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VIGILANCE ACTIVITIES AND ACHIEVEMENTS

15.1. VIGILANCE SET-UP

15.1.1 The Ministry of Coal exercises superintendence and control over the vigilance administration of 10 Public Sector Undertakings and one Autonomous Body under its jurisdiction as well as over the Ministerial staff. The vigilance set up of the Ministry is headed by a Joint Secretary-cum-Chief Vigilance Officer on part-time basis. He is assisted by a Director, an Under Secretary and a Section Officer. The Vigilance Wings of Coal India Limited, its subsidiaries, Neyveli Lignite Corporation and the Coal Mines Provident Fund Organization are headed by full time Chief Vigilance Officers. There are total 308 executives /non-executives in the vigilance organization of Coal India Limited /its subsidiaries, Neyveli Lignite Corporation and Coal Mines Provident Fund Organization.

15.1.2 Being the watch-dog of coal and lignite Public Sector Undertakings and the Coal Mines Provident Fund Organization, the Ministry pays special attention to streamlining the procedures and practices prevailing in these organizations, while monitoring the functioning of the Vigilance Departments.

15.1.3 Coal India Ltd is the holding company of 8 subsidiary companies spread over the States of West Bengal, Jharkhand, Orissa, Madhya Pradesh, Uttar Pradesh, Chattisgarh and Maharashtra. The Vigilance Department of Coal India Limited coordinates the activities of the Vigilance Wings of its subsidiaries and also liaisons with the Ministry of Coal, Central Vigilance Commission and Central Bureau of Investigation.



The Minister of State (Independent Charge) of Coal, Statistics and Programme Implementation, Shri Sriprakash Jaiswal holding a meeting of CVOs, in New Delhi on June 15, 2009.

15.2. VIGILANCE AWARENESS WEEK

A Vigilance Awareness week was observed from 3rd November, 2009 to 7th November, 2009 in the Ministry of Coal, Coal India Limited, its subsidiary

companies, Neyveli Lignite Corporation and Coal Mines Provident Fund Organization. As a part of observance, a pledge was administered to all public servants. Banners/ posters were displayed. The coal companies organized interactive sessions and various other programmes on the issues of procurement, handling of grievances, material management, improvement of systems /procedures and transparency etc. during the Vigilance Awareness Week.

15.3. PREVENTIVE VIGILANCE

15.3.1 In order to bring about transparency, uniformity and to streamline the procedures and practices in the sensitive areas of working of the Public Sector Undertakings, the following measures were taken for systemic improvement:

- (i) In pursuance of the directives from the Central Vigilance Commission, Coal India Limited and all its subsidiary companies have implemented publication/uploading of tender documents on the website.
- (ii) An interactive session was held by the Minister of State (I/C) for Coal & SPI on 15/06/2009 with CVO, CIL and its subsidiaries; NLC and CMPFO to review the functioning of vigilance in these organizations in order to improve their performance.
- (iii) A meeting of all the CVOs of CIL, its subsidiaries and its CMDs was held on 08/02/2010 with Secretary, Ministry of Coal to review the vigilance related work in Coal PSUs.
- (iv) Quarterly reviews were made of disciplinary proceedings pending for more than one year by JS & CVO of the Ministry.
- (v) Identification of sensitive posts, periodic review and transfer of personnel occupying the sensitive posts with reference to CVC guidelines on the issue were carried out.
- (vi) 168 surprise checks were carried out by the vigilance cell of CIL and its subsidiaries to unearth lapses, malpractices, dereliction of duty etc.
- (vii) Vigilance inspections in corruption prone areas of the industry such as tenders, electrical works, civil works, road construction, over burden removal etc. were carried out.
- (viii) As a measure for systems improvement, 96 surprise checks were conducted in the Neyveli Lignite Corporation out of which 83 had resulted in vigilance cases and as a result, various circulars were issued regarding proper maintenance of

stock registers, log books, e-payments, purchase orders, tenders, excess booking of lorry loads, contract conditions, proper record maintenances, preparation of realistic estimates, proper payment terms, material management etc by the Neyveli Lignite Corporation management.

