FINAL ASSESSMENT
BHARAT ELECTRONICS LIMITED

The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
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</thead>
<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>35%</td>
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<tr>
<td>Risk Management</td>
<td>7</td>
<td>14.3%</td>
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<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>25%</td>
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<tr>
<td>Training</td>
<td>5</td>
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<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>28.6%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>26.8%</strong></td>
</tr>
</tbody>
</table>
A1:
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company publishes a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company. TI notes the Vigilance Manual (2011) foreward by Chairman and Managing Director. However, this statement is assessed to be insufficiently strong, as it does not discuss the ethics and anti-corruption agenda specifically, and is not from the last two years.

References:
Public:  
TI notes:  
Vigilance Manual (2011), p.2:  
Foreward by Chairman and Managing Director  
A2:
Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company.

References:
Public:
TI notes:
Company website, Gallery:
- Vigilance Awareness Week
- Student Anti-corruption Week
http://bel-india.com/gallery#
A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer demonstrates a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure.

References:
Public:
NA
A4:

Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:

1

Comments:

Based on public information, there is some evidence that the company publishes a statement of values representing high standards of business conduct, including honesty, trust, transparency, and integrity. However, evidence was only found in the Code of Business Conduct and Ethics for Board Members and Senior Management. TI notes that the company’s Vigilance Manual is only a ready reference book for use by officers and staff involved in vigilance administration, and as such is not a guide for all employees. Therefore the company scores a 1. To score higher the company would need to provide evidence that its statement of values representing high standards of business conduct readily available to all employees.

References:

Public:
‘Vigilance Policy
Bharat Electronics Limited is engaged in the business of Defence Electronics, empowering the Nation’s Defence Forces and in other chosen areas of Professional Electronics. We recognize the importance of Values and Ethics in Corporate Governance and understand that Vigilance is essentially a Management function.

The Vigilance System In Bharat Electronics Limited is committed to assist the Management to promote Transparency and Equity in the operations of our Company, in pursuit of Values and Ethics in Corporate Governance, by providing effective service to our stakeholders on a continual improvement basis.

Chief Vigilance Officer’

(p.5): ‘Motto of Vigilance:
i. Professionalism
ii. Transparency
iii. Promptness and
iv. Impartiality'

(p. 6): ‘The Vigilance System In Bharat Electronics Limited is committed to assist the Management to promote Transparency and Equity in the operations of our Company, in pursuit of Values and Ethics in Corporate Governance, by providing effective service to our stakeholders on a continual improvement basis.’ CHIEF VIGILANCE OFFICER

Complaints Handling Policy, p.2:
‘1.1 The Company believes in integrity and transparency in all sphere of activities covering recruitment, promotions marketing, finances and public procurement processes, and has zero tolerance towards any form of corruption.’

Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008), p.3:
‘General Moral Imperatives
5.2 Be honest and trustworthy & practice integrity
5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.
5.2.2 All Board Members and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Company.
5.3 Be fair and take action not to discriminate
5.3.1 The value of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code...
...

(p.4): ‘...6.0 Specific Professional Responsibilities
6.1 Live the Vision, Mission and Values of the Company – each dayLive the Vision, Mission and Values of BHARAT ELECTRONICS LIMITED each day.
For quick reference they are as under:
Vision
To be a world-class enterprise in professional electronics.
Mission
To be a customer focused, globally competitive company in defence electronics and in other chosen areas of professional electronics, through quality, technology and innovation.
Values
*Putting customers first.
*Working with transparency, honesty & integrity.
*Trusting & respecting individuals.
*Fostering team work.*Striving to achieve high employee satisfaction.
*Encouraging flexibility and innovation.
*Endeavouring to fulfil social responsibilities.
*Proud of being a part of the organisation.’


[TI notes that this document was found through a key word search. It is not available on the company website]
A5:

Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company belongs to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption.

References:

Public:
NA
A6: Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score: 1

Comments: Based on public information, there is some evidence that the company has appointed a Vigilance Committee with overall corporate responsibility for its anti-corruption agenda; its members include the Chairman and Managing Director. However, it is unclear what this responsibility specifically entails. The company therefore scores 1.

References:
Public:
Complaints Handling Policy, p.16:

ANNEXURE - I

VIGILANCE SET UP IN BHARAT ELECTRONICS

VIGILANCE COMMITTEES:

Corporate Level Vigilance Committee
CMD - Chairman
All Functional Directors - Members
CVO - Member Secretary

Unit / SBU / Vigilance Committee
Unit / SBU Heads - Chairman
Heads of Personnel, Finance & Material Management and IOs - Members
VOs of the Units / SBUs - Member Secretary
A7:
Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:
1

Comments:
Based on public information, there is evidence that the company has appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda. However, the Chief Vigilance Officer is not identifiable by name, despite the fact that he has written a preface to the Vigilance Manual. The company therefore scores 1.

References:
Public:
Vigilance Manual (2011), p.11:
‘3.7 Chief Vigilance Officer (CVO):
Each department/organization covered under the normal advisory jurisdiction of the Central Vigilance Commission has a vigilance department headed by a senior level officer designated as the Chief Vigilance Officer (CVO). The Chief Vigilance Officer is appointed with the concurrence of the Central Vigilance Commission. The rationale behind posting of CVOs from outside the organization is to insulate both the organization and the CVO from internal pressures. The Vigilance Manual of the Central Vigilance Commission lays down the duties and functions of Chief Vigilance Officer (CVO) and the vigilance units in detail. The Chief Vigilance Officer acts as an extended arm of the commission and represent the commission in all vigilance matters. The CVOs are required to provide assistance to the Chief Executive of an organisation in all matters relating to vigilance administration and acts as link between the Organisation and CVC. The CVO responsibility is of maintaining probity, integrity and efficiency in the organisation. CVO acts as watchful eye to curb corruption, misconduct, negligence, waste & wrongful loss to the organisation.
3.8 ROLE, DUTIES & RESPONSIBILITY OF THE CVO :
A) Examine the existing organisation procedures and eliminate or minimize factors that provide opportunities for corruption or malpractices.
B) Plan regular inspections, surprise visits for detecting failure in quality or speed of work.
indicative of existence of corruption or malpractices;

C) Maintain proper surveillance on officers of doubtful integrity and officers who are on the “Agreed List”.

D) Ensure prompt observance of Conduct Rules relating to integrity; covering (i) statements of assets and acquisitions (ii) gifts (iii) relatives employed in private firms or doing private business (iv) benami transactions;

E) Keep a close watch on officers who habitually accept lavish hospitality or pecuniary obligations in dealing with companies or businessmen.

F) Give suitable advice to the Chief Executive about adoption of appropriate procedures and practices with an objective to ensure integrity in administration.

G) Ensure speedy processing of vigilance cases and to see that rules are strictly complied with.

H) Scrutinize final orders passed by the Disciplinary Authority with a view to see whether a case for review is made out or not and also ensure wide publicity to the punishment awarded to the guilty employees for deterrent effect.

I) Ensure proper assistance to the CBI in the investigation of cases entrusted to them or started by them on their own source of information;

J) Ensure consultation with Central Vigilance Commission at stages wherever required;

K) Ensure prompt submission of returns to the Commission.

