lawrie & Co. Ltd.
16. Shri S.R. Athawale, ED- Chief (MM), ONGC Ltd.

Commission's officials:

- i) Shri Anil Sinha, Addl. Secretary
- ii) Shri Alok Bhatnagar, Addl. Secretary
- iii) Shri Anil Singhal, CTE
- iv) Shri Ashok Kumar, Director
- v) Shri J. Vinod Kumar, OSD
- vi) Shri Rameshwar Dass, Section Officer