



NEW FRONTIERS. NEW DREAMS

VIGILANCE DEPARTMENT
BEML LIMITED



VIG-KIRAN Ver.9

Theme: **Satark Bharat, Samridhd Bharat**

VIGILANCE AWARENESS WEEK - 2020

October 27th, 2020 to November 2nd, 2020

Integrity Pledge

I believe that corruption has been one of the major obstacles to economic, political and social progress of our country. I believe that all stakeholders such as Government, citizens and private sector need to work together to eradicate corruption.

I realise that every citizen should be vigilant and commit to highest standards of honesty and integrity at all times and support the fight against corruption.

I, therefore, pledge:

- To follow probity and rule of law in all walks of life;
- To neither take nor offer bribe;
- To perform all tasks in an honest and transparent manner;
- To act in public interest;
- To lead by example exhibiting integrity in personal behaviour;
- To report any incident of corruption to the appropriate agency.





राष्ट्रपति
भारत गणतंत्र
**PRESIDENT
REPUBLIC OF INDIA**

MESSAGE

I am happy to know that the Central Vigilance Commission is observing Vigilance Awareness Week on the theme "सतर्क भारत, समृद्ध भारत - Satark Bharat, Samridh Bharat" (Vigilant India Prosperous India)" from 27th October to 2nd November 2020 which coincides with the birthday of Sardar Vallabhbhai Patel.

Corruption has been regarded as one of the foremost hindrance to national development and progress. We must strive to promote integrity and to combat corruption in all walks of life. It is our duty to be a vigilant citizen and prevent corruption of any form in the world around us.

I congratulate Central Vigilance Commission for promotion of systemic improvements and good practices. CVC has taken several proactive steps in disposal of cases in time bound manner. Administering Integrity Pledge and conducting workshops for sensitising on issues related to anti-corruption are appreciable steps in the right direction.

An effective and pro-active vigilance machinery can contribute towards improving the quality of governance. We must take this opportunity to renew our commitment to achieve the goals of promoting integrity, transparency and accountability in public life for a better future.

I extend my greetings to all those associated with the Central Vigilance Commission and wish the campaign every success.


(Ram Nath Kovind)

New Delhi
October 19, 2020

Message from Vice President



VICE-PRESIDENT OF INDIA

I am happy to know that Vigilance Awareness Week is being observed by the Central Vigilance Commission (CVC) on the theme “Satark Bharat, Samriddh Barat” (Vigilant India, Prosperous India) from 27th October to 2nd November, 2020.

The Social & economic progress of a society is not possible without combating the menace of corruption in the public life. A transparent and corruption free governance system is an essential tool for economic development and progress of a society or a country.

I am sure the public awareness campaign ran by the CVC during the Awareness Week every year sensitizes the public about the ill-effects of corruption and embolden them to adopt a fair system based on the principles of justice and equality in all walks of life.

Let us come together and take a pledge on this occasion to adopt a transparent and efficient work culture, free of corruption and nepotism in our day-to-day conduct and actions.

New Delhi
15th October, 2020


(M. Venkaiah Naidu)



सत्यमेव जयते

प्रधान मंत्री
Prime Minister

MESSAGE

It is heartening to learn that the Central Vigilance Commission is observing Vigilance Awareness Week from 27th October to 2nd November 2020. This year's theme - '*Satark Bharat, Samriddh Bharat*' invokes collective alertness of all citizens for a strong and prosperous nation.

We are marching ahead with resoluteness to build a New India that is self-reliant, a nation that continuously expands its capabilities and focuses on skill acquisition. Our resolve is powered by people's participation.

Our vision of development is human-centric, one where the fruits of prosperity reach everyone in an equitable manner. This can be realized only when 130 crore Indians remain aware and vigilant and perform their duties and responsibilities as proud citizens.

In the last few years, we have repealed several outdated laws and simplified processes. We have been striving to utilize technology optimally to improve Ease of Living and enhance Ease of Doing Business.

We have worked tirelessly to remove corruption and punish the corrupt. In New India, there is no tolerance for corruption and no place for middlemen. It is imperative that vigilant citizens as equal partners strengthen the processes for effective delivery unto the last.

I am sure that the observance of the Vigilance Awareness Week will inspire people to rededicate themselves for the new work culture of transparency and responsibility. Let us collectively work towards making our nation more vigilant and prosperous.

Best wishes to the Central Vigilance Commission for its endeavours.

(Narendra Modi)

New Delhi
आश्विन 29, शक संवत्, 1942
21st October, 2020

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सत्यमेव जयते

केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
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Block A, INA, New Delhi-110023

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दिनांक / Dated..08.10.2020.....

MESSAGE

Vigilance Awareness Week (27th October to 2nd November 2020)

The Commission observes the Vigilance Awareness Week to emphasize the importance of integrity in public life. We are fully committed to implement the policy of "Zero Tolerance against Corruption".

"सतर्क भारत, समृद्ध भारत - Satark Bharat, Samriddh Bharat (Vigilant India, Prosperous India)" has been chosen as the theme this year. Development and progress of the nation takes place when individuals and organisations are vigilant in safeguarding integrity as a core value.

The Commission believes that citizens and organisations must look inwards at a time when the world is facing an unprecedented crisis. All organisations may focus on improvement of internal processes and activities during this year. Systemic improvements may be carried out to improve the delivery of public services in all organisations. Training and capacity building of staff is an important component supporting this objective. We have been encouraging organisations to implement these initiatives.

The Commission appeals to all citizens to actively work towards promotion of integrity in all aspects of life for the progress of the country.

(Sharad Kumar)
Vigilance Commissioner

(Suresh N. Patel)
Vigilance Commissioner

(Sanjay Kothari)
Central Vigilance Commissioner



It gives me immense pleasure to share the ninth version of the annual in-house journal VIG-KIRAN. The theme for Vigilance Awareness Week-2020 as chosen by CVC, the apex integrity institution of the country, is “Satark Bharat-Samridhd Bharat (Vigilant India-Prosperous India). Central Vigilance Commission has been working tirelessly urging citizens to become vigilant and contribute to making India a prosperous nation. We can see the dawn of a new culture if each individual in his own capacity, be it in his personal or professional area of work, acts in a vigilant way.

In organizational level of working, the executives can be vigilant only when they are aware of the rules and policies of the concerned areas in which they are working. So it becomes the utmost priority for the management to ensure that the rules/policies are in place and are reformed at regular intervals.

We in BEML, always strive to study the existing guidelines/systems in line with the CVC circulars, identify risk areas and bring improvisation in the form of systemic improvements. These improvements have been placed on the Vigilance portal in the form of handbooks, compendiums and e-books which are easily accessible to the users. Links of / to these are also shared in this booklet as a part of knowledge sharing. The continued preventive vigilance activities have yielded positive result in our Organisation.

We have also introduced value based approach in our work environment, in addition to rule based compliance approach. The initiative, PRAYAAS: training on ethical dilemma at work place, has further helped the capacity of officers in their decision-making.

Vigilance Awareness Week at BEML is always celebrated with the spirit of celebrating a national festival. Every year we conduct numerous activities in the organization and also reach out to students in schools and colleges with the intention to add a spark of being vigilant in their thought process by providing them with a platform to better understand and foster a new understanding and respect for the system. The aim is to try and inculcate a sense of responsibility in the future generation of policy-makers an experience at an age when they are ready to absorb, learn and most importantly act.

This year too, undeterred by the existing COVID -19 pandemic situation we reached out to school children online. Although the event was online there was visibly same flavour of creativity and competitiveness. It is brought out in a booklet VIG-KIRAN 9 with colourful pictures. Our online reach to vendors across India adds to our achievement and is part of the coverage in the booklet.

Last but not the least, I believe that for the organization to grow towards prosperity, the organizational environment needs to be healthy in terms of ethics and integrity. This can begin only when we pledge to be part of the drive in being vigilant by creating a healthy organizational environment and making India prosperous. Let us dedicate our self for the cause of this year’s theme for Vigilance Awareness Week and make India prosperous.



Vidya Bhushan Kumar, IFS
Chief Vigilance Officer



MESSAGE

I am very happy to note that BEML Vigilance department is bringing out 9th edition of “Vig Kiran” coinciding with the observance of Vigilance Awareness Week 2020, with the theme **Satark Bharat, Samriddh Bharat – सतर्क भारत, समृद्ध भारत.**

I place on record my appreciation to CVO and his team for the continuous efforts to promote and propagate the principles of good governance amongst all its stake holders.

All the best.


Dr Deepak Kumar Hota

CMD, BEML

VAW Inauguration





In today's competitive business scenario, business reputation & Brand is the differentiating Value Proposition which depends on the Ethical & Value Standards practiced by the organization and its people. Globally Companies have increasingly adopted value-based approach as a part of Corporate Governance & Business Ethics Management. Corporate Governance & Ethical way of managing business is considered to be of utmost importance & the single-most Success Factor for long-term business sustenance. In India too, it is increasingly getting significant importance.

Like most of the organisations, Integrity Management at BEML had high dependence on "Rule-based Approach". In 2019, in line with the Global practices, BEML CVO directed to adapt the "Value-based Approach", focusing on Ethical Training Programmes for various functions/level of Executives.