L) Review the existing arrangements for vigilance work to ensure expeditious and effective disposal of works;

M) Ensure that the competent disciplinary authorities do not delay processing of vigilance cases, particularly in cases of officers due to retire;

N) Ensure that cases against the public servants on the verge of retirement do not lapse due to time-limit for reasons such as misplacement of files etc. and that the orders passed in the cases of retiring officers are implemented in time; and

O) To maintain close liaison/interaction with CVC, CBI and Administrative Ministry on vigilance matters.

P) It is the CVO’s responsibility to see that the following types of cases are Generally entrusted to CBI for investigation after approval of the Chief Executive of the Organisation:

i) Allegations involving offences which are criminal in nature (e.g. Bribery, corruption, forgery, cheating, criminal breach of trust, falsification of records).

ii) Possession of assets disproportionate to known sources of income

iii) Cases in which enquiries have to be made from non-official persons and non government records or books of accounts have to be examined and iv) Cases of complicated nature requiring expert police investigation.

Q) For smooth functioning of the vigilance department, CVO is authorized to select vigilance personnel from various disciplines who are qualified in their own field. These officers are selected based on proven integrity and performance.’
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:

1

Comments:
Based on public information, there is some evidence that there is regular monitoring and review of the performance of the company’s ethics and anti-corruption agenda. However, it is unclear how often there is a major formal review of the agenda or how often the Board is involved with the review process. The company therefore scores 1.

References:
Public:
Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008), p.9:
‘7.4.1 Continual updation of Code
This Code is subject to continuous review and updation in line with any changes in law, changes in Company’s philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments / modifications shall take effect prospectively from the date stated therein.’

Vigilance Manual (2011), p.3:
‘Basic Concepts of Vigilance...
...An independent Corporate Vigilance department was set up in BEL in 2003 to assume overall responsibility of anti-corruption measures. It is responsible for implementation of vigilance related policies of central government in BEL. Corporate Vigilance provides guidelines to Units/SBUs and coordinates within the organization in these matters. The Vigilance department acts as the apex body for exercising general superintendence and control over vigilance matters in administration. It also acts as a liaison between the Organization and the Govt./CVC/CBI.

Vigilance:
Vigilance in the context of any organization would mean keeping a watchful eye on the
activities of the officers and officials of the organization to ensure integrity of personnel in their official transactions. Vigilance, in other words, is to ensure clean and prompt administrative action toward achieving efficiency and effectiveness of the employees in particular and the organization in general. As lack of Vigilance leads to waste, losses and economic decline. Vigilance is thus, basically and admittedly a managerial function and, therefore, it is an integral part of duties of an executive.’

‘e) PREVENTIVE VIGILANCE :
− Analysis of Rules and Regulations of the organization.
− Identifying complexities in the procedures.
− Identification of sensitive areas.
− Identification of corrupt officials/practices.
− Review of Annual Property Returns.
− To ensure rotation of officials in sensitive positions.
− Regular/Surprise Checks and Inspections.
− Arrange in house as well as external vigilance training programmes for employees and executives.’

Company website, Best Practices:
‘The following are the few Best Practices / System Study Improvements implemented in BEL:
The Company has implemented ERP (SAP) System in all of its manufacturing units/offices, which has strengthened the internal control systems.
Customer Relationship Management (CRM) Portal is launched. Customers can retrieve information on the products that are acquired from BEL.
BEL Customer Co-ordination Cell, caters to Customer’s request related to BEL supplied products online as well as by calling on Toll Free Number : 1800 425 0433.
Supplier Relationship Management (SRM) Portal is launched. Vendors can register themselves online and participate in e-tendering & e-procurement process.
Details of awarded tenders & contracts published in the BEL website.
CTE type examinations are conducted regularly.
Officers and Staff working in sensitive areas (as defined by the CVC) are transferred to non-sensitive areas, as per CVC guidelines.

The following Vigilance Activities are practiced and carried out regularly.
Scrutiny of :
Purchase Orders
Sub-contract Orders
Civil works Contracts
Electrical / Mechanical works Contracts
Medical Equipment Contract
Consultancy Contracts
Service contracts
Supply of Medicines Contracts
Store / Purchase Contracts
(The values of the Orders / Contracts taken for scrutiny is as per CVC guidelines.)
Annual Property Returns filed by the Individuals of the company is scrutinised regularly.’
http://bel-india.com/best-practices

Complaints Handling Policy, p. 18:
‘Fact Verification Report
4.0 FACT VERIFICATION:
4.1 Examination and mention of the :
4.1.1 Rules
4.1.2 Procedures (Purchase/Sub contract/Works Contract)
4.1.3 Guidelines /Directions relevant to the event/transactions (Enclose extract of relevant provisions)
4.2 Examination of Documents :
Examination of documents concerning allegations / transactions. Facts emerging from the examination.
(Take authenticated copies in custody)
4.3 Violations of Procedures/Rules/Directions :
From examination of documents, what are violations vis-à-vis the procedures prescribed as approved by BEL, by different persons? If financial loss caused, then estimation of the correct financial loss.
5.0 CONCLUSION :
5.1 If allegations are proved by fact verification, then mention what is proved, against which official / employee and also mention financial loss to the Company or gain to individual or vendors if any.
5.2 If allegations not proved, mention accordingly.
6.0 RECOMMENDATION :
Whether detailed investigation is recommended or if any other action proposed.’
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:
1

Comments:
Based on public information, there is some evidence that there is a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based. However, there is no readily available evidence of improvement plans being implemented when issues are identified. The company therefore scores 1.

References:
Public:
‘Reports and returns form the basic information of vigilance and information to various authorities such as MoD, CVC, CBI, CMD etc., at different levels have to be submitted by the Corporate Vigilance on monthly, quarterly, half yearly and yearly.
...By 5th of every month Corporate Vigilance has to submit a consolidated reports on vigilance matters in respect of Bharat Electronics to various authorities, hence Units/SBUs must submit the following reports on vigilance work in respect of their Units/SBUs by 1st of succeeding month to Corporate Vigilance for timely onward submission.
...At the end of every Quarter (i.e., March, June, September and December) Units/SBUs shall submit the following reports on Vigilance Works to Corporate Vigilance for onward submission to various authorities.
...Corporate Vigilance has to submit the following reports every half yearly:
i. A list of Executives against whom vigilance cases are pending / penalties awarded as on date for consideration by DPC for promotions to D(HR). Format report is at Appendix - 1A - Chapter 8B.
ii. Vigilance information of Senior Board Level Officers and those likely to come in the zone of consideration for such appointments to DPE. Format report is at Appendix - 1B - Chapter
...At the end of every year Units/SBUs must submit the report on foreign visits by BEL employees on private account by 10th of succeeding year month to Corporate Vigilance for onward submission. Format of the report is at Appendix – 2 - Chapter 8B.

Corporate Vigilance has to submit annual report of vigilance work in respect of Bharat Electronics every year by 10th January to CVC period from 1st January to 31st December of preceding year along with report of foreign visits by BEL employees on private account.’

Vigilance Manual (2011), p.3:
‘Basic Concepts of Vigilance...

