

Press Release

Conference of CVOs organised by Department of Financial Services

New Delhi, 02 November 2011

During the Vigilance Awareness Week, Department of Financial Services organised a full day Conference of Chief Vigilance Officers in Public Sector Banks, Public Sector Insurance Companies and Financial Institutions on 2nd November 2011 in Vigyan Bhawan, Annexe, New Delhi. The conference was inaugurated by Shri Pradeep Kumar, Chief Vigilance Commissioner. Shri J.M. Garg, Vigilance Commissioner and Shri Balwinder Singh, Special Director, CBI were guest of honour.

Addressing the Conference, Shri Pradeep Kumar, Chief Vigilance Commissioner expressed his satisfaction about vigilance administration in Banks. He recognised the strength of Indian Banking System which with stood the global financial crisis. He expressed his concern over the increasing trend of financial scam and frauds surfacing in the system. He emphasized the need for proper risk management, understanding the complexities involved in the financial decisions, leveraging of IT system, computerization of land records etc., which will go a long way in preventing frauds, corruption and bring improvement in vigilance in Banking & Insurance Sector. He also stressed the need for vigilance administration to be sensitive to the business risk.

Speaking on the occasion, Shri J.M. Garg, Vigilance Commissioner, while praising the banking system, highlighted the increasing tendency of complaints. He stressed that CEOs in banking should hold structured meetings frequently and vigilance administration should focus on preventive vigilance as well. He mentioned that recognizing the good vigilance practices in public sector banks, RBI has recently issued guidelines for setting up vigilance system on the similar lines in private sector and foreign banks.

Shri DK Mittal, Secretary (FS), stressed upon the need to provide an environment which encourages taking commercial decisions by the honest persons while punitive action is taken against the wrong doers. He felt that there is a need to have a fine balance between oversight and bonafide decision making. He highlighted the initiatives taken by the Department of Financial Services for bringing transparency, fairness and improving delivery of services to the common citizen; some of them being e-payment, e-governance, citizen charter by all the institutions under the Department.

Shri Balwinder Singh, Special Director, CBI raised his concern on big ticket frauds happening in the banking system. He highlighted the involvement of intermediaries, loan arrangers, etc. and advised CVOs to be more careful in preventing such people

having access in the banking system. He also stressed the need for strengthening vigilance system in insurance companies.

During the conference a number of sessions were organised, which were addressed by distinguished panellists namely Shri VK Gupta, Special Director, CBI, Shri Rakesh Singh, Additional Secretary, FS, Shri Anil Sinha, Additional Secretary CVC, Shri K.R. Kamath, CMD PNB, Shri Basant Seth, CMD Syndicate Bank and CVOs. Shri Rakesh Singh in his valedictory address emphasized the role of banks in supporting India's growth story and the need for banks to gear up to address the complexities which may arise. Shri Anil Sinha, Additional Secretary, CVC gave an insight on the behaviour finance and emphasized the need for drawing a fine balance while taking a commercial decision.