These Programmes essentially delve into self-imposed Ethical Framework, various Ethical Dilemmas etc. to enable the Managers to identify & respond effectively to Ethical Dilemmas & create "Value-based Performance Culture".

The Ethical Dilemmas at Work place programme (PRAYAAS) has got three levels: PRAYAAS (LEVEL I), MERA PRAYAAS (LEVEL II) with developing the Value Champions as Role Models & Coaches and HUMARA PRAYAAS (LEVEL III), the Large Scale Intervention to make it the organisational DNA & way of life.

'PRAYAAS' aims to build the Self-Ownership to develop the inner- awareness of Ethical Values among the Employees in a Business context and it aims to make the Eco-System where Ethics become the core of all Processes, Systems & People.

With the above, BEML has successfully conducted several programmes, as detailed below:

Levels	Objectives	No. of Programs	Coverage (No of participants)
Prayaas (Level - I)	Enabling managers to identify & responds to the Ethical Dilemmas	6	107
Mera Prayaas (Level - II) Select officials from Level-1 participants.	To develop Value Champions to cascade Value based performance cultures	1	12
Online lecture on Ethical Dilemma at work place	Enabling managers to responds to the Ethical Dilemmas	1	78

These Programmes have been well appreciated by the dignitaries like Secretary-Defence Production & Secretary-CVC, being pro-active measures to ensure good Corporate Governance & Ethical Management as these programmes enhance the decision making process at senior level positions & strengthen the preventive vigilance administration significantly.

Report on Vigilance Awareness Week – 2020

As per the directives of CVC vide Circular No. 09/09/2020 ref no. 020/VGL/036/459673 dated 08.09.2020, the Vigilance Awareness Week-2020 with the theme “Satark Bharat, Samridhh Bharat” (Vigilant India, Prosperous India) was observed in BEML Limited from 27th October 2020 to 2nd November 2020.

Display of Banners, Standeeds & Posters:

2. In order to create awareness and to sensitize the work force of BEML Limited on the need and importance of ‘Vigilance’ in the organization in particular, and public in general, Banners in different languages were displayed at prime locations at the Corporate Office, Production units at Bangalore, KGF, Mysore, Palakkad and Regional / District Offices. Also, at public places like Bus stand and posters were on display on company/hired vehicles.



Inaugural function and pledge administration:

3. The inauguration of the Vigilance Awareness Week – 2020 on 27th October 2020, was marked by lighting of the lamp, followed by administration of Integrity pledges at the Corporate Office and in all the Production units at Bangalore, KGF, Mysore, Palakkad and all Regional/District Offices. The messages from VVIPs of our country (Honourable President, Vice-president and Prime Minister) and Central Vigilance Commission were read out to the august gathering at the corporate office.



4. ‘Gauva’ sapling was planted as ‘Vigilance Tree’ by CMD Dr. Deepak Kumar Hota at corporate office on 27.10.2020. Gauva’ sapling were planted as ‘Vigilance Tree’ by the Chief Guests at the BEML Bangalore, KGF, Mysore and Palakkad complexes.



Pamphlets distribution:

5. Pamphlets was distributed to the BEML staff across all the divisions, Regional & District offices through emails & SAP mail ids.

Activities organised within BEML Limited:

6. Various activities such as essay writing, slogan writing, poster/cartoon drawing, article writing, group discussion etc., were conducted for the staff, spouse, trainees and kids at various BEML complexes and Regional & District offices. In all around 1100 entries were received and prizes were distributed for the first three best entries.

Sensitization program

7. Sensitization programmes were conducted at all the divisions & HQ for around 700 participants through online.

8. On 29.10.2020, lecture by In-house faculty Ethical Dilemma at work place addressed by CVO, followed by the lecture of Shri Sujit Kumar Bhuniya

9. On same day, lecture by In-house faculty CDA Rules 2019 by Shri Anbazhagan.

10. At KGF complex, on 29.10.2020, lecture by In-house faculty, on awareness on Covid-19 by Dr. Satchuthanandan R, medical centre KGF



Out Reach Activities:

11. Various colleges & schools were contacted to conduct various competitions through online complying to the COVID guide lines issued by Government. School children have actively participated in all the competitions (essay writing, poem writing, group discussion, elocution competition, cartoon drawing) conducted through online.

Vendors Meet :

12. Vendor Meet was conducted on 21st October 2020 virtually through Microsoft team platform Vendors all over India had participated in this meet which was addressed by CMD, CVO, Director (Finance), Director (Defence) & Director (Rail & Metro). Also, other divisions i.e., Bangalore Complex, Palakkad Complex, KGF Complex & Mysore Complex had participated in this meet through Video Conferencing.



Other Programmes

15. It is always true that, communication through Audio/Visual media is more effective than any other means. In Mysore, Even though Skit was planned, considering present COVID pandemic situation and to avoid public gathering with in the premises as well outside Hence, AIR recorded Skit was telecasted through AIR relayed in 100.6 FM on 29.10.2020 @ 4-30 PM

16. In Mysore, as a fresh initiative, it was planned to communicate anti-corruption messages in the form of Jingles and to broadcast the same in canteen during breakfast, lunch & dinner hours. Accordingly with the help of Shri Jayachandra and team, around 12 jingles were prepared and played in canteen from 29.10.2020 to 02.11.2020.

17. In KGF Complex, video of skit on the theme "Vigilant India - Prosperous India" was recorded and telecasted before every vigilance activity. Also it was circulated through whatsapp group for wider publicity of Vigilance awareness.



18. Vigilance Study Circle-Bengaluru (VSC-B) Chapter for which CVO-BEML is the President, organized following on-line guest lectures through video conference with participation of Executives from BEML, HAL, BEL, Canara Bank, member establishments of VSC-B and CVOs/members of other VSCs of the country

A. On 21.10.2020, Guest Lecture by Shri Shaju Francis Sr. VO, South Western Railways Topic: "Evidentiary Standards in disciplinary actions & allied matters"

B. On 22.10.2020, Guest Lecture by Shri Rajendran, CVO, Cochin Shipyard Limited. Topic: "Red Flags in Procurement"

C. On same day afternoon session, Guest Lecture by Shri Sanjay Banga Ex CVO-IREL & UCIL Topic: "Case study on Tender Evaluation"

Valedictory function:

19. The observance of Vigilance Awareness Week - 2020 concluded with a valedictory function at all the complexes of BEML as well as at corporate office. Prize distribution to winners in various competitions was organised.

Issue of e-booklet

20. An e-booklet on "Compendium of CVC Circulars / Guidelines on Inquiry / Disciplinary Matters" was released by CMD.

Guest Lectures:

13. On 23.10.2020 online Guest lecture was delivered by Prof O V Nandimath, NLSIU. Topic : "Contract Management" 87 staff participated.

14. On 30.10.2020, online Guest lecture was delivered by Shri Anirudh Krishnan, M/s. AK Law Chambers Topic: "Alternative Dispute Resolution. 80 members participated.



Award winning slogans

"सतर्कता का लोहा सख्त होता है,
अधिकांश का लोहा सख्त नहीं होता।"

Shri Devashish Jaiswal, 101-30136

सशक्ति का भी मूल-संकेत,
सतर्कता से चले जनतंत्र ॥

Smt. Swati Singh, 922-22187

"आज जन-जन में यह विचार फैलना है।
सतर्क भारत असह्यभारत की आधारभूत नहीं।"

Shri Gyanendra Kumar Kaushik, 922-28092,

सह्य भारत की भी पहचान,
सतर्क रहे सारा बिन्दुसमन ।

Shri Gyanendra Kumar Kaushik, 922-28092,

निर्भीर उन्नति जिन में है लाना,
हर काम, सतर्कता अधिमाना ।

Shri Sushanta Goswami T183-28583

"सतर्कता अधिकांश का ही बहानी
नहीं ही है सशक्त भारत की विशेषता-१।"

Smt. Prity Kumari Nayak 922-27664,

"इसी सतर्क भारतवासी,
हमें आत्मनिर्भर आत्मनिर्भरवासी।
कई कारणात् तब मन धन से,
उसी शक्तिहीन और सही बचने।"

Smt. Sandhya S, 140-26783

"एतन्ने मनुष्योऽपि त्रैलोक्यं विजितुं शक्यते।
यदि नैव त्रैलोक्यं विजितुं शक्यते।"

Shri Gopal K Malannavar, P1189-28676

ಸರ್ಕಾರದ ಕಾರ್ಯದ ಮೇಲೆ,
ಸರ್ಕಾರದ ನಿರ್ಲಕ್ಷ್ಯವೇ ಸರ್ಕಾರದ
ಸರ್ಕಾರದ ನಿರ್ಲಕ್ಷ್ಯವೇ ಸರ್ಕಾರದ

Smr. Mahalakshamma, 101-26875

ಸರ್ಕಾರದ ಕಾರ್ಯದ ಮೇಲೆ,
ಸರ್ಕಾರದ ನಿರ್ಲಕ್ಷ್ಯವೇ ಸರ್ಕಾರದ
ಸರ್ಕಾರದ ನಿರ್ಲಕ್ಷ್ಯವೇ ಸರ್ಕಾರದ

Shri Raghavendra B.D, 115-28938

ಸರ್ಕಾರದ ಕಾರ್ಯದ ಮೇಲೆ,
ಸರ್ಕಾರದ ನಿರ್ಲಕ್ಷ್ಯವೇ ಸರ್ಕಾರದ

Smt. Jagadishwari, T178-24983

ಸರ್ಕಾರದ ಕಾರ್ಯದ ಮೇಲೆ,
ಸರ್ಕಾರದ ನಿರ್ಲಕ್ಷ್ಯವೇ ಸರ್ಕಾರದ

Shri Kiran Kumar, T293-24037

VIGILANCE CAUSES CONSTRUCTION
CORRUPTION ENHANCES DESTRUCTION
"CHECK AND COMPLY"

Shri. M.Manokaran, P1014-26457

"Corruption is a hindrance to Growth,
Stop it before Country becomes stark."