...An independent Corporate Vigilance department was set up in BEL in 2003 to assume overall responsibility of anti-corruption measures. It is responsible for implementation of vigilance related policies of central government in BEL. Corporate Vigilance provides guidelines to Units/SBUs and coordinates within the organization in these matters. The Vigilance department acts as the apex body for exercising general superintendence and control over vigilance matters in administration. It also acts as a liaison between the Organization and the Govt./CVC/CBI.

Vigilance:
Vigilance in the context of any organization would mean keeping a watchful eye on the activities of the officers and officials of the organization to ensure integrity of personnel in their official transactions. Vigilance, in other words, is to ensure clean and prompt administrative action toward achieving efficiency and effectiveness of the employees in particular and the organization in general. As lack of Vigilance leads to waste, losses and economic decline. Vigilance is thus, basically and admittedly a managerial function and, therefore, it is an integral part of duties of an executive.

‘...c) CORRECTIVE VIGILANCE :
− Analysis of results of detective vigilance.
− Exploration of the reasons and contributory factors.
− Finding solution to stop recurrence and activate alarm signals.
− Updating the practices to keep pace with times.
− Transparency in procedures & decision making.
− Plugging of the loopholes and updating and building in new whistle blowing arrangements.
− Prepare case study and educate employees.

− Attempt to bring in transparency in procedures and decision making. For Corrective Vigilance to be effective the organization has to have an effective Vigilance network and the Management has to have respect for the advice of the Vigilance Department.

...e) PREVENTIVE VIGILANCE :
− Analysis of Rules and Regulations of the organization.
− Identifying complexities in the procedures.
− Identification of sensitive areas.
- Identification of corrupt officials/practices.
- Review of Annual Property Returns.
- To ensure rotation of officials in sensitive positions.
- Regular/Surprise Checks and Inspections.
- Arrange in house as well as external vigilance training programmes for employees and executives.’
A9: Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:

2

Comments:

Based on public information, there is evidence that the company has a formal process for review and where appropriate updates its policies and practices in response to actual or alleged instances of malpractice. The vigilance departments are responsible for analysing results of detective vigilance and finding solutions to prevent recurrence.

References:

Public:
Vigilance Manual (2011), p.3:
‘Basic Concepts of Vigilance…

...An independent Corporate Vigilance department was set up in BEL in 2003 to assume overall responsibility of anti-corruption measures. It is responsible for implementation of vigilance related policies of central government in BEL. Corporate Vigilance provides guidelines to Units/SBUs and coordinates within the organization in these matters. The Vigilance department acts as the apex body for exercising general superintendence and control over vigilance matters in administration. It also acts as a liaison between the Organization and the Govt./CVC/CBI.

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There is a set up of internal vigilance, in every department, and their primary responsibility is to ensure Purity, Integrity and Efficiency of the staff.
The vigilance function comprises of:

a) Detective Vigilance
b) Punitive Vigilance
c) Corrective Vigilance
d) Prédictive Vigilance
e) Preventive Vigilance’

‘...c) CORRECTIVE VIGILANCE:
– Analysis of results of detective vigilance.
– Exploration of the reasons and contributory factors.
– Finding solution to stop recurrence and activate alarm signals.
– Updating the practices to keep pace with times.
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Supplier Relationship Management (SRM) Portal is launched. Vendors can register themselves online and participate in e-tendering & e-procurement process.
Details of awarded tenders & contracts published in the BEL website.'
CTE type examinations are conducted regularly.

Officers and Staff working in sensitive areas (as defined by the CVC) are transferred to non-sensitive areas, as per CVC guidelines.'
A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure. TI notes that the company has a ‘Risk Management Framework’ but it is unclear if it includes an anti-corruption risk assessment.

References:
Public:
TI notes:
Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008), p.6:
‘6.12 Identify, mitigate and manage business risks
It is everybody’s responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.’
A10:
Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions.

References:
Public:
NA
A11:

Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents. TI notes that there is a specific sub-contract procedure in place, but the approval process does not address corruption risk.

References:

Public:

TI notes:

Sub-contract Procedure (2010), pp. 13-14:

5.0 ESTABLISHMENT OF VENDORS

As Quality, Delivery and Cost are of prime importance, extreme care is to be taken in the selection and establishment of Vendors, in each category, to have a healthy competition. The process of establishment of vendors shall include the following steps:

A. Registration of New Vendors/Development of Alternate Sources
B. Source List & Vendor Rating
C. De-registration, Banning and Suspension of Vendors.

A. REGISTRATION OF NEW VENDORS/DEVELOPMENT OF ALTERNATE SOURCES

5.1 Generally, once in a year during April/May and as and when required, insertions may be made in Newspapers or any media, including e-Tendering for registration of new Vendors, giving the description of the jobs that are intended to be Sub-contracted and asking the interested firms, to apply for Registration. A time period of 15 days shall be given to Vendors, to submit applications, in response to the advertisement. This activity is to be executed by Central Sub-Contract department in case of BG Cx and respective Sub-Contract Departments in the case of other units.

5.2 The firms, who respond to advertisements, will be given a questionnaire (Annexure-3),
to fill in and return, along with necessary supporting documents. The questionnaire may also be given to parties, who approach BEL on their own.

5.3 Vendor Evaluation Committee is appointed by Unit Head/Competent authority, comprising the following representatives:

a) Head of the Production Division Chairman
   (Central Sub-Contracts Division Head in case of BG Cx)

b) Head of Sub-Contracts of respective SBU/Division Member
   (Central Sub-contracts in case of BG Cx) Secretary

c) Representative of IED/MS Member

d) Representative of Production Control/ Indenter Member

e) Representative of Finance Member

f) Representative of Quality Control Member

g) Representative for Specialized process like Co-opted Member PCB, PCB Assembly Lead lining etc.

This committee will study the filled-in Questionnaires, along with the enclosed supporting documents submitted by new Vendors, short-list suitable Vendors and inspect their premises, for assessing their capabilities and infrastructure. If, the facilities available with the Vendor is adequate in all respects and the Vendor meets the required criteria, the Committee will recommend for Registration as Vendor for approval by competent authority. Subsequently, a Vendor Code is allotted.’

A12:
Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption.

References:
Public:
NA
A13:

Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:

2

Comments:

Based on public information, there is evidence that the company has an integrity pact which is signed by vendors and makes clear the company’s stance on bribery and corruption and the consequences of breaches to this stance.

References:

Public:
Integrity Pact, pp. 2-3:
’2.0 Integrity Pact:
2.01 The pact essentially envisages an agreement between the prospective vendors/bidders and the Principal (BEL), committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the Principal, would be considered competent to participate in the bidding process. In other words, entering into this Pact is a preliminary qualification.
2.02 Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.’

(p. 6): ‘6.3 The Bidder will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
6.4 In cases of Purchase/Subcontract orders, the Bidder confirms and declares to the Principal that the Bidder is the original manufacturer/authorized distributor/authorized
6.5 The Bidder confirms and declares to the Principal that it has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the Principal, or any of its functionaries, whether officially or unofficially to the award of the contract to the Bidder; nor has any amount been paid, promised or intended to be paid to any such individual, firm or Company in respect of any such intercession, facilitation or recommendation.

