

VIG-KIRAN

Vigilance Department

Vol. 13 | 2024

MORALS Principles
ACCOUNTABILITY
FAIR
MORALS
Rectitude
Right
VALUE
HONOR
FAIR
Ethics
Lawful
CORE VALUES
Truth
FAIR
UPRIGHTNESS
HONESTY
Moral Values
Ethical Philosophy
Good Character
Live
VALUES
IDEALS
RIGHT

Integrity



सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि

Culture of Integrity for Nation's Prosperity

ಸತ್ಯನಿಷ್ಠೆಯ ಸಂಸ್ಕೃತಿಯಿಂದ ರಾಷ್ಟ್ರದ ಸಮೃದ್ಧಿ

Integrity Pledge

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

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

I, therefore, pledge:

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



Corporate Office



Bengaluru Complex



Palakkad Complex



Mysuru Complex



KGF Complex





राष्ट्रपति
भारत गणतंत्र
PRESIDENT
REPUBLIC OF INDIA

MESSAGE

I am happy to know that the Central Vigilance Commission is observing Vigilance Awareness Week from 28th October to 3rd November, 2024 on the theme:

"सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि"
"Culture of Integrity for Nation's Prosperity"

This theme serves as a reminder that integrity is the foundation of our nation's economic prosperity and social well-being. Integrity promotes inclusive growth, ensuring development benefits reach all sections of society. As citizens, we have a collective responsibility to be steadfast to the value of integrity in our daily lives. Through our actions based on honesty, fairness, and transparency, we can build a stronger and more prosperous nation.

I hope that there will be widespread participation of citizens in this initiative of the Central Vigilance Commission.

I extend my appreciation to the entire team associated with the Central Vigilance Commission.

I convey my best wishes for the success of the Vigilance Awareness Week-2024 in terms of translating values into action.

(Droupadi Murmu)

New Delhi
September 30, 2024



प्रधान मंत्री
Prime Minister
MESSAGE

It is heartening to learn that the Central Vigilance Commission - CVC is observing Vigilance Awareness Week 2024. Heartiest greetings and best wishes to everyone associated with CVC on the occasion.

This year's theme – “सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि” – ‘Culture of integrity for nation's prosperity’ is particularly relevant in today's context.

Integrity, along with transparency and accountability, hold the key to good governance and ensuing the nation's all-round growth and development. An environment of integrity nurtures institutions, promotes probity in administration. It leads to a people-centric approach while framing policies and taking decisions.

During the last 10 years, we have focused our efforts on leveraging technology and e-governance to create a transparent and accountable eco-system. We have furthered the spirit of ethics and integrity to strengthen our institutions.

As we march ahead confidently towards building *Viksit Bharat*, the contribution of institutions such as CVC in fulfilling the people's aspirations is important.

The organisation of various programmes including Gram Sabhas, lectures, plays, competitions in schools, colleges and trade organisations to commemorate the Vigilance Awareness Week will help spread awareness among individuals to imbibe such ethics and virtues such as honesty, fairness and integrity in day-to-day work.

May the Vigilance Awareness Week celebrations be a huge success.

(Narendra Modi)

New Delhi
आश्विन 19, शक संवत् 1946
11 October, 2024

Message from Central Vigilance Commission



सत्यमेव जयते

केन्द्रीय सतर्कता आयोग CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023
Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023

सं./No. 024/VGL/081

दिनांक / Dated 25.10.2024

MESSAGE

Vigilance Awareness Week (28th October to 3rd November, 2024)

Observance of Vigilance Awareness Week affirms Commission's commitment to promote integrity and probity in public life by seeking engagement of all stakeholders and to create greater awareness regarding the importance of integrity and ethics. The Commission believes that the theme for this year should be inspired by the rich cultural heritage of India that is rooted in ethical values and integrity. It is believed that these values can serve as a foundation upon which the nation can continue its journey towards development and prosperity. Hence, the theme for this year is:

**"सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि"
"Culture of Integrity for Nation's Prosperity"**

VAW is being observed from 28th October to 3rd November 2024. Since last couple of years, the Commission has been running a three-month campaign leading upto the Vigilance Awareness Week. This year, the campaign associated with the Vigilance Awareness Week is being undertaken from 16.08.2024 to 15.11.2024. The Commission has sought the participation of all Ministries/ Departments/ Organizations of the Central Government to undertake this three-month campaign on five different focus areas namely Capacity Building Programs, Identification and implementation of Systemic Improvement measures, Up-dation of Circulars/Guidelines/Manuals, Disposal of complaints received before 30.06.2024 and Dynamic Digital Presence. It is believed that focused attention on these Preventive Vigilance measures would build transparent systems.

Emerging challenges, best practices and thoughts on way forward on various issues that come across are being shared with all stakeholders in the form of three booklets that will be released on 08.11.2024. The idea behind this is to disseminate information regarding effective and innovative initiatives undertaken by different organizations to serve as a point of reference for the way forward.

The Commission solicits the participation of all officials and citizens to come together in bringing about transparency and accountability in all spheres of public life.


(A. S. Rajeev)
Vigilance Commissioner


(Praveen K. Srivastava)
Central Vigilance Commissioner



Shri Shantanu Roy

Chairman & Managing Director
BEML LIMITED

Message from CMD

It is a matter of great pleasure to note that Vigilance department is coming out with the 13th edition of “VIG KIRAN” on the occasion of Vigilance Awareness Week 2024 with the theme **“Culture of Integrity for Nation's Prosperity”**. During this period, various outreach activities have been taken up to promote Vigilance Awareness. I am sure that the initiatives taken up during VAW 2024 will go a long way in bringing about ethical conduct, transparency, and accountability. I would also like to place on record my appreciation for all the members of Vigilance department who have put in their best efforts in successfully conducting the VAW and in bringing out this 13th edition of VIG KIRAN.

A handwritten signature in blue ink, appearing to read 'Shantanu Roy'. The signature is fluid and cursive, with a long horizontal stroke at the end.

(SHANTANU ROY)
CMD, BEML



Dr. Sajid Farid Shapoo, IPS

Chief Vigilance Officer
BEML LIMITED

Message from CVO

As we reflect on the successful observance of Vigilance Awareness Week (VAW) 2024, I am proud to highlight our collective commitment towards fostering a culture of integrity at BEML. The theme of this year's VAW, "Culture of Integrity for Nation's Prosperity", serves as a timely reminder on the crucial role ethics and transparency play in shaping the future of our nation.

Our initiatives this year, including the integrity pledges, walkathons, tree plantations, and guest lectures, were designed to not only raise awareness about vigilance and ethical conduct but also to inspire action and accountability within our organisation. These activities exemplify BEML's dedication to create a workplace where integrity is the foundation for sustainable growth and prosperity. Through the 13th edition of VIG KIRAN, we aim to continue this conversation, reflecting on our achievements and the path ahead in ensuring that vigilance remains integral to our organisational culture. I extend my gratitude to every member of BEML for their unwavering support in upholding the principles of integrity, and together, we will continue to contribute to the nation's prosperity. Let us all reaffirm our commitment to maintaining the highest standards of honesty and transparency, fostering an environment where vigilance thrives in every facet of our work.

Sajid Farid Shapoo

Chief Vigilance Officer, BEML

VAW – 2024 INAUGURATION

Vigilance Awareness Week 2024 was inaugurated on 28.10.2024 across divisions/complexes of BEML Limited.



