

Minutes of the Annual Zonal/Sectoral Review Meeting with the CVOs of the Power & Energy Sectors held on 27.06.2012.

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 in his opening remarks emphasized the importance of power sector for the country. He stated that the power sector is highly technology oriented and there have been wide gaps between targets and accomplishments. Further as, investment of about Rs. 5 lakh crores is expected during the next 5 to 7 years, involving large volume of procurements. CVC underlined certain areas of concern such as award of back to back contracts by PSUs to private companies and problems in joint ventures. CVC mentioned that issues like HR, fairness and transparency in procurement and grievances redressal are important for the power sector.

Shri J. M. Garg, Vigilance Commissioner, [VC(G)] sought feedback on benefits of e-procurement implementation, and also hoped it had helped in reducing delays in award of contracts etc. He stressed on scrutiny of APRs, encouraging whistle blowers, monitoring of delays in payment of bills and carrying out CTE type inspections. He also stressed on greater vigilance awareness and structured meetings of CVOs with Chief Executives.

Shri R. Sri Kumar, Vigilance Commissioner, [VC(S)] in his address dwelled upon problems of inefficiency, losses and long gestation period in power projects. He also stated that the control of power theft was essential for ensuring viability in the sector. He suggested use of telecom infrastructure available with power companies for effective communication and bringing together different stake holders.

Shri Anil Singhal, CTE made a presentation on four different projects executed in the power sector wherein serious irregularities had been observed. Case studies were presented to emphasize on the do's and don'ts of procurement in the sector.

B. Organisation specific

1. National Thermal Power Corpn. Ltd. (NTPC Ltd.)

Shri T. Venkatesh, CVO, NTPC presented a brief about NTPC alongwith the status of vigilance activities. He highlighted online filing of APRs, vigilance profiles of officials and reverse auction as some of the systemic improvements undertaken. The Commission asked CVO, NTPC to furnish a brief write up on the benefits obtained through reverse auction. CVO stated that NTPC did not have any specific policy for whistle blower complaints. Commission advised to make suitable internal arrangements for lodging whistle blower complaints in the organization.

2. Power Grid Corporation of India Ltd. (PGCIL)

Shri Pravez Hayat, CVO, PGCIL mentioned about the structure of vigilance organization in the company. It was pointed out to him that one inquiry was pending for more than 18 months. Besides, time taken was 1 to 2 years to decide on minor penalty cases. He informed that scrutiny of APRs has been done 100%. The Commission asked CVO, PGCIL to furnish details of two/three cases wherein recovery of amount was carried out specifically mentioning officers involved and action taken. CVO, PGCIL also suggested that deputation of vigilance officials at all levels should be permitted from other PSUs. VC(G) desired that all PSU boards should pass a resolution for implementing whistle blower policy and arrange for educating all the employees. **CVC asked all the CVOs to send officers for training program on reverse auction to be arranged by CTE.**

3. Power Finance Corporation Ltd. (PFC Ltd.)

Shri B.P. Pandey, CVO, PFC Ltd. informed that a comprehensive review of nine manuals in the company has been carried out. All procurement above Rs. 5 lakhs is being carried out through e-procurement. Sensitization on PIDPI had been conducted in PFC.

4. Tehri Hydro Development Corporation: (THDC)

Shri Himanshu Badoni, CVO, THDC informed that there were no CTE paras pending. Three CTE type inspections had resulted in recovery of Rs. 9.16 crores. False expenditure booking was possible in works such as earth work, grouting and river dredging etc. and in order to check the same, a system of daily record of work done and material used was started which had resulted in 30% savings. CVO, THDC also raised concerns regarding the practice by contractors of front loading a contract and not executing the contract fully. He also informed the meeting regarding difficulties in implementing works contract through e-procurement. **CVC asked CVO, THDC, CVO, NHPC and CVO, SJVNL to work together and come up with suggestions for implementing best practices for booking of items of expenditure against civil works so that suitable guidelines would be framed with the help of CTE.**

5. National Hydro-Electric Power Corpn. Ltd. (NHPC) and Rural Electrification Corporation Ltd. (RECL)

Smt. Abha Anand Kishore, CVO, NHPC and RECL stated that all the APRs in the company had been scrutinized. No prosecution sanction was pending. She underlined the need for training in vigilance awareness for the executives. CVO also informed of systemic improvements done in RECL. She stated that a system for online rating of borrowing organizations had been developed. This had helped in processing loans within two days. CVO, RECL also informed that all the procurement above Rs. 10 lakh were being done through e-procurement. **VC(S) asked CVO, RECL to study the process of procurement of transformers so that bottlenecks in development of distribution networks could be analyzed.**

6. Damodar Valley Corporation (DVC)

Shri P.K. Sinha, CVO, DVC informed that significant changes in purchase and works manual had been carried out. Works awarded on nomination basis had been brought down from 3000 to 35. Further, he mentioned that standardization of QRs had resulted in reduction of cost by 17 to 23%. **CVC asked CTE (AS) to study the modifications done in the purchase/works manual of DVC. CVC also asked CTE(AS) to expedite the inspection of Raghunathpur Project of DVC.** CVC also asked CVO, DVC to train all the employees of DVC on revised manuals.

7. Satluj Jal Vidyut Nigam Ltd. (SJVN)

Shri B.N.S. Negi, CVO, SJVN mentioned that the company has projects in four states in addition to Nepal and Bhutan. The company is also making forays in thermal and wind energy. Only 3 CTE paras are pending. Systemic improvement for better asset management has been suggested. Inspections of stores has resulted in saving of Rs. 45 crores by reutilization of spares. He highlighted the problem of shortage of staff in vigilance set up.

8. Ministry of Power

Shri Pranay Kumar, Director (Vigilance), M/o Power stated that Ministry had taken two important decisions towards systemic improvements like (i) All CPSUs under the Ministry had been asked to upload information regarding APRs of all the officers and (ii) Standardization of procedures and assigning specific timelines for different activities. Further, it was made mandatory for all PSUs to upload the information regarding names of successful bidders. Summary of deviations in the tender are to be brought to the notice of CVO. **Commission advised Ministry to review all Procurement, Contract Manuals and also advised to appoint full time CVO, in Bhakra Beas Management Board expeditiously.**

9. Nuclear Power Corporation of India Ltd. (NPCIL)

Shri Sushil Chandra, CVO, NPCIL in his presentation mentioned about the efforts made to clear the pendency of complaints and departmental proceedings. He submitted that a three days workshop have been conducted in all the units of NPCIL with emphasis on procurement guidelines. CVC advised CVO, NPCIL that care should be taken to periodically update the list of suppliers by each procurement unit and this should be centrally monitored to avoid the possibility of malpractices. CVC appreciated the efforts made by NPCIL Vigilance to create vigilance awareness in the organization by publishing books, CDs and organizing workshops and seminars.

10. D/o Atomic Energy

Shri A.P.Joshi, Spl. Secretary & CVO, D/o Atomic Energy mentioned that detailed guidelines for procurement of equipments for the Atomic Energy sector has been updated in consultation with M/o Finance and published in 2012. Similar guidelines of tender

procedure and related matters will be published shortly. CVC observed that considering the peculiar nature of procurement of Atomic Energy sector, the department should devise bench marks for negotiation with foreign government/agencies for setting up of power plants and supply of equipments. The procurement policy guidelines should include the enabling provisions for setting up and maintenance of Atomic Power Plants.

11. Electronics Corporation of India Ltd. (ECIL)

Smt. Arti C. Srivastava, CVO, ECIL mentioned about various steps taken by them towards system improvements and speedy disposal of complaints/investigations. On the procedure of APRs scrutiny, she stated that 10% of the APRs of each category of employees are picked up at random for scrutiny. She sought intervention of the Commission in the matter of introduction of e-procurement in ECIL. She mentioned that Whistle Blower Policy is in place in ECIL. VC(S) requested the CVO to help locate the data base at all stakeholders of CWG-2010 which was compiled by ECIL as part of its project in CWG-2010.

C. Concluding Remarks

Secretary, CVC in his concluding remarks stated that the discussions were fruitful and follow up action would be taken on the identified issues.

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

Annex.

List of Participants (CVOs) for the meeting on 27.06.2012:

1. Shri Pranay Kumar, Director (Vigilance), M/o Power
2. Shri T. Venkatesh, CVO, NTPC
3. Shri Parvez Hayat, CVO, Power Grid Corpn. of India Ltd.
4. Shri B.P. Pandey, CVO, PFC Ltd.
5. Shri Himanshu Badoni, CVO, THDC
6. Smt. Abha Anand Kishore, CVO, RECL & NHPC Ltd.
7. Shri Prahlad Kumar, Sinha, CVO, Damodar Valley Corpn.
8. Shri B.N.S. Negi, CVO, SJVNL
9. Shri A.P. Joshi, Addl. Secretary, CVO, D/o Atomic Energy
10. Shri Sushil Chandra, CVO, NPCI Ltd.
11. Smt. Arti C. Srivastava, CVO, Electronics Corpn. of India Ltd.

CVC officials:

1. Shri K.D. Tripathi, Secretary
2. Shri Anil Singhal, CTE
3. Shri Ramesh Chandra, CTE
4. Shri Keshav Rao, Director
5. Shri K. Subramaniam, OSD to CVC
6. Shri J. Vinod Kumar, OSD
7. Shri Amar Mudi, Dy. Secretary