(p. 7): ‘7.0 Previous Transgression:
7.1 The Bidder declares that no previous transgression occurred in the last three years - immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged herein or with any Public Sector Enterprise in India or any Government Department in India, that could justify bidders’ exclusion from the tender process.
7.2 If the Bidder makes incorrect statement on this subject, Bidder can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.’

(p. 8): ‘10.0 Sanctions for Violation:
10.1 Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on the behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act 1988 or any other act enacted for the prevention of corruption shall entitle the Principal to take all or any one of the following action, wherever required:
(i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the Bidder and to impound any earnest money deposit, if made by the Bidder. However the proceedings with the other Bidder(s) would continue.
(ii) The Earnest Money / Security Deposit shall stand forfeited either fully or partially, as decided by the Principal and the Principal shall not be required to assign any reason therefore.
(iii) To immediately cancel the contract, if already signed without giving any compensation to the Bidder.’


Vigilance Manual (2011), p.43:
’7.6 Integrity Pact:
One of the latest initiatives of the Central Vigilance Commission to eradicate corruption in procurement activity is introduction of the Integrity Pact in large valued contracts in all Government Organizations.

In line with directives from MOD and Central Vigilance Commission, BEL has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for orders / contracts of value Rs. 20 Crore and above. Salient features of Integrity Pact.

Salient features of Integrity Pact are given below for general information:

The pact envisages a pre-bid agreement between the buyers and the sellers to avoid all forms of corruption influenced by any person from the bidding stage to the last payment in the contract. The Integrity Pact envisages appointment of an Independent External Monitor of repute to oversee the implementation of the pact and to examine any complaint relating to violation of the pact.

The Pact essentially envisages an agreement between the prospective vendors/ bidders and the buyers, committing the persons/officials of both the parties not to exercise any corrupt influence on any aspect of the contract. Only those vendors/ bidders who have entered into such an ‘Integrity Pact’ with the buyer would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification.’
A13(a):

Does the company explicitly address the corruption risks associated with offset contracting?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company explicitly addresses the corruption risks associated with offset contracting.

References:
Public:
TI notes:
http://www.defenseworld.net/interview/21/Indian_Offsets_Contracts_Fuel_Bharat_Electronics___Growth#.U57yUPldWvM
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting its offset partners and offset brokers.

References:
Public:
TI notes:
http://www.defenseworld.net/interview/21/Indian_Offsets_Contracts_Fuel_Bharat_Electronics____Growth#.U57yUPldWvM
A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:

1

Comments:
Based on public information, there is evidence that the company has an anti-corruption policy. The company therefore scores 1. To score higher the company would need to provide evidence that it explicitly prohibits many of the forms that corruption might take, for example the giving and receiving of bribes, and kickbacks, facilitation payments, and giving and receiving of gifts and hospitality.

References:
Public:
‘1.2 Objective:
Objective of Vigilance is to “Protect the Honest and Punish the Corrupt”. Vigilance organisations have come into being primarily to combat corruption by bringing to book the unscrupulous public servants misappropriating public funds for personal gains as well as harassing the members of the public by demanding bribes for discharging certain public duties which such public functionaries are required to do as part of their normal duties. The primary aim of Vigilance in a govt. organization is preventive and also to introduce fool proof devices in the existing system, fine tune the existing system & build system in case no system is available.
1.3 ROLE OF VIGILANCE :
Vigilance has to play a very important and effective role as a tool in the hands of Management to remove the cancerous growth of corruption on the body of the organization and make it healthy, prosperous, productive & sensitive to the needs and requirements of the public. Further, it should assist the Management in improving productivity by identifying areas vulnerable to wastage / pilferage / leakage of resources and suggest preventive measures to plug the loopholes in the system.’

(pp.4-5): ‘2.3 VIGILANCE ANGLE : Vigilance angle is obvious in the following acts:
(i) Demanding and/or accepting gratification other than legal remuneration in respect of an
(ii) Obtaining valuable thing, without consideration or with inadequate consideration from a person with whom he has or likely to have official dealings or his subordinates have official dealings or where he can exert influence.

(iii) Obtaining for himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing his position as a public servant.

(iv) Possession of assets disproportionate to his known sources of income.

(v) Cases of misappropriation, forgery or cheating or other similar criminal offences. There are, however, other irregularities where circumstances will have to be weighed carefully to take a view whether the officer’s integrity is in doubt. Gross or willful negligence; recklessness in decision making; blatant violations of systems and procedures; exercise of discretion in excess, failure to keep the controlling authority/superiors informed in time – these are some of the irregularities where the disciplinary authority with the help of the CVO should carefully study the case and weigh the circumstances to come to a conclusion whether there is reasonable ground to doubt the integrity of the officer concerned.

The vigilance activity is not to reduce but to enhance the level of managerial efficiency and effectiveness in the organization. Commercial risk taking forms part of business. Therefore, every loss caused to the organization, either in pecuniary or non-pecuniary terms, need not necessarily become the subject matter of a vigilance inquiry. Thus, whether a person of common prudence, working within the ambit of the prescribed rules, regulations and instructions, would have taken the decision in the prevailing circumstances in the commercial/operational interests of the organization is one possible criterion for determining the bona fides of the case. A positive response to this question may indicate the existence of bona-fides. A negative reply, on the other hand, might indicate their absence.

Absence of vigilance angle in various acts of omission and commission does not mean that the concerned official is not liable to face the consequences of his actions. All such lapses not attracting vigilance angle would, indeed, have to be dealt with appropriately as per the disciplinary procedure under the service rules.’

(p.5): ‘2.5 Corruption:
Corruption is use of public office for private gain. For some, it has become a way of life. Corruption undermines the rule of law, strangles economic growth and hurts the poor most severely. It is a key element in economic underperformance. This is equally applicable to Government PSUs.’

(p.7): ‘2.8 Fraud:
Fraud is not defined in Indian Penal Code but Section 17 of Indian Contract Act defines Fraud as means of the successful practice of deception with the intention of cheating. Deception is dishonest concealment of facts on the part of a person. The deceiver’s objective is to acquire or retain wrongful possession of property to which the other person has a rightful claim and is entitled to recovery by law.

2.9 Bribe:
Bribe is an amount received by a public servant other than his legal remuneration for the performance of his official duties.

2.10 MISCONDUCT:
Misconduct is an act of violation of conduct rules of an Organization. To be construed in the light of the Company CDA Rules (applicable to each executives) or Standing Orders (applicable to each employees) as “Improper behaviour”, “intentional wrong doing”, “deliberate violation of rules or neglect of duty”.

2.11 MISAPPROPRIATION:
A public servant (an Employee/Executive) who has appropriated property which does not belong to him for his own benefit or for the benefit of someone else for which it was not intended commits misappropriation. Here, an Employee/Executive has got a direct control over the money / property which has been entrusted to him and which he is holding as a trustee’.
A16:
Is the anti-corruption policy explicitly one of zero tolerance?

Score:
2

Comments:
Based on public information, there is evidence that the company has a zero-tolerance policy towards any form of corruption.

References:
Public:
Complaints Handling Policy, p.2:
‘1.1 The Company believes in integrity and transparency in all sphere of activities covering recruitment, promotions marketing, finances and public procurement processes, and has zero tolerance towards any form of corruption.’