Shri Sanjay Kumar Sah, T183-28560

"Nation Doesn't corrupt
But people corrupt Nation"

Shri. Elangovan R, 117-21413

An Ounce of Vigilant Initiative
Begets Pounds of Prosperity

Shri Trilok Kumar Patel, 933-25477

ನಿರಲಕ್ಷ್ಯವೇ ಸರ್ಕಾರದ ಕಾರ್ಯದ ಮೇಲೆ,
ಸರ್ಕಾರದ ನಿರ್ಲಕ್ಷ್ಯವೇ ಸರ್ಕಾರದ

Shri Rajesh T, 20782

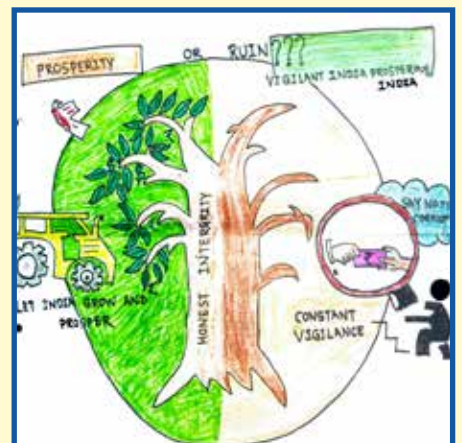
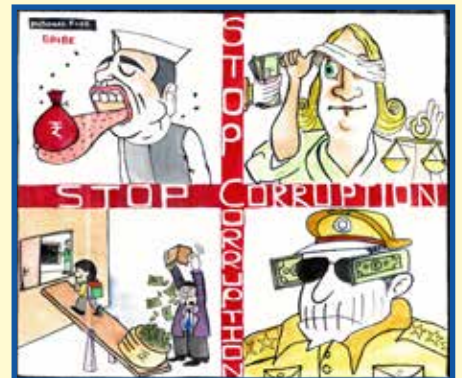
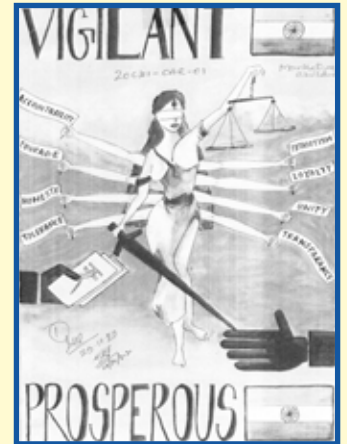
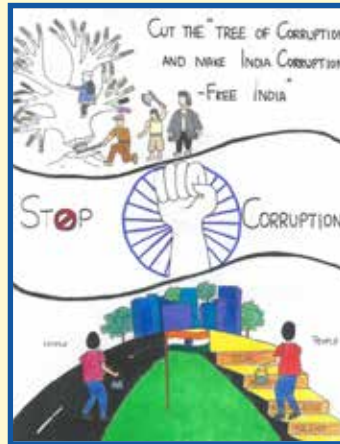
Pitfalls By Corruption Leads to Destruction.
Let's challenge the Situation.
"Together to eradicate Corruption."

Smt Snata Patnaik, T183-26516

Freedom is our most Precious
Commodity. So be Vigilant
to Protect the Independence
& Integrity

Shri M Shama Sunder Rao, 119-24236

Award winning cartoons



I. Case study on traceability of components

1. An industrial accident has taken place inside one of the shop floors, where in a heavy spring-loaded sub-assembly has broken loose and caused a fracture on the skull of a worker. Root cause of the accident is due to the undersized bolt (Rod Type) produced by a worker in a hurry, to meet an urgent requirement. Correct Bolt was already available as per stock, but could not be physically traced at that time, leading to creation of urgency. Ensuing investigation has revealed gross lack of Traceability, Accountability, Responsibility and ownership of components, which is one of the root cause for this accident
2. Work sheets, process sheets, check sheets and other documents are not available to the worker. The only document made available to a machine operator is an old faded drawing, stowed inside an old cupboard. There is no drawing clamping board near every machine for display of drawing and other documents. The machine may be loaded with different kinds of jobs with different operators. The operator simply finishes off the job on the number of pieces of raw material given to him, and hands them over to the shop in-charge, without any paper action/documentation. The operator does not sign anywhere for the job that he has done. He just scribbles the work done by him in hours and minutes on a piece of paper, in order to claim Standard Man Hours. (SMH)
3. As a sample study, stock position of Bolt which was involved in the accident was taken up for verification. During the investigation, following step wise accountability / non-accountability was noticed.
 - (a) Raw material for 80 numbers of subject bolts was loaded for cutting operation. 82 pieces were produced from the supplied raw material. Recording of this was properly documented.
 - (b) 82 pieces were sent to heat treatment shop. There is no incoming record. After heat treatment, only 62 pieces were sent to machine shop for further processing. Outgoing record of this is documented. Balance 20 pieces are not traceable in-between heat treatment to machine shop.
 - (c) There is no incoming record at machine shop. There is no processing record at Machine shop. There is no outgoing record at machine shop.
 - (d) There is no incoming record at progress department. However, progress dept has finally sent 45 finished bolts to CT assembly shop. Outcoming record for this is documented. Balance 17 pieces are not traceable in-between machine shop to progress dept. By now, a total of 37 (20 + 17) bolts are not traceable.
4. After a period of 6 months, in-spite of having 37 pieces of stock left out, which is not traceable, raw material for another 20 pieces was loaded on urgent basis. Again, against these 20 pieces only 18 have reached the machine shop, and 2 are found missing. Further to this, a purchase order also exists on the same part number for supply of 200 Nos by the vendor.
5. The accident was caused from one of these undersized bolts which were manufactured on an urgent basis without using proper thread gauge.
6. After the intervention of vigilance department, out of 39 missing pieces (37+2), 12 pieces which were in a totally rusted condition were traced out from a junk box kept at various places. Still, 27 pieces are untraceable.
7. Action has been taken on the executives responsible for the above non-conformities.
8. During the investigation, progress department has confirmed that, after loading the raw material to the shop floor for processing from raw material to finished product, no accounting document is maintained between the various stages of operation. Only final finished quantity will be taken to account/stock. Further, accounting of raw material to finish product / component will not be tallied/accounted vis-a vis the loading of raw material.
9. This is only a sample study of one such item. There are several items which are likely to have such kind of deficiencies due to non-existent accountability system.
10. In order to have better traceability, accountability and ownership of components, following recommendations are made, as is the norm followed by any industry :
 - (a) Drawing of every job being undertaken on every machine should be displayed on a proper board in front of the machine.
 - (b) Every machine or every job that is being carried out in the shop floor should have a signed check sheet from progress dept, and should be mandatorily displayed near the machine.
 - (c) The operator should enter the required data into the check sheet after completing the job on each and every piece of the lot, irrespective of Class-'A' or 'B' or 'C' or any other category (date wise / component wise). Employee should not leave the check sheet blank until the last piece of the lot is completed. The operator should sign the finished check sheet.
 - (d) The operator should sign at the end of the check sheet after completion of the lot, stating that he has completed the job as per the drawing requirements. This is as per quality assurance requirements of the company (ISO 9001).
 - (e) For all class A items, all the parameters are to be measured and entered into the check sheet and signed by the worker for each item along with the quality Inspector.
 - (f) Each lot should be identifiable by a batch number.
 - (g) Each batch number should be stored separately for identification and traceability purpose, even though the items are same / common.
 - (h) FIFO should be followed for all kinds of parts, and not only just for shelf life components. This is to identify and consume the lot manufactured earlier than the later.
 - (i) R & D / Product Design department should ensure that nomenclature of distinguishable items should be distinctly mentioned in the drawing either with a prefix or a suffix or some other identification.
 - (j) Metal tag containing details, description & qty of part number is to be tied to each metal bin / storage, for easy identification.
11. Above recommendations are strictly to be adopted companywide in totality which will definitely lead to reduction in manufacturing cost and improves quality assurance of the company product.

II. Case study on procurement of common items:

1) During the evaluation of procurement activities, duplication was observed in some areas of procurement due to which a study on procurement of common items/services across BEML was taken up.