- (ix) Similarly, CIL Vigilance issued various circulars regarding limiting the value of gift items, hiring of vehicles, booking of coal under e-auction, review of Integrity Pact etc
- (x) Guidelines were issued from time to time in different coal companies to bring in more transparency and to bring down the areas of discretion or patronage.

15.4. SURVEILLANCE AND DETECTION

15.4.1 All Public Sector Undertakings under the administrative control of Ministry of Coal have identified and prepared the Agreed List of suspected officers for the year 2009-10 in consultation with the Central Bureau of Investigation.

15.4.2 During the year 2009-10, 14 cases were carried over as opening balance for investigation and 24 nos. of new regular investigations cases were taken up for verification of alleged different irregularities in CCL. Action in respect of

17 investigation cases has been completed.

15.4.3 In ECL, fifteen (15) cases were taken up for investigation during the year, investigation in 20 cases were completed including the carried over cases. 15 surprise checks were carried out, of which 11 were taken up for investigation and finally 3 cases were converted into disciplinary proceedings.

15.4.4 In NCL, 59 cases were taken for investigation and 30 cases were completed. Further, 9 surprise checks were carried out.

15.4.5 In MCL, 18 new cases were taken up for investigation during the year. During the period investigation in 29 cases was completed. 13 surprise checks were also carried out.

15.4.6 In SECL, 13 cases were taken up for investigation and 20 surprise checks were carried out during the year. 9 cases were taken up for CTE type examination.

15.4.7 Nine surprise checks and three CTE type scrutiny were conducted in the various Regional Institutes of CMPDI.

15.4.8 In WCL, 17 cases were taken up for investigation, out of which 13 cases were completed. Further, 42 surprise checks and 16 CTE type inspections were conducted.

15.4.9 In BCCL, 22 cases were taken up for investigation, out of which 7 cases were completed. Further, 10 regular cases were registered by the CBI in BCCL during 2009-10. 432 employees were transferred from the sensitive posts.

15.4.10 In NLC, 187 cases were taken up for investigation, out of which 135 cases were completed. Further, 96 surprise checks were carried out, out of which in 83 cases action has been taken up.

15.5. PUNITIVE ACTION

The data regarding position of cases taken up for investigation, departmental inquiry, cases in which penalty was imposed, number of officials placed under suspension, number of regular cases registered by the Central Bureau of Investigation in the coal companies and the Coal Mines Provident Fund Organization (CMPFO) is given below:

Total cases taken up for investigation	369
Total cases of Departmental Inquiry	146
Total no. of Regular cases registered by CBI	29
Total no of officials placed under Suspension	25
Total no of cases in which major penalty was imposed	86
Total no of cases in which minor penalty was imposed	55

15.6 IMPORTANT ACHIEVEMENTS

Coal India Limited

Hiring of vehicle

Number of complaints have been received alleging irregularities in finalization of tender of hiring of cars at CIL (HQ). System improvement was brought by recommending to follow the vehicle hiring system of West Bengal Govt. at Kolkata which was considered as transparent and equitable. This was approved by Chairman, CIL and implemented during the period under report.

Excess booking of coal under e-auction

During investigation of a complaint alleging undue favour by excess booking of coal and charges made in the e-auction conditions suiting to the favourite, it was observed that infructuous expenditure incurred in the form of service charges to the Service provider for lapsed rakes due to non allotment of rakes by railways. This was brought to the notice of Chairman and which lead to issuing of an advice by Marketing Division, CIL to all subsidiary companies to take adequate precaution in future. Copy of circular issued by

Marketing Division, CIL was also forwarded to MOC vide letter no.CIL/VIG/CCL/VD No. 583/920 dated 31.12.09.