Vigilance Manual, p.1:
‘1.2 Objective:
Objective of Vigilance is to “Protect the Honest and Punish the Corrupt”. Vigilance organisations have come into being primarily to combat corruption by bringing to book the unscrupulous public servants misappropriating public funds for personal gains as well as harassing the members of the public by demanding bribes for discharging certain public duties which such public functionaries are required to do as part of their normal duties. The primary aim of Vigilance in a govt. organization is preventive and also to introduce fool proof devices in the existing system, fine tune the existing system & build system in case no system is available.
1.3 ROLE OF VIGILANCE:
Vigilance has to play a very important and effective role as a tool in the hands of Management to remove the cancerous growth of corruption on the body of the organization and make it healthy, prosperous, productive & sensitive to the needs and requirements of the public. Further, it should assist the Management in improving productivity by identifying areas vulnerable to wastage / pilferage / leakage of resources and suggest preventive measures to plug the loopholes in the system...’
A17:

Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

1

Comments:

Based on public information, there is evidence that the company’s ethics and anti-corruption policies are publicly accessible. However, they seem to be available only in one language. The company therefore scores 1.

References:

Public:
Vigilance Manual:
http://bel-india.com/vigilance-manual

Integrity Pact:
http://bel-india.com/integrity-pact

Policy and Guidelines:
http://bel-india.com/policies-and-guidelines

Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008), p.8:
‘7.3 Compliance with the Code of Business Conduct and Ethics
7.3.1 All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code.
The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.’
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

1

Comments:
Based on public information, there is evidence that the company’s ethics and anti-corruption policies are understandable to some extent. However, evidence shows that the documents are written in dense language and are not fully clear on corruption related issues. The company therefore scores 1.

References:
Public:
Integrity Pact:
http://bel-india.com/integrity-pact

Policy and Guidelines:
http://bel-india.com/policies-and-guidelines

Complaints Handling Policy, p.2:
‘1.1 The Company believes in integrity and transparency in all sphere of activities covering recruitment, promotions marketing, finances and public procurement processes, and has zero tolerance towards any form of corruption.’

‘1.2 Objective:
Objective of Vigilance is to “Protect the Honest and Punish the Corrupt”. Vigilance organisations have come into being primarily to combat corruption by bringing to book the unscrupulous public servants misappropriating public funds for personal gains as well as harassing the members of the public by demanding bribes for discharging certain public duties which such public functionaries are required to do as part of their normal duties. The primary aim of Vigilance in a govt. organization is preventive and also to introduce fool
1.3 ROLE OF VIGILANCE:

Vigilance has to play a very important and effective role as a tool in the hands of Management to remove the cancerous growth of corruption on the body of the organization and make it healthy, prosperous, productive & sensitive to the needs and requirements of the public. Further, it should assist the Management in improving productivity by identifying areas vulnerable to wastage / pilferage / leakage of resources and suggest preventive measures to plug the loopholes in the system...’
A18:

Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score:

1

Comments:

Based on public information, there is no readily available evidence that the company’s anti-corruption policy applies to all employees. However, the Code of Business Conduct and Ethics for Board Members and Senior Management applies to Board members. The company therefore scores 1.

References:

Public:
Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008), p.8:

‘7.3 Compliance with the Code of Business Conduct and Ethics
7.3.1 All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code.

The future of the organization depends on both technical and ethicalexcellence. Not only it is important for Board Members and SeniorManagement to adhere to the principles expressed in this Code, each ofthem should also encourage and support adherence by others.’
A20:
Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:
0

Comments:
Based on public information, there is evidence that the company has a policy on potential conflicts of interest that applies to Board members and senior management. However, no similar policy was found for employees and the information available is assessed to be limited in terms of definition and examples.

References:
Public:
TI notes:
Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008), pp.7-8:
‘7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have apotential conflict with the interest of the Company. Illustrative cases can be:

- Related Party Transactions: Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).
- Outside Directorship: Accepting Directorship on the Board of any other Company that competes with the business of the Company.
- Consultancy/Business/Employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/ responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the company.
- Use of Official position for personal gains: Should not use their official position for personal gains’.
A21:  
Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:  
0

Comments:  
Based on public information, there is limited evidence that the company has a policy for the receipt of gifts, to ensure that such transactions are bona fide and not a subterfuge for bribery. Furthermore, this policy, which includes limits for senior authorisation, is only applicable for Board members and senior management, rather than employees.

References:  
Public:  
TI notes:  
Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008), pp.5-6:  
‘6.7 Be upright and avoid any inducements
The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc. Nominal gifts of commemorative nature, for special events may be accepted and acceptance of such gifts in value exceeding Rs.1000/-individually, to be reported to the Board’.
A22:
Does the company’s anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:

0

Comments:
Based on public information, there is limited evidence that the company has a policy for the receipt of hospitality, to ensure that such transactions are bona fide and not a subterfuge for bribery. Furthermore, this policy is only applicable for Board members and senior management, rather than employees.

References:

Public:
TI notes:
Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008), pp.5-6:
‘6.7 Be upright and avoid any inducements
The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc. Nominal gifts of commemorative nature, for special events may be accepted and acceptance of such gifts in value exceeding Rs.1000/-individually, to be reported to the Board’. 
A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments.

References:

Public:
NA
A24:
Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company prohibits political contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent.

References:
Public:
NA
A25:
Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, or discloses the issues on which the company lobbies.

References:
Public:
NA
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company prohibits charitable contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent.

References:

Public:
NA
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda. TI notes that the Vigilance Manual is only a reference book for officers and staff involved in vigilance administration, and as such is not a guide for all employees.

References:
Public:
TI notes:
Vigilance Manual (2011):
A27:
Does the company have a training programme that explicitly covers anti-corruption?

Score:

1

Comments:
Based on public information, there is evidence that the company provides internal and external vigilance training programmes. However, it is unclear if this includes a specific anti-corruption training module. The company therefore scores 1.

References:
Public:
Company website, Training:
‘Vigilance Awareness Training for all the employees of BEL conducted regularly.
Domestic Enquiry Training for Deputy Managers and above conducted regularly.
Special Training on Process of Complaint Handling for both VO’s & IO’s on need basis.
Special Training on Vigilance Activities for all VO’s on need basis.
Special Training on Investigation Process for all IO’s on need basis.’
http://bel-india.com/training

Vigilance Manual (2011), p.3:
‘Basic Concepts of Vigilance…

...An independent Corporate Vigilance department was set up in BEL in 2003 to assume overall responsibility of anti-corruption measures. It is responsible for implementation of vigilance related policies of central government in BEL. Corporate Vigilance provides guidelines to Units/SBUs and coordinates within the organization in these matters. The Vigilance department acts as the apex body for exercising general superintendence and control over vigilance matters in administration. It also acts as a liaison between the Organization and the Govt./CVC/CBI.

Vigilance:
‘There is a set up of internal vigilance, in every department, and their primary responsibility
is to ensure Purity, Integrity and Efficiency of the staff.’