On collecting and analyzing the data of items procured across BEML for price and vendor, it was observed that:

- a) Common items/Services (same part numbers) are being procured across the complex at different rates.
- b) Common vendors supplying same category of items to various complexes with multiple procurements.
- c) Two different procurement processes for Services rendered in 2 division of same Complex.

2) Advantages of centralized Procurement:

On analysis and study of the above 3 procurement process, it was found that the merging of procurement (Centralized Procurement) of items/Services gives the following advantages:

- a) Centralized procurement avoids duplication of tendering activities, throughout the complex and allows for fewer overheads.
- b) Duplication of staff efforts and resulting costs are negated and all activities are standardized.
- c) Volume purchasing means that better prices, greater discounts and more agreeable terms can be obtained.
- d) Volume deliveries cut down on delivery charges and staffing costs to move and store the goods.
- e) Procurement activities get standardized.

3) In view of the above the following recommendations were proposed to Management for implementation:

Procurements which has common items, Common vendors, common services have to be planned and procured centrally.

a) Merging of procurement (centralized procurement) of housekeeping contracts/ service contracts /works contracts/ horticulture contracts/canteen contracts.

- Planning department chiefs have to form a committee across complexes and identify the common items/Services in nature (with or without part numbers in common) and suggest for centralized procurement.
- PR (purchase requisition) for such identified items have to be released centrally or pooled together for centralized procurement.
- Once the contract is placed by corporate Materials and created on SAP, the contract may be forwarded to respective divisions for individual purchase order placement.

b) Common Vendors from whom huge procurement have been made across complexes:

- Materials department chiefs, have to form a committee across complexes and identify the common vendors where procurements are huge from a common vendor across complexes and suggest for centralized procurement action.
- PR (purchase requisition) for such identified items have to be pooled together from all divisions for centralized procurement.
- Once the contract is placed by corporate Materials, individual purchase orders may be placed by respective divisions.

1) Linking of SAP and SRM

- a) SAP and SRM has been linked for transfer of the PRs from SAP to SRM system.
- b) Creating tender in SRM using 'Perform Sourcing' menu by adopting the PRs transferred from the SAP system
- c) Auto sourcing of vendors from the SAP system for project items in the SRM tender based on the quality scores for the previous supplies made for the item
- d) Creation of the Purchase order based on the accepted bids in SRM. Details of the vendor, items, quantities, prices, tender number and quotation number flow from SRM bid to the SAP purchase order.

2) Linking of Weighbridge to SAP:

Initially, the weight of incoming or outgoing load through any transport was being on electronic weigh bridges. These values were then manually recorded in respective documents. There was a scope for manipulation or omissions in this kind of manual recording. Based on vigilance recommendations, weighbridge is integrated with SAP ERP system

3) Vendor Bill/Payment Tracking System

Link is provided to vendors on the SRM portal for tracking the status of payment against their bills for the supplies/services made.

Salient points of this feature are as mentioned below:

- a) Vendor needs to log in with their User ID to the SRM portal
- b) After clicking on 'Vendor Payment Tracking' menu, vendor needs to enter the purchase order number. By clicking on Execute, it shows the current status of all the Invoices against the purchase order.
- c) Invoice number field is optional. Entering any particular invoice number along with the purchase order number shows the current status of that particular invoice.
- d) vendor can see the status of invoices against the purchase orders issued to them on the vendor code corresponding to the user id with which they have logged in only. This tracking system is being used by the vendors on the SRM portal.

4) Systemic Medical improvements at Medical centre / Medicine issues

The whole ambit of medicine issues starting from registration of the patients including staff, families & retired staffs to prescription of medicines by doctors, issue of medicines by pharmacy including injections and control of inventory has been computerized and made paperless at all the medical centres of BEML. Going further, medicines brought outside medical centres (local purchases) as well as in-patient details including approval, admission, discharge, bill details are also captured in the sap system for further reference.

5) Online receipt and auto return of Tender fee & EMD in Tenders

- a) Online Payments of tender fee and EMD were enabled through SBI Collect links for all the BEML divisions.
- b) The link details are given in the SRM tender document by purchase department.
- c) Fields have been provided in SRM tender for updating the tender fee and EMD payment details of the bidders by the purchaser.
- d) Once the EMD amount is refundable to the bidder, purchaser needs to put a tick mark for EMD reversal for the bidder which generates voucher automatically in the FICO system for refund of the EMD amount.

6) Performance Bank Guarantee

Performance Bank Guarantee (PBG) is issued by BEML to its Customers from time to time for the sale of equipment / spares & the maintenance contracts as per the terms agreed in the contract. In order to manage the database of the PBGs Issued to customers, New T-Code: ZBANKGRNT has been developed in SAP by the IT Team in co-ordination with the finance dept.

T-code: zbankgrnt enables the users to maintain the database of the BG issued to customers including the BG's issued in foreign currency in SAP along with the various information related to the BG viz. Validity extension, discharge of BG, expiry, invocation / BG encashment by customer, bank charges incurred, exchange rate details etc. Which helps organization to effectively monitor and keeping track of the expenses incurred in this regard.



Validictory function at corporate office



Validictory function at corporate office



Validictory function at corporate office



Vigilance awareness / Sensitization programme



Guest Lecture by Sri Sanjay Banga

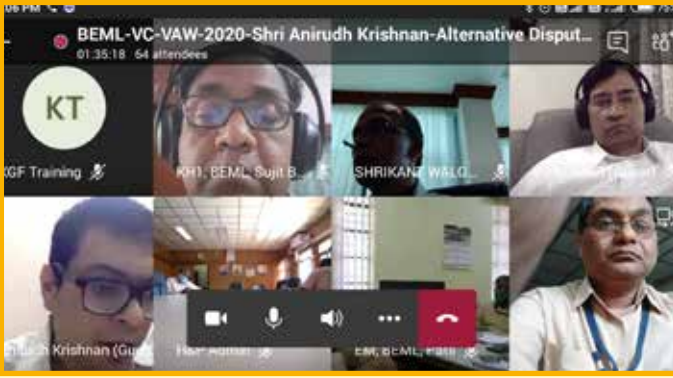


Vendor meet



Guest Lecture on Ethical Dilemma

Best Moments



Guest Lecture by Sri Anirudh Krishnan



Guest Lecture by Sri Shaju Francis



Guest Lecture by Prof. O.V. Nandimath



Guest Lecture by Sri Rajendran



Integrity pledge taking at Dhanbad



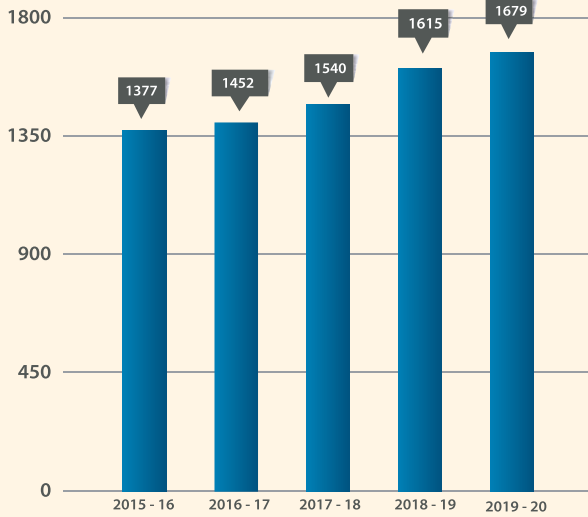
Integrity pledge taking at Neyveli



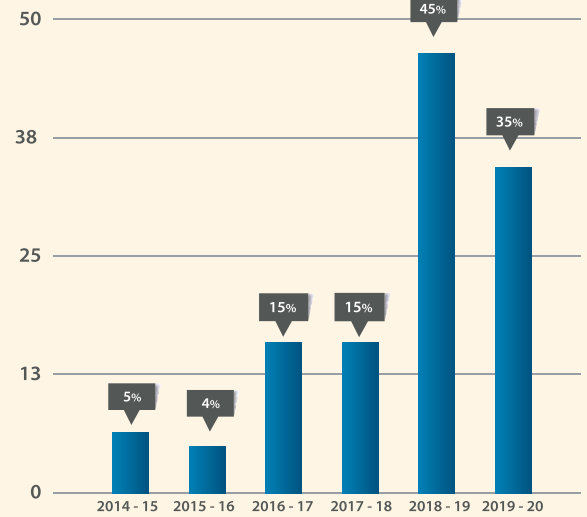
Integrity pledge taking at Jammu

Improvements in the procurement area in last 5 years:

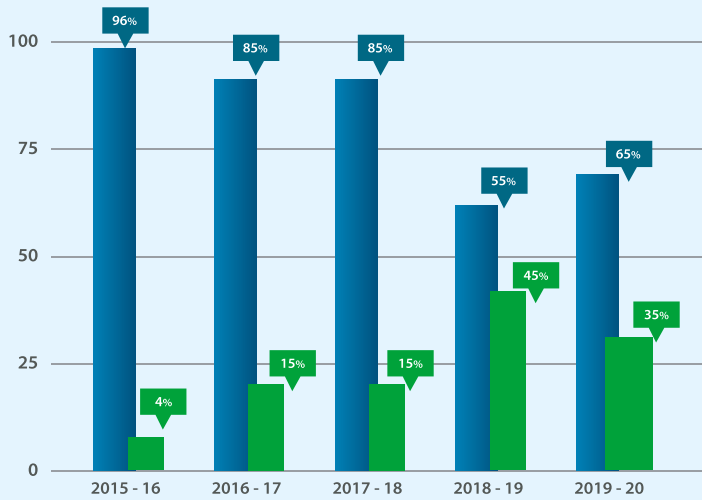
Increase in Vendor Base(AVL)



