

## **Minutes of the Annual Zonal / Sectoral review meeting with Chief Executives and CVOs of Power sector held on 08.06.2011 in Shimla.**

Vigilance Commissioners 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 organization 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. He also indicated the gap between demand and supply of power and hinted that if timely corrective measures are not taken the situation would be more serious in the near future.

2. Shri J.M. Garg, Vigilance Commissioner, (VC(G)), while highlighting the importance of vigilance administration emphasized that it should not be seen in a negative sense. He further stressed on proactive and predictive vigilance and adoption of best practices being followed in different power sector PSUs, including updating of systems & procedures and manuals at regular intervals. He also advised the participants to keep close watch on scrutiny of annual property returns, preparation of Agreed List and Lists of Officers of Doubtful Integrity.

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 should 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 by him. 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. Further, he stressed on the following:

- Due care to be taken regarding payment of mobilization advance as per Commission's circulars.
- Due precaution regarding payment against extra items.
- Change in work responsibility, manipulation through joint ventures

## **B. Organization Specific**

### **1. Satluj Jal Vidyut Nigam Ltd. (SJVN)**

Shri R.P. Singh, CMD, SJVN made a presentation on new initiatives undertaken in the recent past specially on tendering procedures. He also mentioned the situations where there are necessities to take on the spot decisions and chances of deviation from laid down procedures.

Shri B.N.S. Negi, CVO, SJVN underlined that reasons to deviate from the laid down procedure should be put in writing.

### **2. Rural Electrification Corporation Ltd. (RECL)**

Shri B P Pandey, CVO, RECL highlighted the constitution of various committees for implementation of various projects undertaken by the organization. VC(S) suggested that in case the organization wants to know the actual implementation of their projects in various regions then one person from one village may be identified where electrifications work have been undertaken during 2010-11 who could put the status report using VIGEYE application.

Taking in view the increase in demand in power, VC(G) hinted that supply of fuel would be a major challenge for power sector companies specially thermal power.

### **3. Power Grid Corporation of India Limited (PGCIL)**

Shri S.K. Chaturvedi, CMD, PGCIL while mentioning the functioning of the organization highlighted that PGCIL is one the CPSEs who fulfilled all its targets for eleventh plan. PGCIL also got contracts in Africa and Middle East. He further drew Commission's attention on World Bank projects undertaken by the PGCIL where World Bank has allowed country used pattern. He further expressed concern on quality issues in supply of equipments. Addressing the issue, AS (A) indicated that the issue needs to be taken up at appropriate level and Ministry can play a vital role in the matter.

On the tactics adopted by some private firms for getting contracts, Shri Parvez Hayat, CVO, PGCIL indicated that firms who fail to get the contracts, connive with other small firms who were technically eligible got the contracts. On a query raised by VC (G) as to whether PGCIL is satisfied with the role and functions of IEMs CVO replied in affirmative.

#### **4. THDC (I) Ltd.**

Shri R.S.T. Sai, CMD, THDC indicated that initially the organisation was associated to complete the projects undertaken by Agriculture department of UP but now THDC has explored other areas. On a query raised by THDC on as to whether World Bank projects come under the ambit of Integrity Pact (IP), it was clarified that such projects are excluded from IP.

VC(S) emphasized the need for qualified project managers certified from institutions like the PMI. On the matter of integrity of project manager, he clarified that ultimately the safeguard is that the company itself actively monitors the projects being carried out.

#### **5. National Power Training Institute (NPTI)**

Shri S K Choudhary, CVO, NPTI informed that there are nine institutes all over the country and NPTI basically provides specialized training courses related to power sector. AS(A) indicated that NPTI is doing very good work like ISM, Dhanbad but there is a need to start courses like Project Management, Risk Management etc. Further, he requested that since NPTI have now understood the requirements of power sector, they should examine conducting other courses and plan for the same in due course.