‘...e) PREVENTIVE VIGILANCE:
- Analysis of Rules and Regulations of the organization.
- Identifying complexities in the procedures.
- Identification of sensitive areas.
- Identification of corrupt officials/practices.
- Review of Annual Property Returns.
- To ensure rotation of officials in sensitive positions.
- Regular/Surprise Checks and Inspections.
- Arrange in house as well as external vigilance training programmes for employees and executives.’
**A28:**
Is anti-corruption training provided in all countries where the company operates or has company sites?

**Score:**

2

**Comments:**
Based on public information, there is evidence that vigilance training is provided to all employees.

**References:**

Public:
Company website, Training:
‘Vigilance Awareness Training for all the employees of BEL conducted regularly.
Domestic Enquiry Training for Deputy Managers and above conducted regularly.
Special Training on Process of Complaint Handling for both VO’s & IO’s on need basis.
Special Training on Vigilance Activities for all VO’s on need basis.
Special Training on Investigation Process for all IO’s on need basis.’

http://bel-india.com/training
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to members of the Board.

References:
Public:
TI notes:
Company website, Training:
‘Vigilance Awareness Training for all the employees of BEL conducted regularly.
Domestic Enquiry Training for Deputy Managers and above conducted regularly.
Special Training on Process of Complaint Handling for both VO’s & IO’s on need basis.
Special Training on Vigilance Activities for all VO’s on need basis.
Special Training on Investigation Process for all IO’s on need basis.’
http://bel-india.com/training

Vigilance Manual (2011), p.3:
‘Basic Concepts of Vigilance…
...An independent Corporate Vigilance department was set up in BEL in 2003 to assume overall responsibility of anti-corruption measures. It is responsible for implementation of vigilance related policies of central government in BEL. Corporate Vigilance provides guidelines to Units/SBUs and coordinates within the organization in these matters. The Vigilance department acts as the apex body for exercising general superintendence and control over vigilance matters in administration. It also acts as a liaison between the Organization and the Govt./CVC/CBI.

Vigilance:
‘There is a set up of internal vigilance, in every department, and their primary responsibility...
is to ensure Purity, Integrity and Efficiency of the staff.’
‘...e) PREVENTIVE VIGILANCE :
− Analysis of Rules and Regulations of the organization.
− Identifying complexities in the procedures.
− Identification of sensitive areas.
− Identification of corrupt officials/practices.
− Review of Annual Property Returns.
− To ensure rotation of officials in sensitive positions.
− Regular/Surprise Checks and Inspections.
− Arrange in house as well as external vigilance training programmes for employees and executives.’
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions.

References:
Public:
TI notes:
Company website, Training:
‘Vigilance Awareness Training for all the employees of BEL conducted regularly.
Domestic Enquiry Training for Deputy Managers and above conducted regularly.
Special Training on Process of Complaint Handling for both VO’s & IO’s on need basis.
Special Training on Vigilance Activities for all VO’s on need basis.
Special Training on Investigation Process for all IO’s on need basis.’
http://bel-india.com/training
A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a clear and formal process by which employees declare conflicts of interest.

References:
Public:
NA
A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:

1

Comments:
Based on public information, there is some evidence that the company has a complaints handling policy, which includes an investigation and penalty decision-making process. However, the commitment remains vague and it is unclear if disciplinary procedures are taken in all instances. The company therefore scores 1.

References:
Public:
Complaints Handling Policy, p.12:
‘18.3 The investigation report should contains:
− Reference to the allegation.
− Details of allegation.
− Whether allegation substantiated
− Details of the relevant rules, procedures, guidelines, directions relevant to the event / transaction (extracts to be enclosed).
− Facts emerging from the examination.
− Details of violations of rules and procedures prescribed in BEL.
− Details of officials responsible for the violations / misconduct.
− Estimation of financial loss caused to the company or financial gain caused to the official/ other parties.
− Details of the documents concerning allegation transactions, documents or copies of the documents to be enclosed.
− Statement of witnesses, who corroborates and support allegations (oral / written).
− Oral / written statements of the suspected officials regarding the violations of
rules and procedures, assessment of documentary evidence to arrive at a conclusion as to what is proved against whom allegation wise.
− Examination of evidence leading to the proof of allegation and suspected officials version of the case.
− Details of the Officers and details of the misconduct for violation of procedures, conclusion of the Investigating Officer bringing out the proved allegations against each official with reference to relevant misconduct as mentioned in standing orders or CDA rules.
− Recommendation of the Investigation Officer against each suspect official for minor penalty / major penalty, criminal prosecution etc.
− Copies of relevant documents, relevant guidelines and procedures, oral/ written statements, allegations proved, misconduct identified etc. should be enclosed to the report.
− The report should be brief with clarity and accuracy.
− Format of Investigation Report is as per the Annexure - IV.
18.4 The investigating officer will submit his report in the prescribed format to the CVO, who will decide whether on the basis of the facts disclosed in the report of the preliminary enquiry, the complaint should be dropped or whether regular departmental proceedings should be recommended against the employee/executive concerned or the administration of a warning or caution would serve the purpose.
18.5 CVO will forward the investigation report to the disciplinary authority, along with his own recommendations, for appropriate decision.
18.6 Then the disciplinary authority will proceed to make a departmental enquiry. The decision, whether departmental action should be taken against a employee/ executive concerned should be decided by the authority competent to award appropriate penalty specified in the BEL CDA Rules. In respect of vigilance cases, the Disciplinary Authority should seek CVO’s advice before imposing proposed penalty’

(p. 21):
7.3.3 Treat violations of this code as inconsistent association with the organization. Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.
A33:
Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

1

Comments:
Based on public information, there is evidence that the company has one independent whistleblowing channel, which is easily accessible and secure for employees to report concerns or instances of suspected corrupt activity. However, evidence suggests that this is the only channel and that employees are unable to report anonymously. The company therefore scores 1.

References:

Public:
Complaints Handling Policy, p.2:
‘1.3 The objective of the policy is to assist the Management and public in general in general handling of the complaint in an efficient, effective and professional manner wherein every possible step is taken to ensure that instances of misconduct do not escape scrutiny and action, while at the same time the morale of the employees is not adversely affected by complaints of mischievous nature.
1.4 The Chief Vigilance Officer (CVO), CMD and Chairman of Vigilance Units in the Corporate Office/Business Units/Strategic Business Units in Bangalore Complex may cause an enquiry into any complaint concerning the functions / activities of any of the projects / Regions/ Joint Ventures / subsidiaries .
1.5 This policy has been designed in line with the guidelines / instructions issued by Government of India and Central Vigilance Commission (CVC), from time to time.
2.0 PHILOSOPHY OF COMPLAINT HANDLING:
2.1 The Complaint Handling Policy is available on the BEL website and also on the
Company’s intranet.

2.2 The Complaint Handling Policy is readily accessible to all stakeholders and public. The Policy is easy to understand and includes details on making and resolving complaints.

2.3 Complaints given in person are acknowledged immediately / Complainants will be treated courteously.

2.4 Each complaint is addressed in an equitable, objective and unbiased manner in line with the Complaint Handling Policy.

2.5 There is no fee/cost to the complainant for making a complaint.’

(p.3):

‘2.6 A person making false complaints is liable for prosecution and/or disciplinary action, in case he/she is a public servant / employee of BEL.

2.7 Information regarding personal identity etc. of complainants shall not be disclosed, if so desired by the complainant.