To avoid submission of erroneous vigilance status in future by subsidiary companies of CIL:

While processing appeal preferred by an executive against the penalty imposed, it was noticed by Vigilance Division, CIL that the officer had been promoted while a disciplinary case under Rule 31 of CDA Rule of CIL had commenced against him. The promotion order was subsequently withdrawn after surfacing out this fact during scrutiny of appeal case by Vigilance Division, CIL. This matter was taken up for system improvement in as much as that an advisory letter was issued by Vigilance Division, CIL vide letter dt. 23.07.09 with approval of Chairman, CIL to D(P), CIL and CMDs of subsidiary companies mentioning inter-alia that the copy of the memorandum of the disciplinary proceedings be invariably sent to subsidiary companies to Personnel Division, CIL. CVO of the subsidiary companies were also advised to exercise adequate system of cross checking while realizing vigilance status for promotion.

Fraudulent withdrawals from CMPF accounts of beneficiaries

A report was sought by the CVC vide O.M. No. 009/COL/049/47785 dt. 24.06.09

regarding administrative measures taken by Commissioner, CMPF to eradicate fraudulent withdrawals from CMPF accounts of beneficiaries by unscrupulous intermediaries operating in coal companies, CMPFO and Public Sector Banks. The desired report was sent vide letter dt. 15.09.09 detailing how a group of fraudsters in connivance with officials of different departments had repeatedly siphoned off lifelong savings of beneficiaries of CMPF scheme taking advantage of lacunae/loopholes in the system of disbursement.

It was recommended by CVO, CIL that the new system of disbursement of claims for advances and final payments, brought in by the Commissioner, CMPF in May'07, which has effectively curbed such incidents of fraudulent withdrawals from CMPF accounts of the beneficiaries, should continue. Further, to adopt required preventive vigilance, it was also recommended that the CVOs of subsidiary companies be sensitized in the matter to take appropriate administrative /disciplinary action against the officials of their respective companies whose names have surfaced/will surface as alleged persons in the investigation report/Charge Sheet of the State Police /CBI in above regard.

Contribution of Vigilance Division, CIL in system improvement through amendment of CIL manuals

In appreciation of aforesaid contribution of Vigilance Division, CIL in suggesting preventive measures, Chairman, CIL while constituting a Standing Committee on recommending need based amendments in various manuals of CIL, directed that vigilance representative (TS to CVO, CIL) be invariably included in the committee as an invitee. Accordingly, vigilance representative attended to number of meetings of the standing committee whose recommendations were considered and suitable amendments were issued in the old provisions of Contract Management Manual.

In line of above, amendments have also been brought by incorporating fresh clause in the provisions of disposal of appeal under the CDA Rules of CIL. A proposal has also been initiated as per advice of CVC to bring suitable amendment in the CDA Rules of CIL in line with the CDA Rules of Punjab National Bank to make a provision of award of penalty to such retired executive against whom disciplinary proceedings had commenced while in service. The proposal needs appropriate legal opinion since the amendment would attract constitutional provision due to Coal Mines Provident Fund Act & Gratuity Act by which the retirement benefits to the executive of CIL are governed. Accordingly, the matter is posted for legal opinion through Director

(Personnel), CIL with concurrence of Chairman, CIL.

Vigilance participation is on for amendment of Purchase Manual of CIL wherever required.

Vigilance Awareness Week (2009)

Vigilance Awareness Week was celebrated in CIL wherein the HODs of CIL were invited to participate in group discussion on "Preventive Vigilance and System Improvement to bring transparency and accountability in decision making". This was attended by large number of participants.

Neyveli Lignite Corporation Limited

A system improvement suggestion was made by vigilance branch to submit the bill by the supplier to the Accounts Centres along with the supply & fulfill other conditions of the order so that Payment could be released when IRR is issued on line by stores and also to dispense with the procedure of raising the bill by the supplier only after the receipt of the Bill copy of IRR.

Northern Coalfields Limited

E-publication of "VIGILANCE PERSPECTIVE", A COMPENDIUM ON Vigilance matter has been done.

Case studies based on major vigilance cases have been compiled and uploaded in NCL websites as a part of "VIGILANCE PERSPECTIVE".

The status of contractors / suppliers bills pending for payment are uploaded & updated in NCL websites and updated at periodic intervals.

CIL does not have any manual for repair of HEMMs has been circulated. The circular will govern emergency repair of HEMMs till such time CIL formulates a manual for the same.