Corporate Office



Bengaluru Complex



KGF Complex



Mysuru Complex



Palakkad Complex

PLANTING OF 'VIGILANCE TREE' ON THE OCCASION OF VAW 2024



Corporate Office



Bengaluru Complex



KGF Complex



Mysuru Complex



Palakkad Complex

BEML Family Whole Heartedly Welcomes You



Dr. Sajid Farid Shapoo, IPS

Chief Vigilance Officer
BEML LIMITED



Scan the code to read CVO's articles.

Dr. Sajid Farid Shapoo joined as new Chief Vigilance Officer (CVO) of BEML in November, 2024. Dr. Shapoo is an Indian Police Service (IPS) officer of the 1998 batch of the Madhya Pradesh cadre.

Dr. Shapoo joined BEML after a stellar tenure in Madhya Pradesh, where he served as Inspector General of Law & Order, Inspector General of Anti-Naxal Operations, and most recently, Additional Director General of Special Armed Forces.

His illustrious career is marked by numerous accolades, including twice receiving the Police Gallantry Medal from honourable President of India. Additionally, he was awarded the Police Medal for Meritorious Services and the Utkrisht Seva Medal.

Dr. Shapoo holds a Ph.D. in Security Studies from Princeton University and a Master's in International Affairs from Columbia University, specializing in Middle East and International Security Policy.

TRAINING-A PREVENTIVE VIGILANCE TOOL



- Successful organisations are those whose systems of training are robust.
- Employees should be aware of rules, regulations and relevant procedures to discharge their duties effectively.
- Unscrupulous persons exploit the ignorance of the employees leading to financial loss and/or loss of reputation to the organisation.
- Training plays an important role in equipping the employees with the requisite knowledge and skill-set to discharge their duties.
- A well-trained employee will tackle day to day challenges skillfully to run the organisation smoothly.
- Every organisation must strive to have a structured training programme for all its officers/employees.

ACTIVITIES CONDUCTED DURING VIGILANCE AWARENESS WEEK 2024

The Vigilance Awareness Week 2024 was observed across the organisation from 28th October 2024 to 7th November 2024 with the theme “Culture of Integrity for Nation’s Prosperity”.

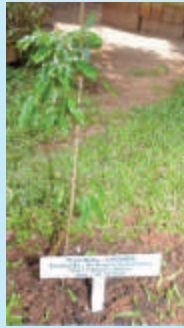
The inaugural programme was followed by administration of Integrity Pledges at BEML Soudha as well as in all the Divisions, Regional Offices (ROs) and District Offices (DOs). The messages of the President, Prime Minister and Central Vigilance Commission were read out to the august gathering.

To spread awareness about Vigilance, banners were displayed at various places in manufacturing units of BEML, BEML Soudha and other public places. This year the banners were also displayed at Mysuru Palace and Mysuru Zoo by Mysuru Vigilance Team.



Sapling Plantation

As a part of sustainable growth, and a better eco system, 'vigilance trees' were planted across BEML. This year Lichi saplings were planted as 'Vigilance Tree' by CVO at Corporate Office. Similarly, at other locations also Vigilance Trees were planted.



Jingles

To bring awareness about the theme of VAW, audio and video jingles were released. These jingles were played at all the events during Vigilance Awareness Week.

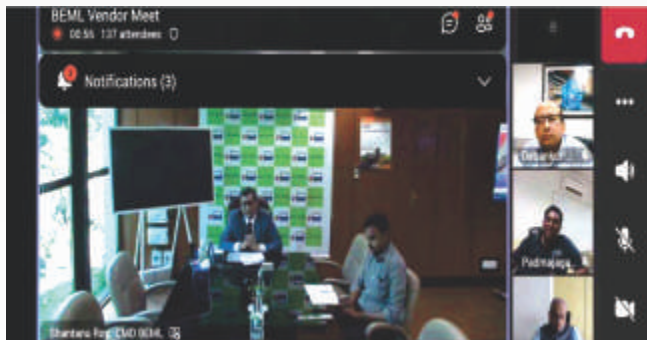
जब ईमानदारी बने हर काम का आधार
तो देश चले प्रगति की राह पर, हर बार
रहे सत्यनिष्ठा और परदर्शिता हरदम अपने
साथ,
समृद्ध भारत के लक्ष्य की ओर बढ़े
हम दिन-रात हम दिन-रात
आइये हम सब मिलकर इस सत्यनिष्ठा की
संस्कृति को और आगे बढ़ाएँ, क्योंकि
सत्यनिष्ठा की संस्कृति से होगी राष्ट्र की
समृद्धि।

Integrity pledges for citizens were also organised at various places such as vendor firm locations, schools, colleges, villages and other public places. As a result nearly 150 pledges were administrated.



Vendor Meet

Vendor Meets were organised through video conferencing with Corporate /Divisional Executives and Vendors. Around 100 vendors participated. CMD, CVO and other functional Directors addressed the queries/grievances raised by the vendors.



Vendor meet at Corporate Office



Vendor meet at KGF Complex

COMPETITIONS

Various competitions such as quiz, essay writing, slogan writing etc were organised in Kannada, English, and Hindi for officers, employees and their spouses across BEML. Trainees and Muster Roll Employees (MREs) also participated in these competitions.



GUEST LECTURES

CORPORATE OFFICE

On 29.10.2024 Corporate Vigilance organised a guest lecture by Shri. Seemant Kumar Singh, IPS, AGDP, Bengaluru Metropolitan Task Force on theme of VAW 2024. The lecture was attended by senior executives and officers of Corporate Office. Officers from other complexes attended through virtual mode.



KGF COMPLEX

On Monday 04th Nov 2024, a guest lecture was delivered by Shri. Dhanajay, SP Lokayukta, Kolar at R&D Auditorium. He was accompanied by Dy SP Shri V Suryanarayana Rao who also spoke about the vigilance activities being carried out by Lokayukta.

BENGALURU COMPLEX

On 19th October, 2024, the Hon'ble Justice (Rtd.) Shri K.N. Phaneendra, Upalokayukta, delivered a guest lecture on the subject of "Role of Public in Public Administration".



SENSITISATION PROGRAMMES

Various sensitisation programmes were conducted for the staff of BEML like Capacity Building on 'Preventive Vigilance', 'Ethics in Governance', 'Conduct Rules', 'System and Procedures of the Organisation' and 'Cyber Hygiene & Security'. These were conducted by internal teams of BEML.



KGF
COMPLEX

PALAKKAD
COMPLEX



BENGALURU
COMPLEX

CORPORATE
OFFICE



MYSURU
COMPLEX

A NEW CONCEPT OF STORY TELLING

A new initiative of “Story Telling” was introduced during this Vigilance Awareness Week, with the efforts of Smt.Kalyani Sethuraman, Ex-CVO of BEML and current CVO of HAL. The main aim of the event was to enhance the ethical practices of executives and bringing awareness about the importance of maintaining integrity in personal and professional life.

Corporate Office: A story telling event on the theme of “Ethical Practices” was conducted By Smt. Meenu Sivaramakrishnan on 28th and 29th October, 2024 at corporate office and Shishya BEML Public School respectively.



KGF Complex: The programme was conducted by Smt. Lavanya Prasad, a performer, story teller & trainer. The content of the programme was tailor-made to suit the awareness on vigilance, integrity, truthfulness, sincerity, etc. The message given in the programme was apt and the same was well received and appreciated by the audience. More than 300 students from BEML School Kendriya Vidyalaya attended the programme along with teachers and BEML officials.