2.8 The Vigilance Officer will ensure that the complaints are addressed in transparent and fair manner within the specified/reasonable time frame.

2.9 Based on the feedback received, the Company shall initiate necessary action for systemic improvements.

3.0 DEFINITION OF COMPLAINT: Receipt of information about corruption, malpractice or misconduct, from whatever source, would be termed as a complaint.’

(pp. 3-4):

‘In addition, the Chief Vigilance Officer concerned may also devise and adopt such methods as considered appropriate and fruitful in the context of nature of work handled in the organization, for collecting intelligence about any malpractice and misconduct among the employees.

5.2 Complaints are an important source of information about the corruption, Malpractice and Misconduct on the part of public servants. Receipt of information about corruption, malpractice or misconduct from whatever source, would be termed as a complaint. Information about corruption, malpractice or misconduct may flow to CVO/VOs of Units or SBUs/Administrative Authority/ CVC/CBI/Police Authorities from any of the following sources as given in following Para 5.2. Complaints can be classified as:

a. Written – Signed

b. Oral / Verbal

c. Anonymous / Pseudonymous’
7.0 LODGING OF COMPLAINT:
7.1 Complaint can be lodged by addressing the letter / e-mail directly to the CVO at the address indicated in the Standard Notice Boards displayed in the reception of the Units / Offices and also to Vigilance Head of the respective Unit / Region giving specific facts of the matter. The complaint can also be lodged directly on the BEL website (www.bel-india.com) / CVC website. (www.cvc.nic.in)
7.2 The Vigilance Department deals mainly with matters related to corruption and/or where there is a Vigilance Angle. Only those complaints which contain allegations of corruption / indicate presence of Vigilance Angle will be addressed. Complaints must contain factual details verifiable facts and related matters. They should not be vague or contain sweeping allegations. Complaints which do not meet the above criteria may be filed or dropped.

8.0 REGISTRATION OF COMPLAINTS:
8.1 Every Vigilance Section of Units/SBUs will maintain a vigilance complaints register in the prescribed format in 3 Parts. Part I for Executives, Part II for NonExecutives and Part III for non-vigilance complaints. If complaint relates to Executives (with or without Non-Executives), then it should be entered in Part I and if it relates to Non-Executives only, it should be entered in Part II. Vigilance Officer will sign the entries in the Vigilance Complaint Register. Every Vigilance Section of Units/SBUs will maintain a vigilance complaints register.
8.2 Normally an employee/executive can enter a direct complaint in the complaint Register provided in the vigilance office of the respective Units/SBUs giving Information about corruption or other kinds of malpractice. While genuine Complainants should be afforded protection against harassment or victimization; serious notice should be taken if a complaint, after verification, is found to be false and malicious. There should be no hesitation in taking severe departmental action or launching criminal prosecution against such complainants.
8.3 Every complaint, irrespective of its source, would be entered in the prescribed format in the complaints register chronologically as it is received or taken notice of. A complaint containing allegations against several officers may be treated as one complaint for the purpose of statistical returns.
8.4 Entries of only those complaints in which there is an allegation of corruption or Improper motive; or if the alleged facts prima facie indicate an element or Potentiality of a vigilance angle should be made in the register.'
9.1 Identified and signed complaints: These are complaints wherein the identity of the complaint is mentioned by virtue of name, contact details etc., Further, the complainant owns / confirms the details mentioned in the complaint, when the complainant is contacted at the address / contact no. mentioned in the complaint. Source Information received by VO shall be reduced in writing and shall be treated as signed complaint.

9.2 Pseudonymous complaints: These are the complaints wherein the identity of complainant is mentioned by virtue of name, contact details. However where the signatory of complaint is contacted at the address / contact no. mentioned in the complaint, the Complaint is either disowned or there is no response within a reasonable time.

9.3 Anonymous complaints: These complaints where the complainant has not revealed verifiable or traceable or contactable identity while making the complaint.

9.4 Whistle Blower Complaint: [otherwise known as Public Interest Disclosure and Protection of Informers (PIDPI)].
CVC is the designated agency for receiving PIDPI complaints. Such complaints should be made to the CVC in the manner prescribed by the Commission. Complaints under PIDPI can be made only by post. These are the complaints wherein the identity of the complainant is kept confidential and the CVC forwards only the details of the complaint as “Source Complaint”. The identity of the complaint is not revealed so as to ensure that the complainant is not victimised. The envelope should be super scribed “PIDPI” or “Whistle Blower”. The complainant should refrain from giving his name on the body of the letter. The personal details should be given separately or given at the top or at the end of the letter so that they can be easily blocked out.

9.5 Whistle Blower (PIDPI) complaints received in the Office of CVO / BEL shall be processed as per CVC guidelines.’

(p. 7): ‘10.1 Signed complaints: Such complaints shall be processed as mentioned in the policy. Source complaints / information received in writing shall be treated as signed complaint and processed as mentioned in the policy.

10.2 Anonymous and Pseudonymous complaints:
Anonymous and pseudonymous complaints could be misused by disgruntled elements to harass honest officials. The CVC has, therefore, advised that no action is to be taken, as a general rule, on anonymous / pseudonymous complaints received. Although anonymous / pseudonymous complaints should normally be dropped, the CVC has not precluded itself from taking any
cognizance of any complaint on which action is warranted. The CVC has also advised that if such complaints apparently contain verifiable information and the department / organisation proposes to look into the verifiable facts alleged in such complaints, a verification may be carried out and on completion of the verification, if it is considered that a detail investigation is called for, then the prior approval of the CVC is necessary to take up investigation.’

Vigilance Manual (2011), p.29:

‘5.1 Complaints:

Complaints are an important source of information about the corruption, malpractice and Misconduct on the part of public servants. Receipt of information about corruption, malpractice or misconduct from whatever source, would be termed as a complaint.

Information about corruption, malpractice or misconduct may flow to CVO/VOs of Units or SBUs/Administrative Authority/ CVC/ CBI/Police Authorities from any of the following sources as given in following Para 5.2. Complaints can be classified as:

a. Written – Signed
b. Oral / Verbal
c. Anonymous / Pseudonymous

5.2 SOURCE OF INFORMATION:

A Complaint includes all types of information containing allegations of misconduct against public Servants, the sources can be classified as mentioned below:

i) Complaints received from employees of the organization.
ii) Complaints received from vendors/suppliers, customers or from the public.
iii) Departmental inspection reports and stock verification surveys.
iv) Scrutiny of annual property statements.
v) Scrutiny of transactions reported under the Conduct Rules.
vi) Reports of irregularities in accounts detected in the routine audit of accounts; e.g. tampering with records, over-payments, misappropriation of money or materials etc.
vii) Audit reports on Government accounts and other corporate bodies etc.
viii) Reports of Parliamentary Committees like the Estimates Committee, Public Accounts Committee and the Committee on Public Undertakings
ix) Proceedings of two Houses of Parliament
x) Complaints and allegations appearing in the press etc.
xii) Source information, if received verbally from an identifiable source, to be reduced in writing and
xii) Intelligence gathered by agencies like CBI, local bodies etc.

