



# Vigilance





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## 1. Function

Vigilance Division in the Ministry of Coal oversees the vigilance administration of the Ministry in addition to vigilance issues relating to the organizations working under Ministry of Coal i.e. Coal India Limited (CIL) and its 8 subsidiaries, NLC India Ltd. (NLCIL), Coal Mines Provident Fund Organization (CMPFO) and Coal Controller Organization (CCO). The CVO of the Ministry coordinates vigilance issues with the Central Vigilance Commission (CVC), Central Bureau of Investigation (CBI), DoP&T and other related organizations.

Complaints received in organization are dealt in accordance with the 'Complaint Handling Policy' of the CVC and are processed using the Complaint Tracking System (CTS) from receipt up to disposal in proactive, preventive and punitive manners, such as surprise checks, regular checks, quality checks, follow-up checks and CTE type examinations to sensitize the employees of the company.

The complaints are generally received from MPs/MLAs/Employees and General Public. The nature of complaints largely is in respect of appointment/promotion of employees, irregularities in tenders, corruption regarding compensation, etc. against officers/officials of Ministry of Coal, CIL and its subsidiaries, NLCIL, CMPFO and CCO.

## 2. Organization Structure

Vigilance Division in the Ministry is headed by Additional Secretary as Chief Vigilance Officer (CVO). Vigilance wings of CIL and its subsidiaries, NLCIL, Coal Mines Provident Fund Organization and Coal Controller Organization are headed by CVOs appointed on deputation basis. Vigilance issues in respect of below Board-level Officers of the above-

mentioned organizations are investigated by the CVO of the company concerned and in respect of Board-level officers, the CVOs of the company furnish factual report to the Ministry for taking appropriate action in consultation with the CVC.

## 3. Observation of Vigilance Awareness

Vigilance awareness week focusing on the theme "भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहे/ **Say no to corruption; commit to the Nation**" was observed from 30.10.2023 to 05.11.2023. During this week Integrity pledge, Essay writing competition, Slogan writing competition, quiz etc. were organized in the Ministry. Similar activities were also undertaken in all the companies to create awareness on vigilance issues.



## 4. Review/ Monitoring Mechanism

Regular review meetings are being held with the CVOs to review the pending issues relating to vigilance cases. Three meetings chaired by Secretary (Coal) was held on 25.04.2023, 30.08.2023 and 30.11.2023 during the period 01.01.2023 to 31.03.2024.

## 5. System Improvement Measures issued during 2023 -24

All organizations are active participants in online

submission of Immovable Property Return (IPR), rotational transfer of the officers from sensitive to non-sensitive posts, etc. In addition, following key System improvement were suggestions during 2023-2024:

### Systemic Improvement Measures of CIL

**a. Medical Bill reimbursement:** The System of Medical reimbursement has been studied and it was observed that the scrutiny and payment of Medical bills (OPD & IPD) for on-roll employees of CIL is carried out at the Finance Department of CIL-HQ. Medical bills received by the Medical department are forwarded without being scrutinized by the Doctors. Thus, the responsibility of determining the admissibility of medicines rests with the Finance Executive which is not in accordance with the Finance Manual. Further, no Standard Operating Procedures (SOPs) were available in respect of passing of such bills.

Vigilance Division has suggested for mapping of all bills in ERP portal for real time bill tracking. It was also suggested for preparation of SOP for bill passing.

Various SIMs were issued which were duly complied.

**b. E-MB & E-Billing Portal:** With implementation of ERP across CIL, the concept of e-MB was relooked as a subsystem to ERP. Electronic recording of measurements and preparation of bills are the preferred method for timely payment and ensuring speedy completion of the projects. This shall act as an effective tool of preventive vigilance. The domain specific business logic was prepared by a multidisciplinary in house team from CIL and different subsidiaries.

Portal has been made live for CIL and Subsidiaries for newly awarded works of CIL

and subsidiaries. Migration of old contracts on e-MB portal shall be planned after one month of successful implementation. Standard Operating Procedure (SOP) for operating e-MB portal after implementation based on approved DPR and features of developed portal has been issued after launching the portal on 18.08.2023. The mandate for the portal was inaugurated on 04.11.2023.