Mahanadi Coalfields Limited

Payment of R/A Bills to the Contractors:

An allegation on irregularity in payment of R/A Bills to the contractors due to delay in execution of agreement, in case of Civil/E&M works has been investigated. As the irregularities observed are found to be more attributable to the system lapses, the following systemic improvement has been approved by the Competent Authority for immediate implementation.

1. Agreement must be executed before commencement of the work.

Sl.No.	Work Value	Agreement signing authority
i.	Upto Rs.5 lakh	Agreement not required.
ii.	Above Rs.5 lakh and upto Rs.25 lakh	SE (Civil)
iii.	Above Rs.25 lakh and upto Rs.75 lakh	Dy. CE (Civil)/Staff Officer (Civil)
iv.	Above Rs.75 lakh	CGM(Civil)/GM(Civil) of the Company

5. Circular No.MCL/SAMB/CIVIL/03-04/1783 dated 11.11.2003 issued by General Manager (Constn.) with the approval of CMD, MCL must be enforced, which states as under:

2. Performance Security Deposit (PSD) must be submitted by the contractor within the period specified under clause No.4.1.2 of Civil Engineering Manual (CEM), failing which the award of work must be cancelled with forfeiture of EMD. For submission of deposit against ALR items the same time limit shall be enforced.
3. The agreement should be executed within 7 (seven) days of receipt of PSD from the contractor. In case the PSD is submitted in the form of Bank Guarantee (BG) which needs verification from Bank, the time limit for execution of agreement may be extended maximum upto 10 (ten) days from receipt of PSD.
4. Clause No.4.08.1 & 4.08.3 of Civil Engineering Manual (CEM) must be enforced which stipulates as under:

"So long as, there is no change in standard terms and conditions of the agreement as approved by CIL board and there is no change in the agreement format to be

executed on non-judicial stamp paper, there is no need for legal/financial vetting separately each time if the standard documents are vetted once."

Implementation of e-Procurement for works and services

As a part of the National e-Governance Plan (NeGP) [OM No.8(5)/E-II(A)/2006 New Delhi dated 05.07.2006] the e-Procurement of works and services for all open and limited tenders valuing Rs.10 lakhs and above has been implemented w.e.f. 15.08.2009. The threshold value has been reduced to Rs.2 lakhs w.e.f. 15.12.2009. The result so far has shown that the system of e-Procurement as adopted and enacted by MCL has been accepted largely by the bidders of MCL and a confidence has been built up amongst the bidders. The departmental users are also feeling comfortable in using the system and the company has started getting the benefit of reduction in cycle time of procurement, transparency in the process, larger bidder base and of course reduction in procurement cost. The cost of tendering in terms of usage of mandays and resources has also been reduced.

Implementation of e-Procurement of materials

e-Procurement of materials valuing Rs.10 lakhs and above has been implemented in Mahanadi Coalfields Limited w.e.f.

01.10.2009. The threshold value has been reduced to Rs.2 lakhs w.e.f. 15.12.2009. The mode will be e-tendering with e-price bids. The broad and indicative category of items will be HEMM, Mining and Trailing Cables, ACSR Conductors, Tyres and Tubes and Engineering Wire Ropes, Haulage Wire Ropes, P&M items and any other item which the Company may decide.

Procurement of materials above a threshold value of Rs.2 lakhs are undertaken through e-Procurement w.e.f. 15.12.2009 in the Company. This will lead to transparency and fair play in procurement of materials.

Eastern Coalfields Limited

Proposal of CVO in respect of 'Increasing Transparency through effective use of websites" was discussed as Item No 30 in the Functional Directors Meeting on 4th and 5th September'09 in presence of CVO ECL and it was noted that "Bill payment and outstanding bills position to suppliers are being displayed in the Company Website. Functional Directors also directed to display the status of employment proposals at ECL Hqrs in the company website.

e-procurement. The preparatory action for introduction of e-procurement in the company has been initiated. CIL have finalized contract with M/s ITI Ltd for implementation of e-procurement in CIL and

its subsidiaries. Accordingly M/s ITI Ltd visited ECL Sanctoria on 10th Aug'09 to make a presentation and system study regarding e-tendering/e-procurement/e-auction.

OFFER OF STEAM COAL IN PLACE OF ROM COAL WAS STARTED TO ELIMINATE POSSIBILITY OF CORRUPTION AND GENERATION OF MORE REVENUE

On the basis of various complaints, surprise checks conducted at different road sale points gave in sight to a possibility of consumers taking away Steam coal in the name of ROM coal. Vigilance Department, ECL suggested for offering steam coal in place of ROM. The suggestion was accepted by the management and decided to implement in phased manner. This preventive step not only eliminated the possibility of corruption but also fetched additional revenue to the Company. The gain in the revenue during the year 2007-08 over

2005-2006 comes to around Rs 5.02 Crores. The above suggestions if implemented 100% will fetch Rs.10 crores to 15 crores extra revenue per annum since the company is planning to increase its production target by 30% approximately in the coming years.

IMPLEMENTATION OF PHOTO MEDICAL IDENTITY CARDS FOR AVAILING OUTDOOR/INDOOR TREATMENT

In order to stop misuse of the medical facilities available in the Company by Non-entitled cases the vigilance proposal for implementation of Photo Medical Identity Cards for availing Outdoor/Indoor treatment, an order was issued to all CMOs of the Company Hospitals and Area Medical Officers by Chief of Medical Services vide ECL/C-5(E)/CMS/MF/658 dated 26.11.09 for its strict compliance.

In ECL the following recoveries were made on account of findings of Vigilance Enquiries:

Vigilance Ref No	Subject Matter of the case	Details of Recovery	Amount Recovered (in Rs.)
COMP-15/09	Irregularities in Tar felting works in ECL	Recovery of Rs 350157.92 at Rajmahal area from M/s Calcutta Felt Industries (P) Ltd and Rs 321675.89 at Mugma Area from M/s Jalanidhi Bitumen Specialist Pvt Ltd against Price Fall Clause in the RC of Tar felting work.	6,71,833.81

Vigilance Ref No	Subject Matter of the case	Details of Recovery	Amount Recovered (in Rs.)
PE01A/07-D	Unholy alliance between some ECL officials with Business firm	Recovery of Rs. 689359.28 from any payable amount due to M/s Banowarilal Agarwala Pvt Ltd..	6,89,359.28
CB-10/08	Irregularity in procurement at Ponihati Workshop	Recovery of Rs 10800 from each of the two executives as minor penalty.	21,600.00
COMP-40/09	Surprise Check based on the information received regarding purposely under weighment of the e-auction Rakes at Andal Rly Weighbridge	Re weighment of a rake at Barakar Rail Weigh Bridge on 30.05.09 resulting increase of 343.8 Tonnes over the weighment at Andal Rail weighbridge valuing at least Rs. 8.54 lakh (Considering the whole quantity as Gr Rly C).	8,54,000.00
INF-45/06 with CBI Investigation Report PE102007A 0006	Coal stock shortage at West Kenda OCP	Coal transportation and payment thereof in the year 2006-2007 at New Kenda Colliery was reconciled and deduction of Rs 111373.40 was made from the coal bill of Rita Transport.	1,11,373.40
		Total	23,48,166.49

Western Coalfields Limited

D (T/P&P) issued a circular No.803 dated 03-06-09 advising all tender committee members at Co.Hqrs and in Areas to ensure to incorporate all reasons and justifications in detail in their deliberation and noting for every matter.

D(T/OP) in order to improve from the system in weigh-bridges subsequent to

the previous circular issued further circular, No. 16/53 dated 02-06-09 and suggested as follows :-

- To ensure that a register is kept at Weighbridges.
- The time limit of weighing of a loaded truck reduced from 15 minutes to 5 minutes.

- c. Register kept at Weighbridges shall provide calibration details.

A Circular has been issued by Director (Tech./Oprn.), vide no. WCL/D (T) Opn/

Secy/92/187 dated 25.09.2009 for regulating the system of deduction of amount for Electricity consumed by the Contractor from the contractors bill.