#### **6. National Thermal Power Corporation (NTPC)**

Shri T Venkatesh, CVO, NTPC reported that NTPC has evolved a system by which vendors are kept informed about new tenders of the organization. On a query raised by NTPC on Metrics prescribed by the Commission, VC(S) clarified that organizations need to revise the same as per their requirements and fix targets as indicated in it.

VC (G) desired that in order to motivate Line Managers / officers, like Rampur project undertaken by SJVNL where project was completed in time bound manner which was really appreciable, some scheme for recognition of good work should be put in place in all Organizations.

#### **7. Power Finance Corporation Ltd. (PFC)**

Shri B.P. Pandey, CVO, PFC informed the Commission about update of the vigilance manual and project monitoring manuals.

VC(S) enquired as to whether there is monitoring system to check whether the money is going to right places for which it was granted and is being spent correctly. CVO mentioned the laid down procedure was being followed/ maintained. However, VC (G) suggested to send some officers to NPTI for training.

AS (A) suggested that organization should itself evolve new ideas as how things can be done in right and transparent manner. Commission noticed that PFC has not undertaken CTE type inspections. AS (A) suggested that a workshop in consultation with CTE may be organized for in house expertise to conduct CTE type inspections.

**8. NHPC**

Replying to the query on involvement of CVO in other activities, AS (A) clarified that it is for the CEO to exercise their authorities in decision making process and CVO should not be a part of decision making matters. He further emphasized that it is the responsibility of the CVO to keep the management informed about latest guidelines issued by the CVC / GOI from time to time.

**9. Damodar Valley Corporation (DVC)**

Shri Prahlad Kumar Sinha, CVO, DVC indicated that in the company still systems and procedures have not been put in place.

CMD, DVC was not present in the meeting. Commission desired to discuss the matter with the CMD, DVC later.

**10. M/o Power**

Shri Pranay Kumar, Director (Vig.), M/o Power informed that VIGEYE and Metrics as prescribed by the Commission is not much clear, however keeping in view its spirit, it will definitely be of good use.

Secretary, CVC in his concluding remarks remarked that power sector is a core infrastructure area. Keeping in view the deficit in power generation, the role of vigilance becomes more important. Power theft is an area of concern and all should work together to prevent such misdeeds.

Meeting concluded with the vote of thanks to the Commission & participants.

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List of Participants (CEOs & CVOs) for the meeting on 08.06.2011 ( Power Sector):

1. Shri Pranay Kumar, Director (Vig.), M/o Power
2. Shri T. Venkatesh, CVO, NTPC Ltd.
3. Shri S.K.Chaturvedi, CMD, Power Grid Corpn. of India Ltd.
4. Shri Parvez Hayat, CVO, Power Grid Corpn. of India Ltd.
5. Shri B.P. Pandey, CVO, Power Finance Corpn. Ltd. & RECL
6. Shri Praveen Singh, CVO, NHPC Ltd.
7. Shri G. Akheto Sema, CVO, North Eastern Electric Power Corpn.
8. Shri R.S.T. Sai, CMD, Tehri Hydro Development Corporation
9. Shri Himanshu Badoni, CVO, Tehri Hydro Development Corporation
10. Shri Prahlad Kumar Sinha, CVO, Damodar Valley Corporation
11. Shri R.P. Singh, CMD, Satluj Jal Vidyut Nigam Ltd.
12. Shri B.N.S. Negi, CVO, Satluj Jal Vidyut Nigam Ltd.
13. Shri R.K. Bansal, GM(Qlty), SJVNL
14. Shri Ashok Thapar, Member (Power), Bhakra Beas Management Board
15. Shri S.K. Sharma, CVO, Bhakra Beas Management Board
16. Shri S.K. Choudhary, CVO, NPTI
17. Shri Subodh Garg, DG, NPTI

CVC officials:

1. Shri K.D. Tripathi, Secretary
2. Shri Anil Sinha, Addl. Secretary
3. Shri Keshav Rao, Director
4. Shri J. Vinod Kumar, OSD
5. Shri R.S. Sinha, Dy. Secretary
6. Shri Prashant Kumar, RO