COMPETITIONS FOR BEML SPOUSES

Singing Competition



Cooking without Fire Competition



Rangoli Competition



OUT REACH ACTIVITIES FOR PUBLIC

Public Outreach Programmes were conducted by Vigilance Units which included display of banners, posters, skit plays, patriotic song singing competitions, grama sabha and integrity club at schools.

The Public Outreach Programme were tailor-made with an aim to create awareness amongst the citizens on:

- Importance of integrity in the personal life.
- Raising complaints against corrupt officials and corrupt persons.
- Social awareness about vigilance activities.
- Building the trust in government system.
- Making India corruption free.
- The role of individuals against corruption.

Display of Banners at Mysuru Palace & Zoo



Seminar at Mysuru Complex and Grama Sabha at Palakkad Complex



Integrity Club and Grama Sabha at KGF Complex



SKIT PLAY BY BEML FINE ART CLUBS

Many skits and plays were organised to promote awareness about importance of integrity and vigilance in fighting corruption. These plays were organised at various complexes of BEML, public places, schools and gram panchayats.



WALKATHON

As an outreach programme, Vigilance Study Circle (VSC), Bangalore Chapter and vigilance units of BEML organised Walkathons. The aim was to make public aware the importance of vigilance and to encourage citizens to be whistle blowers of corruption.

VSC, Bangalore Chapter organised a walkathon on 27th October 2024 which was attended by CVO, directors and BEML staff. CVOs and the staff of other Bangalore based PSUs also participated in the walkathon.



Walkathon at Kanteerava Stadium, Bengaluru



Walkathon at Suranjandas Road, Bengaluru



Walkathon at Mysuru Industrial Area



Walkathon by KGF Complex Vigilance Team

AWARENESS FOR FUTURE



Competition at Mysuru Jnanodaya PU College



Essay writing - BEML Shishya Public School & Story telling Competition at Govt. High School

FANCY DRESS COMPETITION AT KGF COMPLEX



AI-PANE ON INTEGRITY



What is integrity



Integrity is the quality of being honest and having strong moral principles that you refuse to change. It is the quality or state of being complete, unbroken, undivided, whole, or sound.

1. Integrity - Wikipedia

en.wikipedia.org

2. Integrity Definition & Meaning - Merriam-Webster

www.merriam-webster.com



Why we have to maintain integrity in personal and professional Life



Maintaining integrity is crucial in both personal and professional life for several reasons:

Personal Life:

- **Stronger Relationships:** Integrity fosters trust and honesty, leading to deeper and more meaningful relationships with friends, family, and loved ones.
- **Inner Peace:** Living with integrity aligns your actions with your values, providing a sense of peace and fulfillment.
- **Positive Self-Image:** Upholding integrity boosts self-respect and confidence, as you can be proud of your actions.

Professional Life:

- **Builds Trust:** Integrity is the foundation of trust, essential for building strong professional relationships with colleagues, clients, and superiors.
- **Enhances Reputation:** A reputation for integrity attracts opportunities, respect, and admiration from others.
- **Ethical Decision-Making:** Integrity guides ethical choices, even in challenging situations, protecting your professional standing.
- **Career Advancement:** Integrity is often a key factor in promotions and leadership roles.
- **Positive Work Environment:** Integrity contributes to a positive and harmonious work culture.
- **Long-Term Success:** Businesses and organisations built on integrity are more likely to thrive and achieve long-term success.

In essence, integrity is a cornerstone of a fulfilling and successful life. It guides our actions, strengthens relationships, and builds a strong foundation for personal and professional growth.



Dr. Sajid Farid Shapoo, IPS
Chief Vigilance Officer
BEML

VIGILANCE IS NOT A HINDRANCE BUT A FORCE MULTIPLIER

Introduction

Vigilance, in its essence, refers to a systematic approach to ensuring transparency, accountability, and adherence to ethical practices within an organisation. It is not merely a tool for detecting and addressing malpractice but a proactive strategy that fosters a culture of trust, integrity, and operational excellence.

Large corporations, due to their extensive scale of operations, complex supply chains, and significant financial stakes, are particularly vulnerable to risks such as corruption, fraud, and regulatory non-compliance. The presence of robust vigilance mechanisms ensures that these risks are identified and mitigated promptly, safeguarding the interests of stakeholders and the organisation at large. Furthermore, vigilance is instrumental in upholding corporate governance—a fundamental pillar that defines the credibility and reputation of any corporate entity.

The role of vigilance can be categorized into two primary dimensions: Preventive Vigilance and Punitive Vigilance. “Preventive Vigilance” focuses on creating systems, processes, and awareness programmes to preempt unethical or illegal activities, fostering a culture of accountability and compliance. Punitive vigilance, on the other hand, ensures that any breaches of trust or governance are met with appropriate consequences, thereby deterring future misconduct.

It is essential to understand that vigilance should not be viewed as a hindrance to business growth or innovation. On the contrary, it serves as a vital enabler of long-term success. Companies that embed vigilance into their operational framework benefit from improved efficiency, enhanced stakeholder confidence, and reduced financial losses due to fraud or negligence.

1. The Necessity of Vigilance in Corporates

Vigilance plays an indispensable role in ensuring the smooth operation and sustained growth of large corporations. In a dynamic business environment characterized by globalization, technological advancements, and increasing regulatory scrutiny, vigilance has become more than a compliance measure—it is a strategic necessity.

Corporate governance involves the principles and practices that direct and control an organisation, ensuring accountability to stakeholders and adherence to ethical standards. Vigilance acts as the watchdog that ensures these principles are not just

theoretical but practiced at all levels. In India, the Central Vigilance Commission has set parameters, guidelines, and benchmarks for corporate governance by embedding a strong culture of vigilance. Through its whistleblower policy and robust monitoring mechanisms, CVC strives to ensure transparency in decision-making and accountability in operations in PSEs.

Stakeholders, including investors, customers, employees, and regulators, are more likely to trust organisations that demonstrate a commitment to ethical practices and transparency. Vigilance fosters this trust by ensuring that the organisation operates with integrity and

accountability. It reassures stakeholders that their interests are protected and that the organisation is resilient against risks and misconduct.

Vigilance is not just about oversight; it is also about instilling a culture of integrity and ethical behavior within the organisation. When employees understand the importance of vigilance and are trained to recognise and report unethical practices, it creates an environment where misconduct is less likely to thrive. The [Vigilance Awareness Week](#) observed annually by public sector organisations in India, is a prime example of promoting such a culture. These initiatives focus on educating employees about the importance of integrity and the role of

vigilance in achieving organisational goals.

The increasing reliance on technology has brought about new risks, such as cybersecurity threats, data breaches, and technology-driven fraud. Vigilance mechanisms must adapt to these changes by leveraging advanced tools such as artificial intelligence, machine learning, and real-time monitoring systems. For instance, leading Indian corporations are now integrating AI-driven surveillance tools to detect anomalies in financial transactions, thereby preventing potential fraud. This proactive use of technology demonstrates how vigilance evolves to address contemporary challenges.