In addition, the Chief Vigilance Officer concerned may also devise and adopt such methods, as considered appropriate and fruitful in the context of nature of work handled in the organization, for collecting intelligence about any malpractice and misconduct among the employees’.
A33(a):

Are the whistleblowing channels available to all employees in all geographies?

Score:

2

Comments:

Based on public information, there is evidence that across geographies, all employees can report to more than one whistleblowing channel. This includes the Chief Vigilance Officer or the vigilance heads of specific units.

References:

Public:
Company website, Complaints Handling, p.2:
‘1.3 The objective of the policy is to assist the Management and public in general in general handling of the complaint in an efficient, effective and professional manner wherein every possible step is taken to ensure that instances of misconduct do not escape scrutiny and action, while at the same time the morale of the employees is not adversely affected by complaints of mischievous nature.
1.4 The Chief Vigilance Officer (CVO), CMD and Chairman of Vigilance Units in the Corporate Office/Business Units/Strategic Business Units in Bangalore Complex may cause an enquiry into any complaint concerning the functions / activities of any of the projects / Regions/ Joint Ventures / subsidiaries .
1.5 This policy has been designed in line with the guidelines / instructions issued by Government of India and Central Vigilance Commission (CVC), from time to time.

2.0 PHILOSOPHY OF COMPLAINT HANDLING:

2.1 The Complaint Handling Policy is available on the BEL website and also on the Company’s intranet.
2.2 The Complaint Handling Policy is readily accessible to all stakeholders and public. The Policy is easy to understand and includes details on making and
2.3 Complaints given in person are acknowledged immediately / Complainants will be treated courteously.
2.4 Each complaint is addressed in an equitable, objective and unbiased manner in line with the Complaint Handling Policy.
2.5 There is no fee/cost to the complainant for making a complaint."

(p.3):
‘2.6 A person making false complaints is liable for prosecution and/or disciplinary action, in case he/she is a public servant / employee of BEL.
2.7 Information regarding personal identity etc. of complainants shall not be disclosed, if so desired by the complainant.
2.8 The Vigilance Officer will ensure that the complaints are addressed in transparent and fair manner within the specified/reasonable time frame.
2.9 Based on the feedback received, the Company shall initiate necessary action for systemic improvements.
3.0 DEFINITION OF COMPLAINT: Receipt of information about corruption, malpractice or misconduct, from whatever source, would be termed as a complaint.‘

(PP. 3-4):
‘In addition, the Chief Vigilance Officer concerned may also devise and adopt such methods as considered appropriate and fruitful in the context of nature of work handled in the organization, for collecting intelligence about any malpractice and misconduct among the employees.
5.2 Complaints are an important source of information about the corruption, Malpractice and Misconduct on the part of public servants. Receipt of information about corruption, malpractice or misconduct from whatever source, would be termed as a complaint. Information about corruption, malpractice or misconduct may flow to CVO/VOs of Units or SBUs/Administrative Authority/ CVC/CBI/Police Authorities from any of the following sources as given in following Para 5.2. Complaints can be classified as:
a. Written – Signed
b. Oral / Verbal
c. Anonymous / Pseudonymous’

(pp. 4-5):
‘7.0 LODGING OF COMPLAINT:
7.1 Complaint can be lodged by addressing the letter / e-mail directly to the CVO at
the address indicated in the Standard Notice Boards displayed in the reception of the Units / Offices and also to Vigilance Head of the respective Unit / Region giving specific facts of the matter. The complaint can also be lodged directly on the BEL website (www.bel-india.com) / CVC website (www.cvc.nic.in).

7.2 The Vigilance Department deals mainly with matters related to corruption and/or where there is a Vigilance Angle. Only those complaints which contain allegations of corruption / indicate presence of Vigilance Angle will be addressed. Complaints must contain factual details verifiable facts and related matters. They should not be vague or contain sweeping allegations. Complaints which do not meet the above criteria may be filed or dropped.

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8.2 Normally an employee/executive can enter a direct complaint in the complaint Register provided in the vigilance office of the respective Units/SBUs giving Information about corruption or other kinds of malpractice. While genuine Complainants should be afforded protection against harassment or victimization; serious notice should be taken if a complaint, after verification, is found to be false and malicious. There should be no hesitation in taking severe departmental action or launching criminal prosecution against such complainants.

8.3 Every complaint, irrespective of its source, would be entered in the prescribed format in the complaints register chronologically as it is received or taken notice of. A complaint containing allegations against several officers may be treated as one complaint for the purpose of statistical returns.

8.4 Entries of only those complaints in which there is an allegation of corruption or Improper motive; or if the alleged facts prima facie indicate an element or Potentiality of a vigilance angle should be made in the register.’

(p. 6):

‘9.0 TYPE OF COMPLAINTS:

9.1 Identified and signed complaints: These are complaints wherein the identity of the complaint is mentioned by virtue of name, contact details etc., Further, the complainant owns / confirms the details mentioned in the complaint, when the complainant is contacted at the address / contact no. mentioned in the
complaint. Source Information received by VO shall be reduced in writing and shall be treated as signed complaint

9.2 Pseudonymous complaints: These are the complaints wherein the identity of complainant is mentioned by virtue of name, contact details. However where the signatory of complaint is contacted at the address / contact no. mentioned in the complaint, the Complaint is either disowned or there is no response within a reasonable time.

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Complaints under PIDPI can be made only by post. These are the complaints wherein the identity of the complainant is kept confidential and the CVC forwards only the details of the complaint as “Source Complaint”. The identity of the complaint is not revealed so as to ensure that the complainant is not victimised. The envelope should be supercribed “PIDPI” or “Whistle Blower”.

The personal details should be given separately or given at the top or at the end of the letter so that they can be easily blocked out.

9.5 Whistle Blower (PIDPI) complaints received in the Office of CVO / BEL shall be processed as per CVC guidelines.’

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verification, if it is considered that a detail investigation is called for, then the prior approval of the CVC is necessary to take up investigation.'
A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, or that whistleblowers are treated supportively.

References:
Public:
NA
A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has well-publicised resources available to all employees where help and advice can be sought on corruption-related issues.

References:
Public:
NA
A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that there is a commitment to non-retaliation for bona fide reporting of corruption. TI notes the complaint registration process, but there is no clear commitment to non-retaliation.

References:
Public:
TI notes:
Complaints Handling Policy, p.5:
’8.0 REGISTRATION OF COMPLAINTS:
8.1 Every Vigilance Section of Units/SBUs will maintain a vigilance complaints register in the prescribed format in 3 Parts. Part I for Executives, Part II for NonExecutives and Part III for non-vigilance complaints. If complaint relates to Executives (with or without Non-Executives), then it should be entered in Part I and if it relates to Non-Executives only, it should be entered in Part II. Vigilance Officer will sign the entries in the Vigilance Complaint Register. Every Vigilance Section of Units/SBUs will maintain a vigilance complaints register
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Information Sources:

Company Website:
http://webportal.bel.co.in/

Code of Business Conduct and Ethics for Board Members and Senior Management (January 2008):

Vigilance Manual (2011):

Integrity Pact:
http://bel-india.com/integrity-pact

Policy and Guidelines:
http://bel-india.com/policies-and-guidelines

Complaints Handling Policy: