



**KIOCL LIMITED**  
**Vigilance Department**



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**VIGILANCE NEWSLETTER**

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**APRIL 2023**



## **Vigilance Newsletter**

### **April 2023**

Vigilance department wishes all the employees and their families on the occasion of 48<sup>th</sup> Company Day and a happy Mahaveer Jayanthi, Good Friday, Vishu, Buddha Poornima and Eid-ul-Zuha in advance. These festivals remind us of the essence of India, which is unity in diversity.

Continuing the efforts of Vigilance Department to help the Company and its employees to stay abreast of the changing methods of working and adapting to them while maintaining high level of integrity, this issue of Vigilance Newsletter brings the latest circulars and notifications issued by Central Vigilance Commission and various Departments of Government of India having bearing on our working.

2023 promises to be a historic Year for India. Having assumed Presidency of G20 and Shanghai Cooperation Organisation (SCO) to becoming the fifth largest economy in the world, India is at the cusp of scaling new heights in economy and global cooperation.

World's focus will be on India with many events planned all over the country which will showcase the vibrant and cultural heritage of India and attract the world to our vast business and tourism potential. We, in turn can learn a lot while interacting with these G20 countries, like adopt the strong commitment to ethics and integrity seen in citizen of the developed world. It will help us to collectively move towards becoming a developed Nation.

This issue also has a write up on the Whistle Blowers Act, case studies of system improvements and preventive vigilance initiatives implemented in other organisations which can be emulated by KIOCL for increasing awareness, efficiency and transparency.

I expect this edition would help in improving our working, to take forward and implement some of the ideas shared here.

**1<sup>st</sup> April, 2023**

**Chief Vigilance Officer**

### **Circular/Notifications/Guidelines issued by Gol**

1. Compilation of amendments in GFR, 2017 upto 31.01.2023 dated 14-02-2023 issued by Department of Expenditure, Ministry of Finance [\[view\]](#)
2. Vivad Se Vishwas I - Relief for MSMEs dated 06-02-2023 issued by Department of Expenditure, Ministry of Finance [\[View\]](#)
3. Draft Scheme for stakeholder consultation: Vivad se Vishwas II (Contractual Disputes) dated 08-02-2023 issued by Department of Expenditure, Ministry of Finance [\[view\]](#)
4. Order (Public Procurement No. 4) - Restrictions under Rule 144(xi) of the General Financial Rules (GFRs), 2017 dated 23-02-2023 issued by Department of Expenditure, Ministry of Finance [\[view\]](#)
5. Amendment to Rule 144(xi) of the General Financial Rules (GFRs), 2017 dated 23-02-2023 issued by Department of Expenditure, Ministry of Finance [\[view\]](#)
6. Extension In prescribed timelines for writing Annual Performance Appraisal Reports (APARs) of top management incumbents of Central Public Enterprises (CPSEs) for the year 2021-22 dated 09-03-2023 issued by Department of Public Enterprises, Ministry of Finance [\[view\]](#)

### **Circular/Notifications/Guidelines issued by CVC**

1. Engagement of retired officials to conduct Investigation and perform other vigilance functions - 13/01/2023 [\[view\]](#)

### **Systemic Improvements and Preventive Vigilance initiatives**

1. Online Generation of Quarterly Progress Reports for Contracts/ Works
2. Online System for Issuing Performance/Experience Certificates
3. Contractors' Labour Information and Management System

### **Vigilance Awareness**

1. Whistle Blowers Protection Act

## **Online Generation of Quarterly Progress Reports for Contracts/Works in GAIL**

### **1. BRIEF DESCRIPTION OF THE MEASURE/ INITIATIVE**

QPR system has been automated to fetch all contract/ Works related details directly from the Contract Module of SAP system. EICs are required to only update the physical progress in the system and the remaining details of the contract – Purchase Order No., estimated cost, awarded cost, Vendor code are automatically captured from the Procurement module of the SAP system.

### **2. BACKGROUND**

As per the guidelines of CVC, the Quarterly Progress Report of all the contracts/works is to be reported to CVC in the prescribed format on a quarterly basis. For capturing the data from all the locations pertaining to the contracts/ works of their respective area, an Intranet-based e-QPR System was operational.

Engineer In-Charges of all sites were authorized to enter the data and a consolidated e-QPR report was generated by Corporate Vigilance and forwarded to CTE. It was observed that the system needed improvement to address the following issues:

- Entry of contract/work orders was being made manually by the user and there was no check in the system to verify the entry of all the purchase orders/ work orders.
- As all the data was being entered manually by the user, there were chances of errors while entering the data.
- Sometimes data entered in the different annexures of the system was not as per the defined classification of Annexures by CVC.

Accordingly, a system improvement was suggested to enable provisions for automatically capturing the data about all the contracts/ work orders directly from the SAP Procurement module including Purchase Order No., Order value, estimated value, Vendor name, EIC name, etc. Further, logic was built into the system for automatic fetching of data as per the classification of Annexures given by CVC.

### **3. IMPLEMENTATION**

The modifications have been completed by the in-house IT team of GAIL and the system has been made live.

### **4. IMPACT AND BENEFITS**

This automation has provided multi-fold benefits:

- While auto fetching, logic has been defined in the system which enables the fetching of contracts/ purchase orders in the respective Annexures.
- There were instances, wherein some of the contracts were not getting entered. With the automation, contracts are directly fetched from the SAP module of the procurement system ensuring all the contracts are captured.
- Chances of errors while doing manual entry are minimized/zero.

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## **Online System for Issuing Performance/Experience Certificates: Siddhi in BHEL**

### **1. BRIEF DESCRIPTION OF THE MEASURE / INITIATIVE**

Online system for issuing Performance/ Experience Certificates in respect of Contracts (Purchases/ Works) awarded by Units/ Regions/ Divisions (Siddhi) was introduced at large scale in BHEL in February, 2021

### **2. BACKGROUND**

An e-mail was received from a State Govt. office to a BHEL official working in one of the Units requesting to confirm as to whether the enclosed experience certificates of 2 sub-contracting vendors were issued by him. In turn, BHEL official confirmed that these experience certificates were issued by him and were genuine. Subsequently, while examining a complaint, Vigilance Department verified with the BHEL official, whether the certificates were issued by him. BHEL official informed that for one vendor, the content of the certificate was different from the certificate issued by him, and for the other vendor, it was stated that he had not issued the certificate at all. Though, the official had earlier confirmed to the State Govt Office that he had issued the certificates, however later, upon Vigilance query, he had changed his statement. He, subsequently, informed the State Govt. office that he did not issue the experience certificates of these two vendors. Further, the "Guidelines for the issue of Performance / Experience Certificates in respect of contracts (Purchases / Works) awarded by Units / Regions" issued by Corporate Office of BHEL, were not followed in letter & spirit.

### **3. IMPLEMENTATION**

An online system has been developed for issuing Performance/ Experience certificates to Suppliers/ Contractors.

- Suppliers/Contractors are to submit their requests through the online portal available at [hps://siddhi.bhel.in](https://siddhi.bhel.in).
- Individual Performance/Experience certificates can be issued for each executed PO/ WO.
- The default Administrator of the system is available at the respective DTG department of the Unit/ Region/Division.
- The Administrator shall identify and provide access rights to authorized users i.e. Initiators, Finance, Issuing Authorities, etc.
- While certifying the executed/supplied value, the 'Gross Value' of the bills passed (excluding deductions on account of tax, LD, etc.) on the date of issuance of certificate may be considered by the Finance department.
- The Issuing Authority shall not be below the rank of DGM as per the extant guidelines.

#### **4. IMPACT AND BENEFITS**

- The issued certificates having unique identification can be sent electronically to the organization seeking the certificate and to the concerned Supplier/ Contractor.
- Embedded URL and QR code can be clicked/ scanned for verification purposes.
- Viewing rights shall be available for respective Internal Audit/ Vigilance Functions.
- Centralized repository of all issued certificates shall be maintained by CDT.
- Till 08.09.2021, 417 experience certificates have been issued through the online system.

#### **5. POTENTIAL FOR REPLICABILITY**

The online system is applicable for issuing experience certificates to Suppliers/ Contractors by all concerned / functional areas of the Company and can be easily adopted by other CPSEs.

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## **Contractors' Labour Information and Management System: (CLIMS) in NTPC**

### **1. BRIEF DESCRIPTION OF THE MEASURE/ INITIATIVE**

NTPC deploys thousands of contractual workers for its various projects. To streamline the system of payment to contractors and ensuring that all statutory requirements are met, an IT based system called "Contractors' Labour Information and Management System' (CLIMS) has been implemented. It aims to streamline the processes relating to the deployment of contractual labour like proper keeping of records in a digitalized format and ensuring that the wages and other benefits of labourers deployed at NTPC Plants are disbursed correctly and in time. The CLIMS application also has inbuilt features like bio-metric attendance, medical fitness, safety training/ clearances, ESI registration, and other regulatory checks.

### **2. BACKGROUND**

NTPC traditionally deploys contractual workers in power-plants in Operations and Maintenance (O&M) as well as construction works. Most of the activities targeted towards payment and welfare of contractors' workers largely relied on manual records maintained by contractors. There was a lot of paper-work and physical records which had to be scrutinised carefully before the release of payments. Other Statutory compliances were also monitored manually. A need was felt to automate these processes to bring in transparency, accuracy and ensuring that workers were paid their dues in time.

### **3. IMPLEMENTATION**

CLIMS is designed to automate several time-consuming processes in a contract involving labour force, including wage sheet processing for contractor's labour and statutory reporting and archival. The application covers the management of information of contractors and their work contracts including the contractor's labour force; their work timings, wages, welfare, safety, and health concerns. While the contractor retains ownership of labour data and enjoys full control over labour attendance, work timing, wages etc., the system provides real- time information window to concerned NTPC officers like Engineer-in-charge, HR and safety department, etc. for ensuring compliance of labour laws and labour welfare. As all the data is stored in servers, CLIMS provides on-click generation of statutory reports and faster HR clearance for contractor's payment. It has brought transparency in terms of wage payment and has ensured payment of proper wages and social security to the workers. PF & ESIC deductions are also automatically calculated in wage sheets improving accuracy and efficiency.

#### 4. IMPACT AND BENEFITS

	Manual System	CLIMS
1	Manual and multiple entry of data related to contract workers in various formats	One-time data entry. Same data utilised in all forms and reports.
2	Lack of worker related data and insufficient information	Creating digital data repository of workers data such as their skill level, trainings received, designation, PF/ESIC numbers, etc.
3	Tedious processes of clearances. Many times, clearances were avoided due to urgency.	Digitalization of EIC, Medical, Safety and HR clearance processes and thereby reducing paper consumption and making this process faster and effective.
4	Tedious process of gate-pass checking and access control paper gate passes can be forged	Authentication of workers using biometric machines (face recognition or finger print) to enhance security and control access to plant.
5	Problems of proxy attendance and unauthorised entry automatically.	No possibility of proxy attendance and unauthorised entry due to biometric authentication.
6	Manual attendance on registers, difficulty in collating and reporting	Availability of real-time workers' attendance data
7	No trace of workmen on the job at any given time	Live dashboard displays number of contractors' workmen deployed in each work area at any given time.
8	Manual Wage Sheet preparation	Auto-generation of Wage Sheets & Pay Roll, ensuring wage payment to workers on the last day of the month.
9	No proper validation of payments to workmen	Payments to workers are through banks and comparing bank account statements of workers with system generated wage sheets.
10	Manual preparation of MIS reports (after collecting data from various sources)	Automated, real-time reports and contextual dashboards for stakeholders, customised analytical/statistical reports and charts for Management and CLIMS users
11	Long delays in the processing of Contractors' bills and HR clearance processes	Faster HR clearance and legal compliances through the availability of authentic data online.
12	Manual preparation of statutory reports	Digitalization and automatic generation of statutory compliance reports. Manual preparation of statutory reports

CLIMS was awarded as Innovative Best Practice in Digital Transformation in the 'Service Excellence' category by the CII (Confederation of Indian Industries) in the year 2020.

CLIMS won the award of appreciation from CSI (Computer Society of India) in the year 2021.



## **5. POTENTIAL FOR REPLICABILITY**

This application can be used by any other organization which deploys labour force for its operations, maintenance, construction or any other activities. It is replicable for other organizations with minor modifications customised to meet the specific needs of the contracts.

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## **Whistle Blowers Protection Act**

### **Salient Features of the Whistle Blowers Protection Act, 2011 and the Whistle Blowers Protection (Amendment) Act, 2015**

i) The Act seeks to protect whistle blowers, i.e., persons making a public interest disclosure related to an act of corruption, misuse of power, or criminal offence by a public servant.

ii) Any public servant or any other person including a non-governmental organization may make such a disclosure to the designated agencies i.e., Central or State Vigilance Commission. The Time Limit for making any complaint or disclosure to the Competent Authority is seven years from the date on which the action complained against is alleged to have taken place.

iii) The Designated Agency cannot entertain any disclosure relating to any inquiry ordered under the Public Servants (Inquiries) Act, 1850 and Commissions of Inquiry Act, 1952.

iv) Similarly, the Amendment Act, 2015, the Bill prohibits the reporting of a corruption related disclosure if it falls under any 10 (ten) categories including information related to:

a) The sovereignty, strategic, scientific or economic interests of India, or the incitement of an offence;

b) Records of deliberations of the Council of Ministers;

c) That which is forbidden to be published by a court or if it may result in contempt of court;

d) A breach of privilege of legislatures;

e) Commercial confidence, trade secrets, intellectual property (if it harms a third party);

f) That relayed in a fiduciary capacity;

g) That received from a foreign government;

h) That which could endanger a person's safety etc.;

i) That which would impede an investigation etc.;

j) Personal matters or invasion of privacy.

v) However, if information related to (b), (e), (f), and (j) is available under the Right to Information Act, 2005, then it can be disclosed under the Act;

vi) Any public interest disclosure received by a Competent Authority will be referred to a government authorised authority if it falls under any of the above prohibited categories. This authority will take a decision on the matter, which will be binding;

vii) The Identity of the Complainant must be included in the Complaint or the Disclosure. However, the Designated Agency shall conceal the identity of the complainant unless the complainant himself has revealed his identity to any other office or authority while making public interest disclosure or in his complaint or otherwise. However, the Designated Agency can reveal the identity of the complainant in circumstances where it becomes inevitable or extremely necessary for the purposes of the enquiry;

viii) The Designated Agency may, with the prior written consent of the complainant, reveal the identity of the complainant to such office or organization where it becomes necessary to do so. If the complainant does not agree to his name being revealed, in that case, the complainant shall provide all documentary evidence in support of his complaint to the Designated Agency;

ix) Any person who negligently or with mala fide reveals the identity of the complainant shall be punished with imprisonment up to three years and fine not exceeding fifty thousand rupees;

x) Similarly, any disclosure made with mala fide and knowingly that it was false or misleading shall be punished with imprisonment up to two years and fine not exceeding thirty thousand rupees;

xi) After receipt of the report or comments relating to the complaint, if the Designated Agency is of the opinion that such comments or report reveals either wilful misuse of power or wilful misuse of discretion or substantiates allegations of corruption, it shall recommend to the public authority to take appropriate corrective measures such as initiating proceedings against the concerned public servant or other administrative and corrective steps. However, in case the public authority does not agree with the recommendation of the Designated Agency, it shall record the reasons for such disagreement;

xii) While dealing with any such inquiry, the Designated Agency shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908 in respect of matters like receiving evidence, issuing commissions, discovery and production of any document etc. Also, every proceeding before the Designated Agency shall be deemed to be a judicial proceeding under the Code of Criminal Procedure, 1973 and Indian Penal Code;

xiii) No obligation to maintain secrecy or other restrictions upon the disclosure of information shall be claimed by any Public Servant in the proceedings before the Designated Agency;

xiv) But no person is required to furnish any information in the inquiry under this act if such information falls under the 10 (ten) categories mentioned before;

xv) It shall be the responsibility of the Central Government to ensure that no person who has made a disclosure is victimised on the ground that such person had made a disclosure under this act;

xvi) If any person is victimised or likely to be victimised on the above-mentioned ground, he may contact the Designated Agency and the Designated Agency may pass appropriate directions in this respect. The Designated Agency can even restore status quo ante with respect to the Public Servant who has made a disclosure. Also, the Designated Agency can pass directions to protect such complainant;

xvii) If an offence under this act has been committed by any Head of the Department unless he proves that the offence was committed without his knowledge or that he exercised all due diligence in this respect;

xviii) This Act extends to all the Companies as well. When any offence under this act has been committed by a company, every person who at the time of the offence was responsible for the conduct of the business of the company shall be deemed to be guilty of the offence unless he proves that the offence was committed without his knowledge or that he exercised all due diligence in this respect;

xix) No court can take cognizance of any offence under this act save on a complaint made by the Designated Agency. No court inferior to that of a Chief Metropolitan Magistrate or a Chief Judicial Magistrate shall try any offence under this act. The High Court shall be the appellate authority in this respect;

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