2. Challenges in Implementing Vigilance

While vigilance is critical for the smooth functioning and ethical governance of corporations, its effective implementation faces numerous challenges. These challenges arise from the dynamic and complex nature of modern organisations, resistance from stakeholders, and the ever-evolving technological and regulatory landscape. Below, we explore the key challenges in implementing vigilance and their implications:

2.1 Resistance to Change

One of the primary challenges in implementing vigilance is resistance from within the organisation. Employees and management may perceive vigilance mechanisms as intrusive or disruptive, viewing them as barriers to efficiency rather than enablers of ethical behavior. In organisations with entrenched practices and hierarchical structures, introducing new vigilance measures may face pushback from employees accustomed to traditional ways of working. Employees or managers who are hesitant to accept greater oversight may

resist vigilance initiatives, fearing exposure of their own lapses or inefficiencies.

2.2 Lack of Awareness and Training

Effective vigilance requires a well-informed workforce that understands its importance and objectives. However, many organisations fail to provide adequate training and awareness programmes to educate employees about vigilance mechanisms, ethical practices, and the consequences of misconduct. Employees may not fully comprehend how vigilance benefits the organisation, leading to misconceptions about its purpose. Smaller organisations or those in resource-constrained sectors may lack the budget or expertise to implement robust training programmes.

2.3 Balancing Oversight and Autonomy

A significant challenge in vigilance is maintaining a balance between stringent oversight and allowing employees the autonomy to make decisions and innovate. Excessive monitoring can create a culture of distrust, stifle creativity, and reduce employee morale. Employees may feel micromanaged or undervalued if vigilance mechanisms are perceived as overly controlling. Implementing complex oversight processes can slow down decision-making and hinder operational efficiency. This challenge is particularly evident in industries, where innovation and flexibility are key to success. Striking the right balance is essential to ensure vigilance does not stifle growth.

2.4 Technology-Driven Risks

As organisations increasingly rely on digital tools and platforms, the scope of risks has expanded significantly. Cybersecurity threats, data breaches, and technology-

enabled fraud pose unique challenges for vigilance mechanisms. Vigilance teams often struggle to keep up with the sophistication and speed of cyberattacks. Implementing advanced surveillance and monitoring systems, such as AI-driven analytics, can be prohibitively expensive for smaller organisations.

For example, in the banking sector in India, incidents of cybersecurity breaches have highlighted the need for more advanced vigilance mechanisms to safeguard digital transactions and customer data.

2.5 Resistance from Leadership

The successful implementation of vigilance often depends on support from senior management and leadership. However, in some cases, leadership itself may resist or undermine vigilance mechanisms, especially when these mechanisms threaten entrenched power dynamics or expose high-level misconduct. Senior leaders may resist measures that scrutinize their own actions or decisions. Without visible support from leadership, employees are less likely to take vigilance initiatives seriously. Cases like the Satyam scandal revealed how lapses at the top leadership level can undermine the effectiveness of vigilance mechanisms across the organisation.

2.6 Potential Misuse of Vigilance Mechanisms

Vigilance mechanisms, if not implemented carefully, can be misused for personal or political vendettas, leading to a loss of trust within the organisation. This misuse undermines the credibility of vigilance initiatives and discourages employees from supporting them. Employees may perceive vigilance actions as biased or politically motivated if due process is not followed. Overze-

alous enforcement can create an atmosphere of fear, where employees are reluctant to take risks or voice concerns.

3. The Impact of Vigilance on Corporate Success

Vigilance plays a transformative role in shaping the success of corporations, especially in an era marked by heightened regulatory scrutiny, competitive pressures, and increasing stakeholder awareness. Robust vigilance frameworks not only safeguard organisations from risks but also enhance operational efficiency, foster trust, and build a strong foundation for long-term growth. Below, we delve into the key ways vigilance impacts corporate success, with examples to illustrate its significance.

3.1 Enhancing Stakeholder Trust and Confidence

Stakeholders, including investors, employees, customers, and regulators, value transparency and accountability in corporate operations. Vigilance mechanisms demonstrate an organisation's commitment to ethical practices and regulatory compliance, thereby enhancing stakeholder confidence. For instance, Infosys's proactive response to whistleblower allegations in 2019 reassured investors and helped preserve its reputation as a reliable and ethical company.

3.2 Preventing Financial and Reputational Losses

Vigilance mechanisms are crucial in identifying and mitigating risks that could lead to financial or reputational damage. By detecting and addressing issues such as fraud, corruption, and compliance lapses early, organisations avoid costly legal battles, regulatory fines, and damage to their brand image. After the Nirav Modi scam exposed significant lapses in vigilance, Punjab National Bank (PNB) implemented advanced

monitoring systems and stricter audit controls. These measures have since helped reduce the likelihood of large-scale fraud, safeguarding the bank's financial health and restoring customer trust.

3.3 Driving Operational Efficiency

Effective vigilance frameworks often involve streamlining processes, reducing redundancies, and implementing robust internal controls. These improvements lead to greater operational efficiency and resource optimization. **Indian Public Sector** through its e-procurement and digital monitoring initiatives, has significantly reduced delays and inefficiencies in procurement processes, enhancing overall operational effectiveness.

3.4 Promoting a Culture of Integrity

Vigilance fosters a culture of integrity and accountability within organisations. By setting clear ethical standards and holding individuals accountable for their actions, corporations can create an environment where employees and stakeholders prioritize ethical decision-making. PSEs' emphasis on vigilance, embodied in their **Code of Conduct**, has the potential to ingrain ethical behaviour as a core value. This culture of integrity will not only enhance the PSEs' reputation but also contribute to their success across diverse sectors.

3.5 Encouraging Whistleblowing and Transparency

Encouraging employees to report unethical practices through whistleblower mechanisms is a vital aspect of vigilance. Organisations that protect and value whistleblowers benefit from early detection of misconduct and potential risks. The Public Interest Disclosure and Protection of Informer (PIDPI) Resolution provides employees with secure channels to report

concerns, ensuring swift action without fear of retaliation. This practice can enhance transparency and accountability within the organisations, strengthening their position as a trusted corporate entity.

3.6 Fostering Long-Term Sustainability

Vigilance ensures that organisations operate responsibly, ethically, and transparently, contributing to long-term sustainability. By addressing risks pro-actively and maintaining high standards of governance, corporations can achieve consistent growth and resilience. National Thermal Power Corporation (NTPC) has integrated vigilance mechanisms into its operations to ensure environmental compliance, ethical procurement, and fair employee practices. This commitment to vigilance has not only supported its operational stability but also positioned it as a leader in sustainable energy.

4. Recommendations for Strengthening Vigilance

Strengthening vigilance is essential for fostering transparency, accountability, and ethical practices in corporate governance. Effective vigilance mechanisms not only prevent misconduct but also build a culture of trust and resilience within organisations. Below are detailed recommendations for enhancing vigilance in Corporates, with actionable strategies and examples to illustrate their implementation.

4.1 Leveraging Technology and Data Analytics

In the digital age, technology is a powerful enabler of robust vigilance systems. By incorporating advanced tools such as artificial intelligence (AI), machine learning (ML), and data analytics, organisations can detect patterns, monitor activities in real time, and identify anomalies. Indian banks, such

as HDFC Bank and ICICI Bank, use AI-driven tools to monitor high-value transactions and detect potential fraud, reducing the risk of financial misconduct

4.2 Promoting a Culture of Ethical Accountability

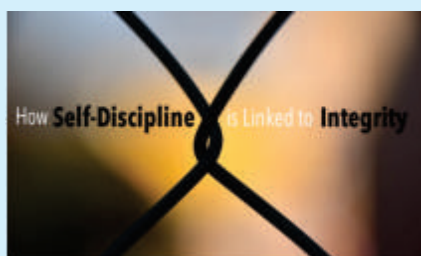
Embedding ethics and integrity into the organisational culture is critical for the success of vigilance mechanisms. This can be achieved through sustained efforts to instill accountability at all levels of the organisation. Leaders should act as role models by adhering to and promoting ethical practices. Involve employees in creating and refining vigilance policies, fostering a sense of ownership and responsibility.

4.3 Strengthening Whistleblower Mechanisms

Whistleblower mechanisms are vital for uncovering unethical practices and fostering transparency. Ensuring secure and confidential reporting channels, along with robust protections for whistleblowers, encourages employees to report issues without fear of retaliation. Employees should be provided with platforms to report concerns anonymously, such as online portals or hotline. There is a need to implement policies to protect whistleblowers from harassment or adverse actions.

4.4 Enhancing Internal Controls and Audit Processes

Effective internal controls and periodic audits are crucial for identifying and addressing vulnerabilities within an organisation. Strengthening these mechanisms ensures compliance with regulations and minimizes opportunities for misconduct. Ensure that critical processes, such as financial



transactions, involve multiple layers of oversight. Frequent internal and external audits need to be conducted to verify compliance with policies and regulations.

4.5 Implementing Comprehensive Training Programmes

Training is essential to ensure that employees understand the importance of vigilance and are equipped to identify and address potential risks. Regular training programmes should be tailored to different roles and responsibilities within the organisation. The aim should be to provide specialized training for departments prone to risks, such as



finance, procurement, and IT and to use case studies and real-world scenarios to demonstrate the impact of vigilance on corporate success.

4.6 Strengthening Collaboration with External Stakeholders

Collaboration with external stakeholders, such as regulatory authorities, suppliers, and contractors, is vital for ensuring end-to-end vigilance. Organisations must establish clear guidelines and monitoring processes for third-party interactions. There is a need to conduct due diligence on suppliers and contractors to ensure alignment with organisational ethics. At the same time maintain open and transparent communication with external stakeholders.

4.7 Utilizing Technology to Combat Cyber Risks

In today's digital age, cyber threats are a major challenge for vigilance frameworks. Organisations must invest in advanced cybersecurity tools and practices to protect sensitive data and systems. Employees to be educated about phishing, malware, and other cybersecurity risks. Organisations should use AI-driven tools to detect and mitigate cyber threats in real-time. Besides periodic security audits are a sine qua non to identify and address system weaknesses.

CONCLUSION

Strengthening vigilance is not a one-time effort but an ongoing process that requires commitment, innovation, and collaboration. By leveraging technology, fostering a culture of accountability, enhancing training, and collaborating with stakeholders, organisations can build robust vigilance frameworks that safeguard their integrity and drive success. Sustained efforts of CVC highlight how vigilance mechanisms can be effectively implemented to achieve transparency, trust, and long-term sustainability. Adopting these recommendations ensures that vigilance becomes a cornerstone of ethical and resilient corporate governance.

Drive for fostering culture of Integrity and Transparency at the Workplace



Aniket Deoram Wanave
Officer-Public Relations
BEML, Bengaluru Complex

As a Public Sector Undertaking (PSU), BEML plays a key role in advancing the nation's infrastructure, defence, and technological capabilities. Vigilance Awareness Week, therefore, holds a unique significance for BEML, serving as a reminder of the company's commitment to ethical practices and accountability. It is a dedicated time for BEML employees at all levels to reflect on our shared values, ensure compliance, and renew our commitment toward transparent governance.

This Vigilance Awareness week encourages employees across all divisions/Sections to engage actively in upholding BEML's legacy of trustworthiness and responsibility. Through events, workshops, and discussions, Vigilance Awareness Week at BEML strengthens our collective commitment to maintaining high standards of integrity and governance, essential for public confidence and the efficient operation of a PSU.

Integrity in Action: Building a Trustworthy Foundation

Integrity forms the bedrock of any successful organisation. For BEML, as a PSU accountable to the public, adhering to integrity is essential not

In today's fast-paced and globally competitive environment, workplaces need to uphold values that not only support the success of the organisation but also contribute to the development and prosperity of the nation. This year's Vigilance Awareness Week theme, "Cultural Integrity for the Nation's Prosperity," reminds us of the critical role of integrity and transparency. These principles are essential not only for individual growth but also for cultivating an ethically driven sustainable organisation.

only for internal coherence but also to sustain public trust. Integrity at BEML means more than simply following guide lines; it involves consistently aligning our actions with our ethical values. When every employee at BEML acts with integrity, it fosters a culture of Self-esteem and responsibility, creating an environment where each individual feels motivated to contribute their best.

In practice, integrity means standing by decisions that align with ethical values even when faced with challenges. This approach builds a robust foundation where employees trust each other, clients trust our services, and the nation trusts in BEML's contribution to progress.

Vigilance function in a PSU's is crucial for maintaining an ethical, secure, and effective work environment. It helps in the early identification of issues and risks that could compromise on ethical standards. Through vigilant practices, we can implement measures that ensure compliance, promote transparency, and discourage any form of corruption or unethical conduct.

Vigilance function, in the form of Vigilance Awareness Week, offers a

platform to enhance our vigilance mechanisms and educate employees public as well about the importance of staying alert to potential ethical challenges. The activities during this week foster a sense of responsibility and encourage employees to take proactive steps in recognizing and reporting any unethical practices. For BEML, vigilance is not only about oversight but also about

ईमानदारी का दीप जलाए,
हर पथ पर सत्य निभाए।
रखें दिल में सच्ची निष्ठा,
देश की गरिमा सदा बढ़ाए।

हर काम में जब सच की लहर,
तो झूठ से भय कैसा।
सत्य से जो राह चलें,
उनका आत्मबल हो जैसा।

संस्कृति का मान बढ़ाए,
हर दिल में सद्भावना जगाए।
राष्ट्र की उन्नति का संकल्प लें,
हर पल इसमें योगदान मिलाए।

हर कदम पर रखें नज़र,
सच्चाई का रास्ता न छोड़ें।
देश का विकास हो अखंड,
जब हम अपनी संस्कृति न तोड़ें।

creating a culture where every employee is empowered to uphold the company's values and play a part in safeguarding its reputation.

Transparency: Building Trust and Efficiency Across BEML

Transparency is a powerful tool for building trust and ensuring accountability, particularly in a PSU where public funds and trust are involved. Transparency means that decisions, processes, and policies are clearly communicated to all stakeholders, including employees, customers, and the public. This openness not only enhances efficiency by reducing misunderstandings but also builds a culture of mutual respect and accountability.

For BEML, transparency plays a crucial role in its ability to operate effectively within the four verticals viz., Defence, Aerospace, Rail and mining sectors. By making information accessible and understandable to stakeholders, BEML ensures that employees are aligned with organisational goals and that stakeholders have confidence in the company's operations. Transparency always leads to better decision-making.

Upholding Cultural Integrity: Strengthening National Values Through BEML

Cultural integrity reflects the collective values, beliefs, and ethical principles that guide BEML's actions. As a PSU with a mission to serve the nation, BEML's commitment to cultural integrity is pivotal in setting a standard for ethical conduct and dedication to the nation's progress. Through various initiatives, BEML reinforces cultural integrity by promoting inclusiveness, fairness, and respect for diversity.

When each team member at BEML adheres to the core principles of integrity and transparency, the organisation reflects these values to society. This commitment strengthens the company's role in contributing not only to industrial growth but also to the moral fabric of the nation. Vigilance Awareness Week serves as a reminder of the shared responsibility we carry as members of a PSU, inspiring us to uphold and promote these values throughout the year.

Conclusion: A Unified Commitment to Prosperity

Integrity and transparency are more than mere ideals; they are actionable principles that guide BEML's journey toward national service and excellence. Through our daily commitment to these values, we contribute to a trustworthy and resilient organisation that stands as a beacon of ethical governance. As we observe Vigilance Awareness Week, let us reaffirm our dedication to these values and embrace our role in fostering cultural integrity for the nation's prosperity.

In doing so, we ensure that BEML not only meets its goals but also sets an example of how integrity-driven practices in PSUs can build a stronger, more prosperous India.



STAY RIGHTEOUS TO COMBAT CORRUPTION

- Many a times, the temptation to lead a luxurious life by any means compels one to adopt corrupt practices.
- The most dangerous aspect is the tendency of justifying the unethical act.
- One of the effective ways of dealing with such mindset is to inculcate the virtue of being righteous, simple and straight forward.
- There are public servants who attach utmost value to ethical behaviour and set example for others.
- One should perform one's duty with full devotion and dedication without getting influenced by the so-called social pressure.



Raghavendra B D
 Manager - Vigilance
 BEML Soudha

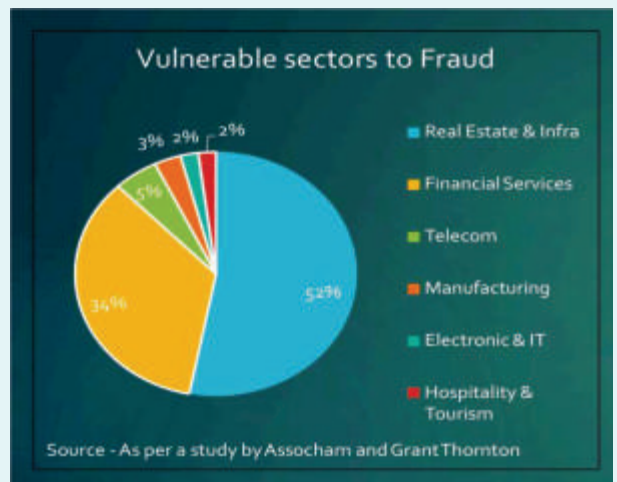
Forensic Accounting: A New Tool to Investigation

Introduction : Auditing ensures that financial statements are a fair representation of a company financial position and transactions, whereas **Forensic Accounting investigates financial discrepancies to uncover the fraud and other financial crimes. Forensic accounting focus on accounting, auditing, and investigative skills to examine and to have a control on finances of an individual or business.** Forensic accountants are Certified Public Accountants (CPAs) commonly work for insurance companies, financial institutions, and law enforcement agencies who look for evidence of crimes. Forensic accountants works on cases such as fraud and embezzlement and highlight the nature of a financial crime in court.

Fraudulent activities (General):

Fraudulent activities such as: Financial Statement Frauds, Shell Companies, Money Laundering, Stock Market Frauds, Technology Frauds (Cyber Frauds, Internet Frauds), Accounting Records (Accounts Payable Process, Accounts Receivable Process, Inventory/Production Process, Finance Process, Purchase Process) etc.

As per the study vulnerable sectors to fraud are depicted as per statistics



Detection of red flag areas in financial accounting:

Financial Performance Red Flag

- Aggressive Goals and performance measures
- Unusual financial ratio in comparison to peers
- Cash flow problem while profits are regularly reported
- Similar audit adjustment YoY basis.

Accounting System Red Flag

- Unusual timing of the transaction
- Frequency of transaction.
- Unusual amount recorded
- Questionable parties involved.

Behavioural Red Flag

- Living beyond means
- Financial difficulties.
- Unusual close association with vendor / customer
- Unwillingness to share duties
- Wheeler Dealer attitude
- Irritability, suspiciousness etc.

Structural Red Flag

- Unmonitored Accounts
- Poorly supervised areas
- Size of transaction for added scrutiny
- Hiring procedures
- Advancement policies

Preventing frauds through Qualitative Forensic Auditing:

For Employee: By way of internal controls like separation of duties, supervisory controls, receiving controls, authorization /approval controls, reconciliation controls, recording controls.

With respect to Vendors / Suppliers: Conducting Vendor background checks, Controls for vendor master file management, Monitoring of vendors/suppliers etc.,

Few cases emerged due to Forensic Accounting:

1) Financial Statement Fraud: Satyam Computer case (2009)

Satyam Computer scam was a huge corporate fraud committed in 2009 by Ramalinga Raju, the founder and chairman of Satyam Computer Services. He admitted to exaggerating sales, earnings, cash balances, and personnel numbers in the company's books. He also acknowledged siphoning off money from the firm for his personal use. The Satyam fraud was considered worth Rs. 7800 crores and was formerly regarded as India's largest business scandal.

- Total amount of financial irregularities: **Rs. 7,855 Cr.**
- Number of fictitious invoices discovered: **7,500**
- Fictitious revenue reported between April 2002 and 2008: **Rs. 5,352 Cr.**
- Fictitious interest income recorded from 2002 to 2008: **Rs. 899 Cr.**

- Fictitious foreign exchange gain from April 2002 to 2008: **Rs. 206 Cr**

2) Punjab National Bank (PNB) fraud case (2018):

PNB scam was one of the biggest bank frauds in the country, fugitive diamantaire Nirav Modi and his uncle Mehul Choksi created a complex web of deception through fraudulent Letters of Undertaking (LoU) to siphon off Rs. 14,000 Crore from state owned Punjab National Bank in connivance with some Punjab National Bank officials

Conclusion:

Forensic accounting is a specialised field that is essential in the detection, prevention and resolution of financial crimes. It is important because financial fraud can cripple businesses, undermine the legal system and effect the stake holders.

Forensic Accounting is important for following reasons:

- It helps in businesses to operate with integrity and transparency.**
- It protects businesses from financial fraud.**
- Build trust between businesses and their stakeholders.**
- Upholds financial integrity and justice.**

(References: National Forensic Sciences University (NFSU), Investopedia, 5paisa.com, Economic Times).

Dos and Don'ts for Annual Property Return (APR) Submission



Fill in time submit and Relax

Dos

- Submit the APR on time to avoid receiving an advisory letter from HR.
- Ensure accuracy and avoid simply copying data from the previous year's return. Double-check any auto-filled values.
- Disclose details of any advances or loans given to housing societies, friends, or relatives.
- State the weight and value of gold, silver, and composite items as of December 31st.
- Declare the investment value as of December 31st.
- If your spouse is employed and submits an APR in another government organisation, please mention this in your APR.
- Report the value of insurance paid, fixed deposits (FDs), shares, mutual funds, and pension as of December 31st, not the initial investment value.
- Provide the full address of all properties in Form No. III.
- Clearly state how each property was acquired (purchase, mortgage, lease, inheritance, gift, etc.) and include the name and details of the person(s) from whom it was acquired (address and relationship to the government employee, if any), as well as the acquisition cost and source of funds.
- Include income details if any rental or lease income is generated.
- Mention the outstanding liability amount as of December 31st in Form No. IV.

Don't

- Avoid last-minute submissions. Network and technical issues could cause delays, potentially leading to an advisory letter for late submission.
- Do not under- or over-value movable and immovable assets.
- Do not omit any immovable assets. Failure to declare assets may lead to an inquiry.
- Do not simply copy and paste data from the previous year's return. If you do, ensure all auto-filled values are accurate.
- Do not intentionally or unintentionally avoid submitting the APR. This may result in withheld vigilance clearance.
- Declare investments annually. Avoid accumulating investments and declaring them all in a single year, as this may prompt inquiries about the source of funds.

Digital Awareness



CH V Bala Gurunadham

Manager - Vigilance
BEML Soudha

What is a Digital Arrest?

A digital arrest refers to the legal process of detaining an individual suspected of committing a crime in the digital space. These arrests may involve physical detention, but more often, they involve restrictions on access to electronic devices, digital platforms, and networks. The focus is on preventing continued criminal activities online, confiscating electronic evidence, and protecting the public from further harm.

In digital arrest scam, perpetrators pose as law enforcement officials, such as CBI agents, income tax officers, or customs agents, and initiate contact with victims via phone calls. Subsequently, they request that the victims switch to video communication through platforms like WhatsApp and Skype. The scammers then threaten the victims with a digital arrest warrant, citing various reasons such as financial misconduct, tax evasion, or other legal violations. In certain instances, these fraudsters create a police station-like set-up to further convince victims that the call is



Scammers are continually developing new methods to exploit people, leveraging recent advancements in technology to steal money remotely. They employ a variety of tactics to deceive individuals, and some of the newer methods of cheating are outlined below:



legitimate. Under the guise of “clearing their name”, “assisting with the investigation”, or “refundable security deposit / escrow account”, individuals are coerced into transferring large sums of money to specified bank accounts or UPI IDs. Once the victims comply and make the payment, the scammers vanish, leaving the victims to face financial loss and potential identity theft.

Parcel Scam

Parcel frauds involve the use of fake courier services and deceptive package delivery notifications to trick you into divulging personal information or making payments for non-existent packages. These scams are run through various channels, including emails, SMS, phone calls, and even fake websites. In recent times fraudsters creating fake delivery challan and leaving at the door steps of victims. Delivery challan will contain a scanner code, in which they ask to pay the amount to deliver the parcel.

Fake customs Courier Scam

The recent courier scam in India typically involves fraudsters calling individuals, claiming to be customs officials, police or representatives of a national crime bureau. They falsely accuse the individuals of sending or receiving parcels containing illegal items and then



demand money to 'settle' these false charges.

In a courier scam, a scammer might send a package as part of a ploy to create a sense of urgency or legitimacy. The package is used as bait to make the victim believe that they are indeed involved in a legal issue, which the scammer can then use to extort money under false pretenses.

Honey Trap

“Honey Trap” has gained a new dimension on social media. Popular social media platforms like Facebook, Twitter etc. are used to trap targets. Recently, Facebook has admitted that up to 270 million accounts on their platform are



illegitimate. These illegitimate accounts are nothing but either bots or honeytraps.

The honey trap accounts are usually of female profiles.

Who first identify their targets then befriend them to later lure them into spilling crucial information which can compromise not only their safety but the nation's security too. They use blackmailing or even worse, hacking to get the information out. The horrors intensify when these honey traps share malicious codes in the guise of web links or web applications to hack into the target's device/ system compromising all the data, giving them complete access. And this makes these honey traps an even bigger threat because they can control all the data without the target having an inkling about it.

Deep fake voice frauds

AI algorithms analyze audio recordings of a target person to replicate their voice characteristics

like pitch, tone, and accent, creating a synthetic voice that can be used to say anything the scammer wants.

Common scams:

"Grandparent scam": Scammers impersonate a grandchild in distress, asking for immediate financial assistance.

Kidnap: scammers call from unknown number and inform that they kidnapped their son/daughter/ wife/ parents/friends use the AI voice to believe that "they really kidnapped their person". Once believed start demanding transfer of funds to their account.

CEO Fraud: Impersonating a company CEO to trick employees into transferring funds to a fraudulent account.

Customer service impersonation: Pretending to be a bank representative to obtain sensitive account information.

How to avoid scammers

- **Avoid Suspicious Communications:** Do not answer calls, SMS, or emails from individuals claiming to be officials and stating that you are in trouble.

- **Legitimate Officials Do Not Ask for Payments:** Remember that real law enforcement agencies will never ask for payment or banking details.

- **Beware of International Calls:** Most scam calls originate from foreign countries. Avoid answering calls from numbers other than those with the +91 (India) countrycode.

- **Verify Claims Independently:** If you receive a suspicious call or message, verify the information through official channels before taking any action.

- **Do Not Share Personal Information:** Never share sensitive information like bank details, OTPs, or passwords with unknown individuals.

- **Report Suspicious Activity:** If you encounter a potential scam, report it to the relevant authorities or cybercrime units immediately.

By staying vigilant and informed, you can protect yourself from falling victim to these increasingly.

Source: Various articles published in newspapers.

Play your role as a responsible Public Servant



Do's :	Don'ts
<ul style="list-style-type: none"> ▪ Be Prompt, Sincere, Honest, Fair, Upright and Firm. ▪ Maintain highest standards and lead by example. ▪ Treat others with respect and fairness. ▪ Maintain confidentiality. ▪ Handle official matters with diligence and discretion. ▪ Adhere to legal and procedural guidelines. ▪ Demonstrate unwavering courtesy to others. ▪ Continuously enhance your knowledge and skills. ▪ Leveraging the latest technology can significantly enhance efficiency and effectiveness in working. 	<ul style="list-style-type: none"> ▪ Don't be prejudiced or biased. ▪ Don't be subjective in task evaluation ▪ Never use official position for personal gain. ▪ While spending public or corporation money, be cautious and never do wasteful expense. ▪ Never do anything which is morally indefensible and contrary to SoP, rules and regulations. ▪ Don't ignore minor offenses, address with due diligence. ▪ Do not compromise ethics.

PRIZE DISTRIBUTION



SYSTEM STUDY ON PROJECT INSURANCE

OVERVIEW OF INSURANCE POLICY AT BEML

BEML secures an **All Risk Marine cum Erection (MCE) Policy** for its Metro Rail projects. This policy covers raw materials, semi-finished goods, and finished products—starting from the supplier (domestic or international) through production, erection, testing, and final commissioning at the customer's site.

CASE STUDY: METRO CAR PROJECT (2018–2022)



In 2018, BEML received a contract for the **Design, Manufacture, Supply, Testing, and Commissioning of Metro Cars**. The contract was later amended to include additional cars. The original agreement stipulated deliveries between 2018 and 2022.

As per the contract, BEML is responsible for insuring the entire project, covering all stages from raw material procurement to final installation. The **risk and insurance responsibility** rested solely with BEML, and the customer would not reimburse any losses or damages caused by accidents.

To fulfill this requirement, BEML awarded the insurance contract to the **L-1 bidder** for the initial batch of cars. The coverage was subsequently extended to include the additional order.

MARINE CUM ERECTION (MCE) POLICY

Policy Coverage and Duration

The **MCE policy** covered the entire project from **November 2018 to December 2022**, including a **27-month Defect Liability Period (DLP)** after the last train set was handed over. Due to project extensions and increased order volumes, the **insurance premium surged by 3.4 times**, reaching **Rs. 14.55 crores**.

The policy ensured coverage from the moment materials left the supplier's premises—regardless of location—until final erection, testing, and commissioning at the customer's site. It also accounted for transit risks, procedural delays, transportation bottlenecks, and clearances by various agencies.

Scope of Insurance

- **Transit & Storage:** Covers all transport modes, including hold-ups at ports, bonded warehouses, or vendor premises for fabrication/conversion jobs.
- **On-Site Coverage:** Includes assembly, erection, testing, and commissioning at BEML's facility and the customer's project site.
- **Off-Site Storage:** Major project materials, including spare parts, stored in locations like **Bangalore or Mumbai**, are covered until their delivery for final fabrication.
- **Final Acceptance:** Insurance remains in force until trial operations and all connected systems are fully accepted by the customer.

PROFESSIONAL INDEMNITY (PI) POLICY

Policy Overview

The customer agreement required a **Professional Indemnity (PI) policy** covering **10% of the contract value**. BEML secured this policy for the **entire fleet** with an **insurance premium of Rs. 1.66 crores** from **February 2019 to November 2029**.

SYSTEM STUDY ON PROJECT INSURANCE (Contd..)

Coverage Details



- Liability Protection:** Indemnifies up to **Rs. 430 crores** against damages from negligence, errors, or omissions related to "Professional Services" in the project.
- Defense Costs:** Covers legal defense expenses for claims, payable before final settlement.

VIGILANCE OBSERVATIONS

Issues with MCE Policy

1. Over-Insuring the Project

- The **entire project value** was insured from **2019 to 2025**, despite procurement and production being staged over multiple years.
- Insurance was secured **before** raw material procurement began, leading to coverage for non-existent assets.
- Example: For a **Rs. 100 crore project** spanning **two years**, BEML insured **Rs. 100 crores for the entire duration** instead of securing **Rs. 50 crores per year** based on production. This led to **unnecessary coverage**, increasing costs without benefits

Insurance Covered		Premium paid Rs. 14.55 Crores
Original Insurance		Division would have saved minimum 50% premium i.e., Rs. 7.27 Crores straightaway

2. Excessive Premium Payments

- By **June 2024**, only **54% of the metro cars** had been delivered, yet **Rs. 14.55 crores** was already paid in insurance.
- If BEML had insured based on the **actual production plan**, it could have saved **approximately Rs. 7.27 crores**.
- Additionally, insurance was taken for the **sale value instead of production cost**, leading to further financial inefficiencies.

3. Extended Project Timeline & Rising Costs

- The project schedule may **extend beyond 2025**, requiring continued insurance coverage for both **delivered cars** and **future orders**.
- Historically, BEML's **Bangalore complex** insured **entire project values**, including already delivered vehicles, increasing unnecessary costs.

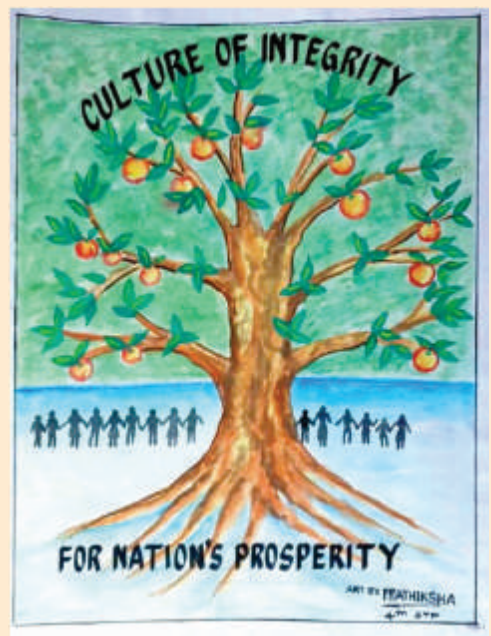
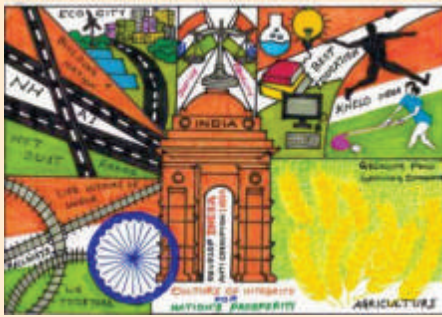
4. Delayed Claim Settlements

- Insurance companies **take an average of one year** to process claims.
- BEML often **delays document submission**, prolonging settlements.
- Due to **communication gaps between departments**, some **accidents** were **not reported**, leading to missed insurance claims.

Issues with PI Policy

- No Claims Filed:** BEML has never submitted claims under this policy, raising concerns about its necessity.
- Location-Specific Coverage:** The policy covers only certain project sites, limiting its usefulness.
- Cost vs. Benefit:** Since customers do **not reimburse the PI premium**, BEML should reconsider insuring **10% of turnover across all projects** rather than project-specific policies.

PAINTING COMPETITION



VIG CREW



VIG-HQ



VIG-MYSURU



VIG-BENGALURU



VIG-PALAKKAD



VIG-KGF



Be a Vigilant Man,
report to the Department on any Fraud or corruption which you have noticed

भारतीय भाषा संस्थान/Central Institute of Indian Languages

आज का शब्द/Word of the Day: INTEGRITY

Language Name	Meaning (in Script)
हिंदी/Hindi	1. सत्यनिष्ठा 2. अखंडता
असमिया/Assamese	अचलता, अतानिष्ठा
बांग्ला/Bangla	সত্যনিষ্ঠা, অচলতা, মাতাম্ভরায়নতা
बोडो/Bodo	1. थारथि, थोथपथि, थोथेथि
डोगरी/Dogri	अखंडता, एकता, दयानतदारी, नेक-नीति
गुजराती/Gujrati	અખંડિતા, સત્યનિષ્ઠા, ઇમાનદારી
कन्नड़/Kannada	ನಿಷ್ಠೆ, ಅಚಲತೆ, ಅತನಿಷ್ಠೆ, ಅಖಂಡತೆ, ಸತ್ಯನಿಷ್ಠೆ
कोकणी/Konkani	1. सत्याथ, सत्यनिष्ठा, प्रमाणीकयम 2. तत्त्वनिष्ठा
मैथिली/Maithili	1. सत्यनिष्ठा 2. अखंडता
मलयालम/Malayalam	സത്യനിഷ്ഠ, സ്പഷ്ടത, അഖണ്ഡത
मणिपुरी/Manipuri	1. মপুম থইবা, অপূনবা 2. পুকচেন লেঙমবা, অচুবা চংপা
मराठी/Marathi	1. एकालता 2. सचोटी 3. साकल्य
नेपाली/Nepali	1. अखण्डता 2. ईमानदारी
ओड़िआ/Odia	ସତ୍ୟନିଷ୍ଠା
पंजाबी/Punjabi	ਇਮਾਨਦਾਰੀ, ਅਖੰਡਤਾ
संस्कृत/Sanskrit	1. समप्रता, 2. शुद्धता
संथाली/Santali	1. ଅକ୍ଷୟତା 2. ଉତ୍ତରାତ୍ମତା 3. ଶତାତ୍ମ
सिंधी/Sindhi	سچائي، ايمانداري، اڪبري
तमिल/Tamil	உறுதியம், நான்கையம்
तेलुगु/Telugu	1. న్యాయబుద్ధి, ప్రతిక నిష్ఠ 2. అఖండత
उर्दू/Urdu	سالمیت، بقا



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VIGILANCE DEPARTMENT

BEML Limited

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