**c. Review of Sub-contracting Clauses in NIT/LOA:** During Investigation in one of the subsidiaries regarding allegations of violation of sub-letting clause of a service contract, it was found that sub-contracting is not allowed in part or whole in any circumstances as per terms & conditions of NIT and subsequent LoA issued. During the execution of the work, some peripheral works, other than core activity, were found to be sub-contracted.

Therefore, it is essential that based on the requirement of the job, special care is to be taken while drafting terms & conditions of NITs. After examination of the Vigilance Investigation Report, on advice of CVC, Systemic improvement suggestions were issued to redefine the clauses in similar tenders so as to align with practicality of contracts.

**d. Modification in Standard NIT Documents:** A case where the Standard Bidding Document which was approved by CIL Board and modified at subsidiary level has been examined at CIL vigilance. The Model Bid document for setting up of washeries on Built Own Operate (BOO) basis was approved by CIL Board, which also authorised Subsidiary Board to approve minor modifications.

Systemic improvement measures were suggested that any changes in the Model Bid Document, made by subsidiaries as per requirement of subsidiary companies should



be communicated to CIL for examining its applicability uniformly across CIL. It was also suggested that the guidelines issued for e-procurement of works & services by CIL should clearly spell out major and minor changes, as far as possible. Further suggested for updation of the Model Bid Document to setup washeries on BOO basis since the last Model Bid Document for BOO was approved by CIL Board on 2015.

**e. SIMs regarding prior intimation / previous sanction for acquiring immovable property:**

The process for executives for prior intimations / previous sanctions for acquiring properties was manual and paper-based. This method lacked efficiency and transparency. The Annual Property Return (APR) portal of CIL didn't include a feature to record these intimations or sanctions. The manual submission process makes it cumbersome and time-consuming, making it challenging to scrutinize the information properly. To address these issues, there was a need to enhance the APR portal by incorporating a module for online submission of applications related to prior intimations or seeking previous sanctions for immovable properties, in compliance with CDA rules. This modification aims to streamline the process, reduce human intervention, and ensure transparency by seamlessly integrating each entry in the Annual returns with the respective intimation or sanction obtained. Suggestions were made to the management which is now under implementation.

**f. Banning of Business with firms/ suppliers:** It is observed that inordinate delay was taking place at CIL in dealing the matters related to Banning of Business with firms communicated by subsidiaries. CIL management was suggested for taking appropriate action for System improvement in the matter.

Subsequent to the SIMs issued, CIL management has amended the provisions of the Purchase Manual concerning the banning of firms. These amendments outline specific clauses under which banning will apply uniformly across CIL or will be limited to a particular subsidiary. Moreover, the revised provisions allow for the extension of bans to other subsidiaries following an assessment of conduct and performance from other subsidiaries. An SOP has been issued, which is also a part of CIL's Purchase Manual.

### Systemic Improvement Measures of NLCIL

**(a) Outsourced contract work for removal of Overburden (OB) in Mine IA, Neyveli.**

**Discrepancies observed:** Higher rate of depreciation allowed in the Estimate than the rate allowed, activities for which diesel to be supplied by NLCIL were not clearly listed, rounding off lead variation distance to nearest 200 mtrs, not engaging required number of Overman / Sirdar per shift and not specifying permissible extent of area that can be utilized by the contractor for camp office.

**Improvements caused:** To prepare estimate as per latest circular of Government of India on rate of depreciation, to define ancillary / supporting activities clearly for diesel supply by NLCIL, to maintain actual lead variation distance without rounding off, to include penalty for non-engagement of required Overman / Sirdar and to specify the area allotted to contractor for camp office.

**(b) Medical Camps organized under CSR in the Project Affected Area:**

**Discrepancies observed:** No SOP followed in the medical camps organized by GH of NLCIL under CSR and non-capturing beneficiary details to avoid duplication & non-maintenance



of records. Procurement of medical aids like wheel chairs, hearing aids and Tripods through LTE and not through GeM.

**Improvements suggested:** To formulate SOP for conducting medical camps as per MCI guidelines, to maintain proper documentation and record keeping for issue of medical aids, Aadhar based selection of beneficiaries to avoid duplication and to procure medical aids through GeM.

**(c) Verification of certificates submitted by candidates in NLCIL Recruitments:**

**Observations:** No practice of checking the genuineness of certificates of all the candidates. No action by HR department even after detection of two cases of bogus certificates (CTC document and experience certificate) were found in respect of lateral recruitment.

**Systemic improvements suggested:** To make verification of certificates compulsory and to verify all the documents furnished by all the new recruits with the issuing authorities.

**(d) PIDPI Complaint regarding Recruitment of DGM/Mining (lateral entry):**

Observed the requirement of 1st class Mine Manager certificate shown as part of educational qualification instead of an additional qualification. On the basis of advice by Vigilance Department, HR Department issued an addendum and reopened the portal for receiving the applications with extended timeline.

**(e) Calculation quantum of EMD /Security Deposit.**

Observed calculation of EMD/Security Deposit exclusive of GST in some tenders. On the basis of Vigilance findings, a Circular was issued to

all indenting Divisions to compute EMD on the estimated value plus GST.

**(f) Procurement of Dissolved Oxygen analyser and consideration of unsolicited vendor in GeM Procurement.**

Observed non-consideration of offers received from unsolicited vendors for evaluation in procurements of items through LTE in GeM. Based on Vigilance observation, a circular was issued for considering the unsolicited vendors to increase competition.

**(g) Account of receipt and issue of Medicines procured by General Hospital of NLCIL through Local Purchase (LP).**

**Observation:** Non-accounting of medicines procured through Local Purchase mode in Integrated Hospital Management System (IHMS) and no facility for communicating the receipt of medicine to the patients. Vigilance recommendation made to enter receipt of LP medicines in IHMS and to intimate the patient through SMS as and when the medicines are received.

**(h) “Hi-tech Cultivation” carried out in Mine Dump areas:**

Hi-tech cultivation was undertaken in an area of 100 Ha with stated objectives of enhancing the fertility of the mines spoil of all three mines in Neyveli and also to give employment to Project Affected Persons (PAP). As the return on investment was so meagre and the stated objectives were not met, Vigilance department recommended to discontinue the Hi-tech cultivation project and the same was complied.

**(i) PIDPI complaint regarding financial irregularities in the award of work contracts for installation of Exhibition stalls by PR department:**



**Observations:** Empanelled agencies were not invited to participate in the stall installation work; one particular firm was favoured & allotted works on nomination basis; gift articles were not procured through GeM and there was no proper accounting for the gifts.

**Improvements suggested:** Stall installation works shall be floated as open tender only, in case of LTE, empanelled agencies shall be invited and nomination shall be avoided; classify exhibitions to be participated and procure Gift articles through GeM and to make a system for proper accounting.

## 6. Details of Complaints, Disciplinary Proceedings and Prosecution Sanction from 01.01.2023 to 31.03.2024

### Details of Complaints & Cases received, disposed and Pending (Normal/VIP/PIDPI/CVC)

Source	Opening Balance	Received during the year	Total	Disposed	Balance	Age wise pendency (Months)			
						<1	1-3	3-6	>6
Normal	29	503	532	519	13	0	13	0	0
VIP	0	10	10	8	2	1	1	0	0
PIDPI	0	10	10	5	5	3	2	0	0
CVC (FR and I&R)	0	7	7	5	2	0	2	0	0

### Details of Disciplinary actions – Major Details of Disciplinary actions – Major

Source	Opening Balance	Inquiries assigned to IO during the period	Total	Reports received from IOs	Inquiries Pending with IOs	Age wise pendency (Months)			
						<6	6-12	12-18	>18
Major Penalty cases	4	1	5	3	2	1	0	0	1

### Details of Disciplinary actions – Minor

Source	Opening Balance	Minor penalty charge sheet by DA's during the period	Total	Cases in which Final Orders by DA issued	Balance pending	Age wise pendency (Months)			
						<6	6-12	12-18	>18
Minor penalty cases	1	1	2	2	0	0	0	0	0

### Details of Prosecution Sanction

Opening Balance	Received during the period	Total	Sanction granted	Sanction refused	Balance Pending
1	1	2	2	0	0