% Increase in Open Tender

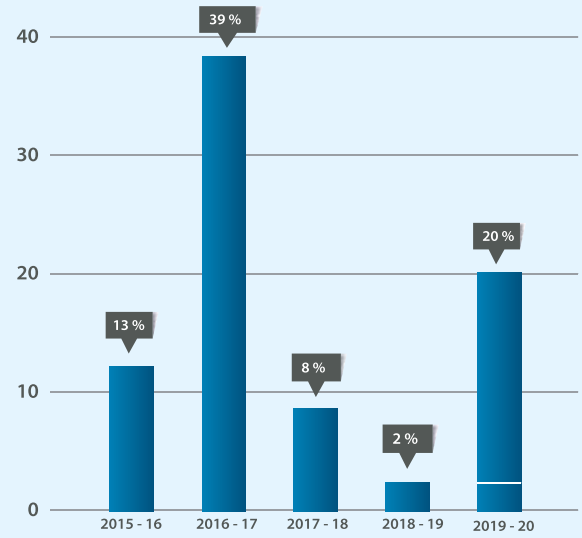


(Single Tender+Limited Tender) Vs Open Tender



- (Single tender + Limited tender) %
- Open tender %

% Decrease in Single Tender



Note: In 2019-20, Single tender procurement value Rs. 713.70 Cr (total procurement Rs.3625.68 Cr) . In which One PO placed on M/s H at Value Rs. 630. Crore. Hence increased from 2% to 20%.

Extract of SOP for Reverse Auction

BEML will be conducting e-Reverse auction with techno-commercial qualified bidders as the participants.

1. Technical & commercial bid : All technical requirement as indicated in the tender to be provided which includes Mandatory and other conditions.

Following commercial terms are to be clearly indicated in the bid as specified in the NIT and same have to be accepted by bidders to get qualify in the bid evaluation.

- a) Terms of Payment : BEML standard payment terms is 100% payment on 60th day after receipt and acceptance and for MSEs payment will be as per MSME act .
- b) Mode of payment : Through RTGS/NEFT
- c) Delivery Terms : FOR division (Local items), CIF Indian Sea port/Airport/ICD(Import items)
- d) Liquidated Damages : As per NIT
- e) Warranty terms : As per NIT
- f) Bank Guarantee (BG) : If applicable
- g) Applicable tax details to be indicated
- h) Any other terms which is specified in NIT

Bidder needs to upload all Technical bid documents and Technical compliance sheets including acceptance of commercial terms as per the requirement of NIT document in the "C-folder Technical attachments" folder of the bid in the SRM system

Technical bid will be opened who qualified pre-qualification of tender requirements as per NIT

2. Price Bid: Price details of the items only to be indicated.

Elimination criteria of Bidders in Reverse auction:

After opening of the Techno-cvcommercial bids, same shall be evaluated for technical and commercial acceptability including the prequalification criteria. The offers not fulfilling the techno-commercial conditions as per the NIT shall be rejected.

The offers, which are techno commercially acceptable including prequalification criteria, shall be eligible for participation in e-reverse auction.

15 Minutes before processing of e-reverse auction bidder has to submit their price in the reverse auction (eRA) portal.

High quoted bidders are identified as " H bidders " . Accordingly H1 , H2 , H3 will be ranked for bidder offers.

The quoted price in eRA portal should be less than or equal to the price quoted in the price bid of SRM portal.

After 15 minutes i.e. time allotted to submit price in RA portal, reverse auction will starts with elimination of " H Bidders" as per table indicated below

Before start of reverse auction elimination of the "H bidder" will be carried out by system as below.

Number of technically qualified bidders if	Elimination from participating RA
4 to 8 bidders	H1 will be eliminated
9 to 12 bidders	H1,H2 will be eliminated
13 to 16 bidders	H1, H2 ,H3 will be eliminated
17 to 20 bidders	H1,H2,H3,H4 will be eliminated
More Than 21 bidders	H1,H2,H3,H4,H5 will be eliminated

Price bid of L1 after conclusion eRA will be opened in SRM portal to verify that start price bid offered in reverse auction is less than or equal to their bid in SRM

If "H bidders" are either MSE bidders or bidders qualifying under PPP-MII , order 2017 , if they are eliminated due to above , then the MSE bidders & PPP-MII bidders will be contacted separately after completion of reverse auction as para (5) and (6) of this document.

Based on RA committee recommendations and then e-reverse auction finalized price of L1 will be offered to the MSE bidders & PPP-MII bidders as per tender conditions.

(IOM : cm/Genl/2020 dtd 11.06.2020)

Extract of SOP for issue of proprietary certificate

I. Proprietary certificate for project items

1. Planning department issues the purchase request for all procurement of project items including proprietary items.
2. Planning department to initiate the proprietary certificate along with signature with date, name, designation as per format-F1 clearly indicating reasons for Proprietary procurement.
3. R&D to suggest alternate sources to purchase department and purchase department has to mention and give details of alternate source being developed /under field trial if any.
4. R&D to review the status of all proprietary items with data from quality department on the detailed history of quality of supplies received and field failures, if any.
5. R&D department head has to approve the proprietary certificate and certify the status of alternate source and should appropriately tick the option in the format-f1 or mention the detailed reason for issuing the proprietary certificate.
6. Proprietary certificate is valid for the period of two years from the date of issue which shall be reviewed every year with appropriate justification with supporting documents in case of extensions for such items.
7. PR issued should have information that the item is proprietary in nature.
8. Approved pr should be provided to purchase department along with proprietary certificate.
9. Proprietary certificate shall be issued by complex head based on the recommendation from R&D who shall certify as per format-F1 that the items recommended for procurement are proprietary in nature for project items.

II. Proprietary certificate for non-Project items

1. For spares of machine tools, PR should be initiated by maintenance department and to be approved as per DOP.
2. For cutting tools and consumables, PR should be initiated by Tool planning or Methods planning department respectively and approved as per DOP.
3. For spares of machine tools, maintenance department to initiate the proprietary certificate as per Format-F2 (NP) clearly indicating reasons for proprietary procurement and shall be approved by maintenance head.
4. For cutting tools and consumables, respective department to initiate the proprietary certificate as per Format-F2 (NP) clearly indicating reasons for proprietary procurement and shall be coordinated by maintenance head and approved by planning head.
5. Purchase department has to mention and give details of alternate source being developed /under field trial if any.
6. Proprietary certificate is valid for the period of one year from the date of issue.
7. PR issued should have information that the item is proprietary in nature.
8. Approved PR along with proprietary certificate should be sent to purchase to take further procurement.

III. Proprietary certificate for New projects/first time procurement as advised by R&D

1. Planning department issues the purchase request for all procurement of project items including proprietary items.
2. R&D department to initiate the proprietary certificate as per Format-F3 clearly indicating reasons for proprietary procurement.
3. R&D head has to co-ordinate the proprietary certificate and certify the status of alternate source and should appropriately tick the option in the Format-F3 or mention the detailed reason for issuing the proprietary certificate.
4. Complex head has to approve the proprietary certificate.
5. Proprietary certificate is valid for the period of three years from the date of issue which shall be reviewed every year with appropriate justification with supporting documents in case of extensions for such items.
6. PR issued should have information that the item is proprietary in nature.
7. Approved PR should be provided to purchase department along with Proprietary certificate.

(Pls refer the SOP sent to all Purchase heads through email on 28.05.2020 for full details/Formats/Annexures of SOP)

Extract of SOP for conducting negotiation in special cases

Sl. No	Competent Authority for approving the procurement proposal as per DOP	Approving Authority for Negotiation	Committee members
1	Procurement Proposal Requires approval of Chief of Division / Chief of Complex	Chief of Division/ Chief of complex/	Chief of Materials - Chairman Division Head of Finance Section Head of Materials Section Head of User dept/ Planning
2	Procurement Proposal Requires approval of Functional Director/ CMD/procurement committee	Functional Director	Chief of Complex/Division - Chairman Division Head of Materials Division Head of Finance Section Head of Materials Section Head of User dept/ Planning
3	If the negotiated prices at (2) are not reasonable		Functional Director - Chairman Division Head of Materials Division Head of Finance Corporate Materials Corporate Finance Section Head of Materials Section Head of User dept/ Planning

- I. On the date of negotiation if officer in the committee is on leave/outstation duty then next immediate officer will attend the negotiation.
- II. Apart from above committee members any other members may be included depending upon the requirement.
- III. Mode of negotiation - In person/telecon/ video conferencing / through e-mail/sending counter offer.
- IV. Justification for negotiation should be clearly indicated such as proprietary item, limited source, higher than the estimate etc (as per CVC circular no 005/CRD/012 dt 03-03-2007)
- V. Proposal should have option for conducting one more level of negotiation as indicated at para (3) of above table at corporate office at the discretionary power of functional director after completion of negotiation at division level.
- VI. DOP does not specify about officers required for negotiation. Officers as per the table proposed above are the committee members for negotiation.
- VII. Price break up to be taken from the firm ahead of negotiation and if not provided, then relevant indices for major component & contribution towards items may be taken & to be discussed by negotiation team before going ahead with negotiation.
- VIII. If Vendor asks for certain time to revert on the BEML offer (if any), then the initial discussions must be brought out in detail in the form of minutes and the final consent of the vendor may be taken via email or on the letter head of the firm. In any case the points discussed must be minuted on the same day.
- IX. Every point discussed in the negotiation meeting must be minuted and the points which are not minuted must never be referred in the subsequent approvals.
- X. In respect of civil works negotiation to be conducted as per the chapter - 29 of Purchase Manual.

(Pls refer the IOM : CM-39/Negotiations/2020/ dated 06.10.2020 for full details/Formats/Annexures of SOP)

Major systemic improvements recommended by vigilance from Apr-2019 to Sep-2020

Sl No	Gist of recommendation	IOM issued/ action taken by management	Whether on website (Company/ Public)
Materials Management Department			
1	Corporate Materials have to frame the standard terms and conditions which will be common for all Bids irrespective of types of contracts, purchase keeping in view of the CVC guidelines, BEML purchase manual, systemic improvements proposed byvigilance.	SOP has been released on 31.12.2019 vide IOM ref : CPC/T&C/Tender/01 dt.31.12.2019	Company
2	SOP to issue proprietary certificate may be released for items under production, maintenance, capital and other various categories.	SOP & Proprietary certificate formats forwarded to all Material chiefs on 28.05.2020 and uploaded to BEML intranet (BEML CONNECT & BEML Bulletin Board)	Company
3	<p>The following are the systemic improvements which needs to be followed by BEML to establish transparency in the bidding process and build trust among bidders/vendors on BEML tendering system.</p> <p>a) Estimated Price should have a proper basis either on internal estimate or on LPP and the same must be given by the Planning department at the time of PR generation and should not be combined with multiple procurement.</p> <p>b) Pre-Bid meeting must be mandatorily conducted when the new scope of procurement is involved.</p> <p>c) When the Price is open in the first tender and decided to retender then the price bid must be opened on reverse auction platform. This will benefit BEML is getting the best/competitive price and also gives fair chance to the bidders who have participated in the cancelled bid.</p> <p>d) The Comparative statement prepared by the Purchase executive has to be vetted by purchase group head and Accounts Scrutiny. This may be done during the subsequent approvals but best before conducting negotiations with the L-1 vendor.</p> <p>e) In special case, negotiation should be conducted by the approved committee members only.</p> <p>f) Every meeting conducted with vendor should be recorded in the form of minutes and has to be signed by all committee members.</p> <p>g) Further every procurement details has to be recorded on FLM.</p>	SOP has been released on 11.06.2020 vide IOM ref cm/ Genl/2020 dtd 11.06.2020	Company
4	<p>a) In order to have transparency in the procurement system, for high value capital items/ equipments/ machineries procurement in particular, the 02-stage tendering process involving EOI/ Pre-Bid meetings needs to be implemented in letter and spirit, in line with CVC Circular No.01/02/11 Dt.11.02.2011 & BEML purchase manual under the head "Transparency in tendering system" at point 5.6)</p> <p>b) On release of PR for Capital procurement, as planning chief is heading both the Technical Committee as well as Tender Evaluation Committee, The planning chief will have to ensure the formation of both the technical committee as well as tender evaluation committee as prescribed in the BEML purchase manual at point 2.19 and 6.5(iii) respectively.</p>	<p>IOM : CM-39/M/2019 dtd 24.05.2019 and incorporate in Purchase Manual</p> <p>All concerned have been informed to follow the recommendation and adhere to the BEML & CVC guidelines in this regard strictly in future.</p>	Company

5	<p>a) Executives/ staff of BEML who are signing on behalf of BEML at any locations of BEML for a service rendered by a third party have to mandatorily practice recording signature on third party service report with date and department seal. Nevertheless, BEML has to insist service providers to present original service reports with date along with original invoice while claiming payment for service rendered.</p> <p>b) For services which have been outsourced, where in the service providers are supposed to submit service reports along with Invoice for payments, care has to be exercised by bills payable section of accounts department to verify that all the service reports presented have dates and that the user department of BEML has signed the service reports by recording the date along with department seal.</p> <p>c) Payments should not be released to vendor merely on the basis of user certification when the original service reports mandated are not enclosed.</p> <p>d) It is reiterated that 'Risk purchase clause' has to be incorporated in the terms of service contract.</p>	CMV/Vigilance/2019/FTMS-41859 dtd 08.08.2019	Company
6	<p>a) For the imported material, all benefits (availment) such as South Asia Free Trade Area (SAFTA), Comprehensive Economic Partnership Agreement (CEPA), Double Tax Avoidance Agreement (DTAA) etc., are availed or not, needs to be examined in the tender stage.</p> <p>b) A centralised training programme is to be organised on regular basis for Purchase Executives and Financial Department who are dealing with Import of material across BEML through Professionals who is having the expert knowledge in the imports of material/services.</p>	IOM : RK/25/2019/189 & 191 dtd 24.09.2019	Company
7	<p>a) Seal Kit contents & drawings in respect of all the existing kits need to be studied, revised and updated in the material master with communication to Materials Management and to be adopted in BOM.</p> <p>b) If the kit contents are only of NOK-Items OEM - can participate directly in the Tender/LTA without any hassle and BEML can also reap in the Price benefits from the OEM.</p> <p>c) Design department should cross / verify all the kit drawings/ SAP-BOM periodically.</p> <p>d) Quality department need to position inspection team in Marketing division to check the quality/ specification of the kit contents/ materials received at Mktg. division. Also random check by sending to R&D lab to be practised.</p> <p>e) Concerned to be advised for a good co-ordination across various departments so that purchase of obsolete items are avoided otherwise resulting in loss of the company.</p>	D(M)/CVO/ AS/ 2019-20/12226 dt.14.01.2020	Company
Quality Department			
8	<p>a) All original OEM drawings / ENC must be kept at central locations/ web server as master record, in addition to respective Product Design department. Annual certificate should be given stating that all ECNs / drawings are in place & are verified.</p> <p>b) A committee of representatives from design, quality, production & Marketing (Service) should be constituted in order to deliberate in the event of making any changes in the drawings of existing aggregate/ product. In case of any major modifications / changes, then the respective Division Head / Functional Director should be part of the committee. All the discussions are to be documented in detail with proper numbering, and should be stored safely for future reference.</p>	KI/922/BMP Transmission-OFMK/2020/127 21.07.2020	Company

9	<p>Engine Failures due to Inefficient Fuel Filters</p> <p>a) R & D personnel are required to undergo Specialisation Courses before being inducted into R & D Department.</p> <p>b) Personnel of quality department are also required to be trained to attain specific specialisations in respective fields.</p> <p>c) The vendor M/s M did not own up any responsibility, even for a major flaw in the products being supplied by them for the past 20 years. Hence, a legal binding should be incorporated when entering into long term contracts / agreements with Vendors. Vendors are to be held responsible for the lapses in their field of expertise, with a penalty clause, as a deterrent factor.</p> <p>d) Important aggregates supplied, even by self-certified vendors, are required to be subjected to an independent Third Party Testing every year. This will bring in more confidence to BEML in handling any kind of Snags on the Engine.</p>	<p>KI/922/Engine Failure/2019/106 dtd 26.03.2019</p> <p>&</p> <p>Q/ESTB/105/26.03.2019</p>	<p>Company</p>
10	<p>a) Maintain a clear documentation/ correspondence in the PO folder regarding advice/suggestion to the vendor especially when transfer of materials to other party is advised (in cases of division of patronage).</p> <p>b) Bringing to the notice of QAC (Corporate Quality) & contemplate to initiate suitable action/process as per laid down procedure of blocking Vendor, based on poor supply performance under approval of Competent Authority.</p> <p>c) SAP core committee to revise the AVL list of all the vendors checking their respective scope/capabilities.</p> <p>d) Alternate Indigenous Source needs to be developed in case of items in Single Tender POs by Defence Purchase Group (where feasible) as dependence on Single Source would become a bottleneck.</p> <p>e) e-Procurement needs to be adopted for all POs based on Defence Orders by Defence HQ for indigenous items mandatorily.</p>	<p>CM-22A/CM-39/CVO/2019 dtd 29.02.2019</p>	<p>Company</p>
<p>Information Technology Department</p>			
11	<p>Vendor Registration</p> <p>Simplified and vendor friendly vendor registration to be put-up on BEML website as flash message & directing interested vendors to a help information link & online vendor registration process.</p>	<p>KI/922/ON-line Vendor/2020/115</p> <p>08.07.2020</p>	<p>Public</p> <p>https://www.bemlindia.in</p>
12	<p>a) SRM Version 7 has to be linked to SAP for Purchase Requisition. Further there should be a lock to ensure that the Tenders are not initiated without the Purchase requisition.</p> <p>b) Till the BEML Vendor master is ready with item wise vendor data, the list of Previous suppliers has to flow in the Bid invitation for the purchaser to select/add vendor. LPP details like LPP vendor, Price, Quantity ordered has to be made available to the Purchaser.</p> <p>c) In view of the above the provision to extend the Bid Closing date may immediately be blocked on SRM with the intimation to the materials section.</p> <p>d) Technical rejection should be made item wise. Rejection of one item should not result in rejecting the vendor for the whole tender. Till this issue is sorted out on SRM, Purchasers may be advised to generate 2 Bid tenders for not more than one item. In some cases the items are interlinked and technical acceptance is required for all items to qualify the tender. Only in such cases a single 2 Bid tender can be floated for more than one item.</p>	<p>Implemented in SRM</p>	<p>Company</p>
13	<p>In order to have transparency in tendering process, the following is recommended for immediate implementation:</p> <p>a) In every 2-Bid system, Technical Compliance sheet should be a mandatory requirement for Technical Bid. SRM Version 7 has to be enabled with the provision for the Bidders witness the details of technical compliance sheet of their Competitors after the Technical Bid Opening in their Dashboard and the final rate after the commercial Bid opening. This would also increase the transparency and competition in subsequent tenders.</p> <p>b) The above information should be mentioned upfront in the Bid invitation so that Bidders are aware and remotely witness the Bid at every stage of tendering in a transparent process.</p>	<p>CIO/SRM/2019/1136 dtd 15.05.2018</p>	<p>Public</p> <p>https://www.bemlindia.in/e-procurement/index.php</p>

14	<p>Transparency in displaying recruitment details on Website.</p> <p>Vigilance department after studied the procedure of recruitment details on website and recommended to improve the website user friendly.</p>	Vigilance recommendation implemented on website	Public https://www.bemlindia.in/Current_job.aspx
Finance Department			
15	<p>System Study on Advance Payments:</p> <p>A.Proforma Invoice Payment:</p> <p>a) Wherever payment term finalized is supply against submission of proforma invoice, PO shall stipulate a specific time period with in which the firm has to dispatch the material and any delay thereafter, LD clause to be imposed</p> <p>b) In case of failure to supply, payment made to be recovered with interest</p> <p>c) The Delivery schedule shall be base for making payment of proforma Invoice payment and getting the material.</p> <p>d) In case of consumables where in the exact delivery schedule cannot be determined in beginning and it is based on consumption & stock level, there must be only one schedule ie., end date and based on user request, payment to be made and supplies to be obtained</p> <p>e) No payment should be made wherever, more than two proforma payments are pending for supplies.</p> <p>f) For service PO, as for as possible, payments to be finalized against completion of service with user certification</p> <p>g) There shall be a condition in PO that supplies shall be made in single lot for the full quantity indicated in proforma Invoice for which payment has been made. Similarly, supplies of two or more Proforma Invoices shall not be combined.</p> <p>h) Suitable procedure to be drawn with a definite time line for making MIRO and also regularizing the transaction only after receipt of material.</p> <p>B. Advance payment</p> <p>a) In PO, the payment term should be clearly brought out indicating the period with in which BG to be submitted from the date of PO, stages of advance payment with value (not %), BG value, BG Validity, Interest bearing clause etc.</p> <p>b) No advance payment shall be made without the submission of valid BG complete in all respect as per PO term and without verification from the Bank</p> <p>c) BG shall be with Interest bearing clause and validity should be covering last delivery schedule with grace period of three months</p> <p>d) There shall be clause in PO that firm has to extend the validity of BG as and when the delivery schedule is amended, till the completion of supplies</p>	Vigilance recommendation implemented	Company
16	<p>a) Third party certification is required to be reintroduced to ensure the correctness of measurement and other parameters as per contract terms in the civil works.</p> <p>b) Civil Maintenance departments of all divisions of BEML have to be reiterated to perform final measurement and reconciliation of completed Civil works activity along with the Civil contractor as per drawing/ BoQ within the stipulated time frame as per Civil works procedure as per Purchase Manual so as to avoid delay in processing of final payment to the Civil works contractor.</p> <p>c) Finance department of all divisions of BEML has to make final payment within the stipulated time frame as per as per Civil works procedure as per Purchase Manual so as to avoid delay in processing of final payment to the Civil works contractor and to be advised accordingly.</p>	<p>CGM(F)/ Dt.07.03.2019</p> <p>KI/922/B/2019/84 Dt.07.03.2019.</p> <p>KI/922/B/2019/85 Dt.11.03.2019.</p>	Company
17	<p>System study of Bank Guarantee Facility given to customer</p> <p>SOP (Standard Operating Procedure) for PBGs issuance to customers need to be introduced within the organisation for better internal control, cost control and transparency.</p>	<p>SOP released vide ref :</p> <p>CGM(F)BG/2020/1 dtd 14.05.2020</p>	Company

18	<p>Irregularities in TA/DA claims of Employees/ Officers pertaining to the Official visits:</p> <p>a. The bills pertaining to Hotel A, & B should not be entertained in future.</p> <p>b. Considering the frequency of official visits by BEML employees/ Officers to places such as Ahmed Nagar, Pune, Ambala etc. and also RO/DO, concerned BEML Regional Manager/District Manager nearby can be instructed to liaise with some of the genuine hotels at those places for tariff agreement, if the stay is for more than 3 days.</p> <p>c. TA/DA claims against Online Hotel bookings done through travel websites such as 'Goibibo', 'OYO', 'makemytrip', etc., should be processed and cleared by Accounts Department based on the Final Invoices issued by the online booking portals after the check-out and not on the basis of online Booking confirmation Vouchers submitted by the individuals.</p> <p>d. Online hotel bookings takes place through cashless, digital transactions in the internet. Individuals should be asked to submit the supportive financial / bank transaction document along with their claim.</p> <p>e. Veracity of the Online Hotel Booking documents submitted by the individuals should be cross-verified by Accounts Department by referring the matter with the respective portals such as 'Goibibo', 'OYO', 'makemytrip' etc., and getting their confirmations in this regard.</p>	<p>a)Circular No:1636.</p> <p>b) KI/922/2017/1439 Dt.08.06.2017.</p> <p>c) KI/922/2017/1406 Dt.22.05.2017.</p>	Company
19	<p>Improment recomended in payment module</p> <p>a) Accounts manual to be updated immediately. Since the manual was issued 20 years ago not covered any changes after SAP, GST, IDPMS etc..</p> <p>b) A strict advice to be issued to update the Bank reference in bank payment journal in SAP. This is required for future communication to Bank and RBI</p> <p>c) A platform to be developed in SAP for LC establishment. This should pick up the vendor's detail from the PO. After LC establishment the LC number should be updated in SAP. A automatic entry should flow</p> <p>d) BEML should develop a Tcode in SAP to take a printout of Bank Advices for payment. After payment automatic, following automatic entry should follow by clicking the payment recorded.</p> <p>e) SAP should create master data in which Bank Advice Numbers, Bank debit advice numbers, Payment date, currency, exchange rate, bill of entry submitted date to Bank should be available.</p> <p>a. By implementing the above, Division / HQ can trace out the full history of PO in any point of time by entering the PO ref. No.</p> <p>f) If SAP core team not able to develop the above, from internal source, it is proposed the existing programme of Mysore Complex with little modifications in reports will be shared to all the divisions through folder sharing and which can be regulated/ monitored by HQ Finance.</p> <p>g) For more than 3 years foreign vendors, detailed review to be made and writ off action is to be initiated with due Management approval.</p>	Under consideration by management	NA
Human Resource Department			
20	<p>Survival certificate for Post Retirement staff of BEML at Medical centre.</p> <p>a. The data pertaining to status of submission of Survival certificate has to be updated in SAP-HMS so that anybody who draws Medicines in the employees who have not submitted survival certificate can be identified. It is also helpful in renewing the survival certificate.</p> <p>b. Every year, Post retirement personals may be required to present themselves for renewal of Survival certification process and a cut-off date may be earmarked to that extent.</p> <p>c. A mechanism may be drawn for regular compliances for such retired personnel such as maintenance of controlled register (Hard/Soft) wherein the data of retired personnel & status on survival certification are maintained. Format of certification on survival, eligibility criteria, period of certification etc.,</p>	<p>RKW/2019 dtd 12.09.2019</p> <p>Communication given to all post retired employee, spouse to submit survival Certificate. They are submitting the certificate and signed in a register kept card counter. Dead line has been given up to December 31st 2020.</p>	Company

21	<p>Hiring of BMTC Buses</p> <p>a) Ineffective enroute-stops which doesn't have anybody boarding at all should be eliminated.</p> <p>b) Duplication of enroute Stops should be eliminated. enroute stops should be unique and should pertain to any one particular route only.</p> <p>c) Feasibility of curtailing O2-way BMTC trips to one-way trip to be reviewed by negotiating for engagement on Point to Point basis,</p> <p>d) Feasibility of engaging Tempo Traveller/ Mini Bus services wherever occupancy status is <=17 in 2nd Shift to be studied instead of engaging BMTC buses of seat capacity of 42/ 50 seats</p> <p>e) For Halfday trip (11 O' Clcok), Overstay trip (5.00 PM) & 'C'/ 3rd Shift, the occupancy status is <=17 and Tempo Traveller/ Mini Bus services to be engaged invariably</p> <p>f) Existing routes to be re-surveyed and optimisation of routes and stops to be evaluated.</p> <p>g) BEML is incurring a huge amount of subsidy to the tune of Rs.477 Lakhs/ Year in operating Chartered BMTC trips, whereas the other PSUs like BEL are recovering the amount on 'Actual' basis. Unrealistically subsidised Transport recovery @ Rs.10/20/30 to TCL/ WCLs merits a review.</p> <p>h) A Mechanism needs to be setup to check unauthorised personnel boarding the Chartered trips, which is not in vogue at present.</p> <p>i) BMTC Conductors to submit trip wise boarding strength to BEML authorities on a daily basis.</p>	RK/25/SI/2020 Dtd 31.01.2020	Company
22	<p>a) As a Systemic Improvement, it was recommended that correction fluid and overwriting should not be carried out on the EMR card. Any correction which may be required is to be carried out by rounding off the old entry and crossing it, and then making a new entry, with signature, name & employee badge number</p> <p>b) SOP has to be established and followed for the Maintenance of EMR card</p> <p>c) History of any changes such as updation / correction / alteration carried out on the hr master data in SAP is not recorded. Cross-verification of such corrections / updations is not possible presently in the system. It was recommended that such provisions may be incorporated in SAP HR Module to know the details</p> <p>d) Booking of SMH hours in BEML needs to be streamlined in order to make it more effective</p>	<p>a. All the Case workers have been informed to follow the recommendation strictly in future while making entry in the EMRs</p> <p>b. To be taken up at Corporate level for uniform implementation at Complexes.</p> <p>c. Taken-up the matter with SAP HR Core</p> <p>d. The booking of SMH is streamlined. -</p>	Company
23	<p>Job Rotation of Officers/ employees in Sensitive department like Purchase Dept (Materials Management)</p> <p>a) Purchase Officers/employees are job rotated within the dept by changing the material group and have no exposure to other dept activities. Materials dept being highly sensitive area in the organization and also to comply the CVC guidelines in true spirit, purchase executives must not be retained in the dept for more that 6 years (2 job rotations)</p> <p>b) Max. number of years of 6 (2 job rotations) may be fixed after which the officer/employee have to moved out of purchase department.</p> <p>c) Due to exigency of the situation, if the officer/employee have to be retained in the dept the period may be extended upto maximum one year with approval from the functional Director with justifiable reasons and under information to CVO</p> <p>d) Action taken in this regards across all the divisions may kindly be communicated.</p>	Under Consideration by management	NA

Note : All the IOM / Action taken reports by management are available in Vigilance portal of BEML Connect for reference.

Sample Housekeeping activity

Before



After



Planting of Vigilance tree



Corporate Office



KGF Complex



Palakkad Complex



Mysore Complex



Bangalore Complex

Job rotation policy in BEML

Job rotation in sensitive areas: As per CVC's instructions, as a preventive measure it would be useful to locate such focal points in each organization and to take steps to ensure that the staff employed at such points are not allowed to continue their indefinitely. Rotational transfers – especially in Sections which have to deal directly with the public – should be effected as a

rule. The retention of a person in the same seat in such Sections, beyond a term of three years, should not be allowed except with the approval of higher authority & with reasonable substantiation. Latest Management released GB No. 1335 dated 19.08.2019 for sensitive Department /Section for the purpose of obtaining VC.

SL NO	SENSITIVE DEPARTMENT	SENSITIVE SECTION
1	Purchase	All
2	Sub-contract	All
3	Vendor Development	All
4	Stores	Receiving, Bills section and salvage (Stores having more than 05 crore of Business per annum)
5	Finance	Bills Payable, PF Section, Cash/ Cheque section, Marketing Finance*
6	Quality Assurance	Receiving Inspection
7	HR	Recruitment, Welfare, PR, Disciplinary, Training & Management Services
8	Civil Construction	Construction, Maintenance, Estate Office
9	Shipping Department	All
10	Trading	All
11	Medical	Pharmacists*
12	International Business Division	All
13	Vigilance	All
14	Shop Floor Executives	Executives who are booking job card / SMH
15	Security	Security Intelligence
16	Transportation Department	Bills Processing
17	Marketing	Equipment sales & Tender Section Spare Parts pricing & Tender

Vigilance clearance procedure in BEML

Vigilance Clearance is an instrument to certify whether an employee is involved in any misconduct or criminal offence like demand / acceptance of illegal gratification, forgery, possession of Disproportionate Assets, cheating, abuse of official position involving Vigilance angle and violation of any of the provisions of BEML CDA regulations.

a) Issues / matters where in Vigilance Clearance is sought in BEML

- (i) NOC for issue of Passport / renewal of Passport.
- (ii) Confirmation on appointment / promotion.
- (iii) Deputation within the Country and Foreign assignments, including business / official trips abroad.
- (iv) Personal visits abroad.
- (v) Forwarding of application through proper channel to other PSUs, Government department (Both Central & State Governments).
- (vi) To attend interviews for selection for employment to other PSUs / Government Departments (Both Central & State Departments).
- (vii) Awards, including National / International.
- (viii) Posting to the sensitive areas, including Transfer to/ from Sensitive areas / Departments.
- (ix) Compulsory / Normal / Voluntary Retirement / Resignation / Pre-mature retirement.
- (x) Extension / re-employment / commercial employment, after retirement.
- (xi) Re-employment after retirement from defence services, PSUs and Government Departments (Both Central / State Government)

b) Checks before issuing the Vigilance Clearance.

- (i) HR Department should furnish the gist of charges proved against the employee / officer and punishment awarded, if any, for last 3 years in the Vigilance Clearance form.
- (ii) In case of private travel abroad, the executive / employee has to fill the following "a) Expenditure being incurred for the visit & b) Source of finance for the visit" relevant columns in the relevant form.
- (iii) HR has to certify that whether the executive has submitted the APR in time and all columns have been filled pertaining to APR for last three years.

c) Vigilance Clearance cannot be accorded in case of the followings:

- (i) Contemplation /pending of vigilance cases on the date of Vigilance Clearance requirement.
- (ii) Cases pending in terms of CDA Rules / Standing Orders / Service Rules.
- (iii) Officer / Employee who is in suspension.
- (iv) Officer /Employee in respect of whom a charge sheet has been issued and disciplinary proceedings are pending.
- (v) Officer /Employee in respect whom prosecution for a criminal charges is pending.
- (vi) Officer /Employee undergoing penalty imposed by the Disciplinary Authority or sentence ordered by the Court of Law.
- (vii) Non-submission of "up to date" APR (applicable for Officers only)

Felicitation of covid 19 warriors

1) Dr. Ambalavana, Manager (Medical):



He is coordinating with District Health, BBMP Officials & various Hospital authorities in identifying the bed availability, admission & treatment. He is coordinating with the executives under home quarantine, including their medication. He is also coordinating with BBMP officials for organising COVID 19 test camp in Bangalore Complex.

2) Shri Franklin Xavier, Manager (PR)



He was instrumental in getting the Cleaning & Sanitisation of entire factory before resumption of Factory operation w.e.f 04.05.2020. Sanitisation is an ongoing process and the officer is regularly arranging for the sanitisation of departments where infection is diagnosed.

3) Smt. R Rajalakshmi, Asst. Manager (HR)



During lock down period, it was decided by the Management to distribute food packets to migrant labourers residing nearby factory. Smt Rajalakshmi with minimal canteen strength has arranged to prepare and supply food packets during lockdown period.

Post resumption of factory operation, she has ensured social distancing while serving food in Workers' Canteen, besides ensures maintenance of all protocols while serving breakfast, lunch & dinner.

Valedictory function



Corporate Office



Mysore Complex



Bangalore Complex



KGF Complex

BEML Vigilance Team



Corporate Team



KGF Team



Palakkad Team



Bangalore Complex Team



Mysore Complex Team

Certificate No.: 001-18044 - Q

Certificate of Approval

This is to certify that the Quality Management System

at

Vigilance Department - BEML Limited



"BEML SOUDHA", 23/1, 4th Main Road, S.R. Nagar,
Bangalore - 560027, Karnataka, India.

has been examined by Assessors of QMS Certification Services Pvt. Ltd.
and found to be conforming to the requirements of

ISO 9001:2015

In respect of the following activities:

**Provision of Vigilance Activities to bring in a Transparent and Corruption
Free Work Environment conforming to Standards of Ethical Practices**

Current Issue Date 06/07/2020, Valid till 05/07/2023*
Original Certification 06/07/2020


Sanjay Kumar Kaushik
Managing Director



* Subject to compliance with requirements specified in Service Specification & Agreement
* To check the validity of this certificate please visit www.jas-anz.org/register

QMS Certification Services Pvt. Ltd.
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Yeshwanthpur, Bengaluru - 560 022,
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VIGILANCE DEPARTMENT

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