

**Minutes of the Annual Zonal/Sectoral Review Meeting with the CMDs/Chief Executives and CVOs of the Coal Sectors held on 09.11.2011.**

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 in his opening remarks emphasised the importance of coal sector for the economy. He said that it is necessary to address issues like contracts, shortages and thefts etc. urgently. He also stressed the need to carry out systemic improvements. He emphasised the use of e-procurement, e-tendering and proper codification of procurement procedures in the manuals. Further, he stated that it was important to ensure rotational transfers on sensitive positions in organisations for effective control. He also mentioned that it was necessary to take quick decisions in respect of all vigilance related matters to ensure proper justice to the honest employees and adequate punishment to the guilty ones.

Shri R Sri Kumar, Vigilance Commissioner, (VC(S)) emphasised on changing perception of vigilance as an activity being seen as a hindrance to work. He stated that all necessary tools available for improving systems and functions should be used.

Shri J. M. Garg, Vigilance Commissioner, (VC(G)) sought feedback on experience of working with IEMs. He also asked the participants about policy regarding whistle blowers in the respective organisations. He also sought feedback regarding control mechanisms in all areas such as QA, production, finance, HR etc. He stressed the need to adopt e-governance and preventive vigilance. He expressed his concern over APRs not being scrutinised in PSUs. He also stressed on result oriented approach through preventive vigilance.

**B. Organisation specific.**

**1. Bharat Coking Coal Ltd.**

Shri T.K. Lahiri, CMD, BCCL stated that BCCL has been able to make a turn around after 10 years. There has been strong effort at preventive vigilance and change in mining techniques from manual to mechanical. There has been substantial reduction in manpower. Production has gone up from 24 Million Tonnes to 30 Million Tonnes per annum. Company has adopted certain practices like guaranteed production contract. Agreed list and ODI list are being prepared as per schedule.

CVC enquired from Shri Lahiri regarding mechanism for redressal of complaints. Shri Lahiri stated that facility for online registration of complaints is available however, an elaborate redressal mechanism is to be put in place. Except OEM and OPM tenders all other are being put online. 93 % of payments are being done through e-payments. There has been reduction in complaints after IP and appointment of IEM. There has been reduction in illegal mining and pilferages owing to the assistance offered by State Government.

All Coal PSUs were requested to send their comments regarding their experience after adoption of IP and appointment of IEMs in the organisations.

## **2. Coal India Ltd.**

Shri N. C. Jha, Chairman, Coal India Ltd. outlined the role of CIL as the holding company of all coal subsidiaries. He said that CIL mainly formulates policy on different issues such as large size equipment procurement etc. The company has manuals for purchase, contract management and civil engineering works. There is a standing task force to address all issues faced by subsidiaries. E-auction has been made mandatory and is satisfactory. There are 3 service providers for this. Only about 10% of coal is sold through e-auction. VC(S) suggested holistic view on pricing policy to optimise profits and benefits to consumers. He also suggested use of RFID in tyre procurement to ensure that coal sold through auction or otherwise does not get diverted for black marketing purposes.

Shri Jha mentioned that 1091 tenders had been processed since signing of integrity pact. This has helped the officers by making them confident in taking decisions. Complaints have reduced. Issue of renewal/fresh appointment of IEMs has come up. This is to be taken up expeditiously. CIL was asked to identify all the posts considered sensitive. Shri N. R. Bannerjee, CVO, CIL cited shortage of manpower in vigilance department as a problem. Commission asked the Chairman CIL to look into the issue. Chairman CIL was also asked to examine feasibility of having a separate cadre for vigilance department. CVO, M/o Coal shall furnish a report in this regard after a month. The Commission endorsed the suggestions regarding GPS based monitoring of trucks.

## **3. Eastern Coalfields Ltd.**

Shri Rakesh Sinha, CMD, ECL stated that there has been reduction in pilferages and illegal mining through systemic improvements etc. There has been seizure of substantial amount of pilfered coal. E-auction and e-payments are being followed rigorously. Grievance cells have been set up in the field units.

## **4. Central Mines Planning & Design Institute Ltd.**

Shri A.K. Singh, CMD, CMPDIL briefly mentioned the tasks undertaken by the company. There were no pendencies with regard to vigilance cases. He informed that integrity pact is being observed for all tenders above Rs.1 crore. E-procurement and e-payment is being done in more than 90% of the cases.

## **5. Northern Coalfields Ltd.**

Shri V.K. Singh, CMD, NCL briefly mentioned about the achievements of the company. He stated that despite IEM there were several complaints. CVC emphasised on imparting procurement domain knowledge to executives to address the knowledge gap. Ambiguities in procurement manual, if any, should be removed to ensure reduction in scope for any irregularity.

## **6. Western Coalfields Ltd.**

Shri D.C. Garg, CMD, WCL briefly highlighted the achievements of the company. He mentioned that around 967 employees have been transferred in compliance with the vigilance guidelines. E-procurement and e-payment are being followed in the company. The Commission emphasised importance of knowledge sharing among coal companies. CVO, WCL expressed his concern over complaints on quality of coal, grade slippage and formation of a vigilance cadre.

