



GAIL (India) Limited

**A COMPENDIUM
OF SYSTEMIC
IMPROVEMENTS
SUGGESTED
BY VIGILANCE
2020**





Foreword

Systems and processes are essential building blocks of an Organization and play a significant role in its growth. It is, therefore, very important to consider the efficiency and accuracy of the systems and procedures specially when Business scenarios are dynamic and changing very fast. GAIL Vigilance team through their continued efforts of carrying out routine inspections, surprise checks and scrutiny of systems and procedures have focused on greater transparency, automation of business processes and reduced discretion.

On the occasion of Vigilance Awareness week, 2020, a Compendium of Systemic Improvements in the field of Contracts & Procurement, Projects, Business Information Systems, Finance, Marketing and Human Resources etc has been compiled and is being published by Vigilance team. This compendium is based on various system Improvements suggested by vigilance in last 8 years.

I am very happy about the initiative of my team to compile and publish all such systemic improvements in the form of a compendium. I hope this compendium would be useful and serve as a handy booklet for reference for officials of GAIL and other PSUs of MoP&NG. This will also help to avoid recurrence of lapses / irregularities perpetrated and to achieve better technical and financial control in execution of contracts / works in the organization.

I would like to thank all the Functional Directors for their efforts for consideration of the systemic improvements suggested by vigilance. I would also like to acknowledge the efforts of Shri Sanjay Chauhan, GM (Vigilance) and his team for timely completion of compilation of all suggestions for the release of compendium of systemic improvement in this year during Vigilance Awareness Week 2020. I cordially invite suggestions for making further improvement in the compendium.

With best regards

Shubha Naresh Bhambhani
Chief Vigilance Officer
GAIL (India) Limited



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Message from C&MD

Corruption has been one of major obstacles to economic, political and social progress in our country. All stakeholders such as Government, private sector and citizens need to work together to eradicate corruption. GAIL as an organization acknowledges its responsibility to lead by example by maintaining highest standards of integrity, transparency and good governance in all aspects of its operations.

Stagnation in any procedure or policy makes it either obsolete or prone to misuse. Thus, continuous system improvement is essential for a good Corporate Governance framework. This is where the Vigilance Department plays a pivotal role.

An effective Vigilance system helps organizations to improve accountability, integrity and transparency. Our Vigilance department have been working towards realisation of these goals. The system improvements suggested by our vigilance team have been appreciated by CVC and some of the system improvements implemented in GAIL has been included in Commission's annual booklet of preventive measures .

It gives me immense pleasure to know that under the dynamic leadership of Chief Vigilance Officer, GAIL's Vigilance department has come out with a Compendium of System Improvements on the occasion of Vigilance Awareness Week 2020.

I am very hopeful that this compilation of system improvements will be a step towards the ultimate goal of corruption free India.

(Manoj Jain)
Chairman & Managing Director



CONTENTS

S. No.	SYSTEMIC IMPROVEMENT	PAGE NO.
Contracts & Procurement Related Systemic improvements		5-10
1.	Certification of measurement of executed work for releasing of payment	
2.	Improvements in Tender documents to remove ambiguity	
3.	Arbitration Clause in GAIL Tender	
4.	Consideration of running contract value for selection of party	
5.	Names of prospective Bidders mandatory while creating PR/SR	
6.	Capping for extension of works with respect to original contract value – DOP Amendment in clause 6.1.2 (ii)	
7.	Capping of Consultant fee in the Contract Document	
8.	Prohibition of ad-hoc payment and proper handing/taking over of material	
9.	Procurement of materials, works and services through Board Purchases	
10.	Adhering to the percentage tendering	
11.	Verification and certification of documents pertaining to Bid Evaluation Criteria	
12.	Apportioning the responsibility between Employers and Consultants	
13.	Submission of EMD and CPBG	
Finance related Systemic improvements		11-12
14.	EMD through electronic transfer (RTGS/ NEFT):	
15.	Submission of Bank Guarantee in Electronic Form	
16.	Study of investment of surplus Funds	
Marketing Related Systemic improvements		13
17.	Standardization of procedure for generation of MGO invoice through SAP in GAIL Gas Ltd	
Operation & Maintenance Related		14
18.	Standardisation of BEC for similar work/ Procurement tenders across GAIL	



GAIL (India) Limited

19 Suggestions for improving calibration and checklist in Metering Skid

Polymer production related 15-16

20. Suggestions related to stock accounting

21. Suggestion for accounting of rejected polymer bags at GAIL, Pata

Corporate Communication Policy Related Improvements 17

22. System Improvement related to Corporate Communication Policy

Information Technology related improvements 18-19

23. Integration of Central Dak system with BWS

24. System Improvement in Bill Watch System

25. Capturing IP addresses and other data of bidders participating in e-tenders

26. Checks of Common Mail ID

27. Automatic alerts to concerned EICs for delayed bills

28. GAIL's Complaint Management System

HRD & Training Related Improvements 20-21

29. Promotion Policy

30. Online status of Vigilance status as per MOU with MOPNG

31. Suggestions in online Vigilance Clearance format

32. Work Visa for Foreign Nationals

Transparency Initiatives 21

33. Information placed on GAIL Website

System Improvements related to Complaints Management 22

34. Whistle Blower Policy

35. Fraud Prevention Policy

Contracts & Procurement Related Systemic improvements

1. Certification of measurement of executed work for releasing of payment.

For certification of measurement at various levels before release of payment to the contractors, it was suggested to implement three stage certifications by the concerned officers involved in execution of the job.

The following recommendations were made for test check of measurements for consideration and necessary implementation:

- i) For all the works / contract / POs, 100% check shall be carried out by the EIC. However, if the Engineer In-charge (EIC) happens to be the Engineering & Project Management Consultant (EPMC), then at least 15% checks of all the measurements shall be carried out by the Engineer of GAIL (Site Coordinator of EPMC) and the bills will be certified accordingly.
- ii) Further, minimum 5% test check of all the measurement shall be carried out at the level of HOD / OIC (HOD for this purpose shall not be less than CM(E6)/DGM(E7) level officer) and observations / certifications recorded on the bill and subsequently the bill forwarded to Finance Department for payments.
- iii) In case the bills are not processed on the above lines, the same shall not be considered for payment by Finance.

The same was considered and accepted by the Management. Accordingly, Amendment No. 13 dated 01.05.2015 in this regard was issued by C&P Department.

As a result of this, in a particular case in UPPC Pata, saving of approximately Rs. 5 crores was made in the bills of a contractor when final bill of the contractor duly certified by EPMC was checked by GAIL Engineers.

2. Improvements in Tender documents to remove ambiguity

During a periodic inspection it was observed that the banning & vendor evaluation procedures were not made part of tender document as required under GAIL procedure. Apart from this, there were irregularities in the tender related to provision of interest free mobilization advance without any recovery clause and ambiguity in Price Reduction Schedule clause. These issues were brought to the notice of Management as a preventive exercise



and it was suggested to take corrective action immediately within due date of submission of tender. Corrective action on these clauses has been taken by way of issuance of Corrigendum to the tender. Hence, future complications were avoided which could have occurred due to such deficient clauses in the tender.

Further, in order to ensure compliance in all future tenders, a circular dated 24.02.2016 was issued by Corporate C&P Dept. to include the banning policy and vendor evaluation procedure as part of tender document.

3. Arbitration Clause in GAIL Tenders

Provision of arbitration has been provided in all GAIL tenders for resolution of disputes, if any. The intention of the said clause is to provide a resolution mechanism for disputes relating to execution of contract which cannot be mutually resolved. However, it was observed that even in cases where a customer/contractor/supplier/bidder indulges in Corrupt/ Fraudulent/ Collusive/ Coercive practices and the same is under investigation by CBI / Vigilance/ any other investigating agency/ Government etc. or any action is taken by GAIL after conclusion of such investigations, the vendor challenges such action in Court of Law. On noticing the Arbitration Option available in contract signed between GAIL & vendor, the first remedy generally identified by Courts is to exhaust this Arbitration Option. This leads to delay in concluding such matters where even the arbitrators would not have anything much to contribute.

As a result of suggestion by Vigilance, a standard tender clause regarding non-applicability of arbitration clause in case of banning of vendors indulging in Corrupt/ Fraudulent/ Collusive/ Coercive practices was formulated and instructions were issued by Corporate C&P department vide CIRCULAR-(GAIL/ND/C&P/G-25/2015/30) dated 25.02.2016 for inclusion of such clause in future tender documents.

4. Consideration of running contract value for selection of party:

In one inspection by Vigilance, it was observed that there is ambiguity regarding the issue of whether to consider running contract value or final job completed value while framing the Bid Evaluation Criteria (BEC) about a bidder's job experience and accordingly systemic improvement was suggested to consider the actual job execution in a rate/maintenance contract for technical experience of the bidder.

To avoid ambiguity in considering quantity/value of a running contract or final job while framing the Bid Evaluation Criteria (BEC) about a bidder's job experience, a clarification was issued by C&P on 10.10.2013 as below:

“In case the bidder is executing a rate/maintenance contract which is still running and the contract value/quantity executed till due date of bid submission is equal to or more than the minimum prescribed value and quantity as mentioned in the BEC, such experience will also be taken into consideration provided that the bidder has submitted satisfactory work/supply execution certificate to this effect issued by the end user/owner”.

5. Names of prospective Bidders mandatory while creating PR/SR

During routine scrutiny Vigilance observed that in the creation/generation of Purchase Requisition/ Service requisition (PR/SR) through SAP, some information fields are mandatory and some are optional to be filled up by the indenter. Information relating to furnishing the names of minimum 6 prospective vendors was kept optional. Due to such shortcoming in the system, the indenter sometimes does not indicate the names and address of prospective vendors which may result into insufficient competition. It was suggested that this information may be considered mandatory in the SAP while forwarding PR/SR by the indenter.

6. Capping for extension of works with respect to original contract value — DOP Amendment in clause 6.1.2 (ii)

During scrutiny of Delegation of Powers (DoP) it was observed that power for extension of scope of existing works contracts with no change in terms and conditions and / or approval of extra (new)/ Substituted items for contracts awarded within own powers have been given to ED /GM/ DGM/CM which does not consider the value of the initial work order. As a result, scope of work of small contract may be increased manifold and hence was prone to be misused. Vigilance recommended to restrict the financial power of approving authority and some capping in %age of the contract value to be implemented. Management agreed to the recommendation and amendment of the DoP and accordingly, the power of all executives for approving the extra work of the contract has been capped up to 20% of original contract value.

7. Capping of Consultant fee in the Contract Document

During an investigation, it was observed that a consultancy contract was awarded wherein consultant fee was some percentage of executed value of work without any upper ceiling limit. On the recommendation of Vigilance, in order to avoid the over-payment to consultant and misuse of this clause, instructions have been issued to include upper ceiling limit of consultant fee vide Circular-(GAIL/ND/C&P/G-25/2016-17/02) dated 14.06.2016. In the circular it has been stipulated as under:



“The percentage (%) fee of the Architect/ Consultant shall be pegged to the lower of (a) estimated cost of project / job(s) / work(s) and (b) the original awarded contract value of project / job(s) / work(s) [combined awarded value of jobs/works in case of more than one job /work under a project].”

8. Prohibition of ad-hoc payment and proper handing/taking over of material

During investigation of a work contract in which release of payment was linked to completion of various stages, it was observed that payment was released to contractor without completion of stages as per provisions of the contract agreement. Some part of the work under the agreement was left incomplete and the same was got completed by another contractor under a separate contract agreement. Left over material of the previous contractor was not properly taken over and handed over to the second contractor.

It was recommended to issue directions for release of payment on completion of stages only, thereby prohibiting any ad-hoc payment and ensuring proper handing over and taking over of materials with proper intimation to the superiors and all concerned. This suggestion was accepted by management and Corporate C&P department issued a circular no. GAIL/ND/C&P/G-25/2018-19/03 dated 27.04.2018 in this regard.

9. Procurement of materials, works and services through Board Purchases

During investigation of a case, it was observed that for an urgent requirement, procurement of services was done through Board Purchase for two year period. It was suggested by Vigilance that in case of urgency, the contract to be awarded through board purchase needs to be limited to a maximum period of six months only. The matter was considered and accepted by management. Accordingly, Instructions have been issued in this regard by Corporate C&P department vide GAIL/ND/C&P/G-25/2018-19/06 on 07.05.2018.

10. Adhering to the percentage tendering

Percentage mark-up model was proposed by Vigilance to management citing its various advantages which are as below:

- As rates are furnished in tender, parties are required to only quote percentage plus or minus of total amount.
- Eliminates abnormally high or low rates for individual items.
- Possibility of change of tender position with respect to L1 bidder and others due to execution of excess quantities post award is eliminated.



Lowest bidder remains lowest after completion of job even with variation of quantities in items during execution.

- Convenience in preparation of comparative statement, work order, revised comparative statements etc.

A senior level committee was constituted to examine all the aspects in detail and the proposed model was accepted by Project Directorate for ARC and Civil contracts of O&M which are repetitive in nature. A circular No: GAIL/ND/C&P/G-25/2014/04 dated: 28.02.2014 was issued for necessary implementation.

Amendment No. 32 to C&P Procedure was made vide document Ref. No. GAIL/ND/C&P/G-25/2018-19/323 issued on 20.12.2018 for introduction of percentage tendering in specified services/works.

Vide Corporate C&P Circular No. GAIL/ND/C&P/G-25/2019-20/26 dated 26.09.2019, a detailed list of services for percentage tendering was provided.

Vide Circular No. GAIL/ND/C&P/G-25/2019-20/46 dated 06.02.2020, percentage tendering has further been extended for Pipeline Projects in HDD, terminal works and laying contracts.

11. Verification and certification of documents pertaining to Bid Evaluation Criteria

During annual sectoral review meeting presided by the Chief Vigilance Commissioner it was suggested to pre-verify the documents pertaining to BEC by the tender inviting agency. This issue was taken up and subsequently instructions were issued by Contract and Procurement department to verify and certify such documents. The instructions issued through a C&P circular No. GAIL/ND/C&P/G-25/2018-19/20 dated 06.09.2018 stipulated that verification and certification of documents pertaining to Technical BEC for tenders valuing Rs. 50 Crores and above for Projects and Rs. 10 Crores and above for O&M (both excluding taxes and duties) shall be carried out by any one of the 14 nos. of identified independent third-party inspection agency (TPIA). The name of these 14 identified certifying authorities are being published in tenders.

Post implementation of TPIA certification, scrutiny of a tender was done by Vigilance and it was observed that the certifying agency has put only seal and signature without specifying the credentials of the certifying officer. Therefore, it was suggested to incorporate the provision in tender



documents wherein the certifying agency has to clearly mention on the document that the document has been verified and certified.

Further, certifying officer has to mention the name and contact number below his signature along with the seal of the organization.

Accordingly, a Circular ref. GAIL/ND/C&P/G-25/2019-20/16 dated 03.07.2019 was issued in this regard wherein it has been stipulated that TPIAs shall provide certificate towards verification and certification of documents pertaining to BEC.

12. Apportioning the responsibility between Employers and Consultants

In a project, Engineering and Project Management Consultant (EPMC) was appointed by GAIL who was also nominated as Engineer-In-charge for execution of the work. When some lapses were noticed by Vigilance during an investigation, it was observed that consultant and the employer blamed each other on the responsibility for lapses observed by Vigilance. While examining the report of Vigilance, Central Vigilance Commission (CVC) took a serious view on this. Accordingly, an amendment in C&P Procedure for apportioning the responsibility/ accountability between the Employer and consultant was suggested on behest of CVC. Suggestions made by Vigilance in this regard are under review by the management.

13. Submission of EMD and CPBG

During investigation of a complaint, it was observed that bidder had submitted Earnest Money Deposit (EMD) in the form of Demand Drafts (DD). Name of the remitter was mentioned on the DD, which was other than the bidder. Based on the provisions of GCC the bid of that bidder was rejected due to variance between 'remitter' and 'bidder'.

A system improvement was suggested that in order to have uniformity of the conditions for submission of EMD & CPBG in the form of DD / Bank Guarantee being submitted in the contracts or tenders, necessary changes may be incorporated in the tender documents that the EMD / BG will not be accepted in case the same has reference of 'remitter' / 'financer' other than the bidder on these financial instruments submitted to GAIL. Accordingly, C&P has

issued circular ref. GAIL/ND/C&P/G-25/2019-20/27 dated 26.09.2019 in this regard stating inter-alia that:

“EMD and CPBG will not be accepted in case the same has reference of remitter/financer other than bidder on the aforementioned financial instrument of EMD/ CPBG”

Finance related Systemic improvements

14. EMD through electronic transfer (RTGS/ NEFT):

In e-tendering, as per prevalent practice, bidders may upload the copy of the EMD along with their bid, but it was mandatory to submit the original EMD within 7 days from the date of their bid submission, failing which their bids were liable to be rejected. In one such case the bidder failed to submit the original EMD within stipulated period, though the copy of EMD was uploaded with the bid, hence his bid was not considered eligible in the tender.

In view of above, a systemic improvement was suggested by Vigilance that at the time of submission of bid, the bidder may also be given an option to deposit EMD amount through electronic transfer (i.e. Real Time Gross Settlement /National Electronic Fund Transfer) to GAIL A/C instead of physical submission of EMD through bank draft/Pay Order.

Provision has been made for vendors to deposit EMD through electronic transfer to GAIL instead of physical submission of EMD through bank draft/Pay Order. Apart from smoothening of tender process and facilitating bidders, it will also avoid delay in realisation of funds, if required.

15. Submission of Bank Guarantee in Electronic Form

It has been observed that Bank Guarantees (BGs) are being submitted in hard copy though provision also exists to submit it through RTGS etc. BG in hard copy needs to be verified by issuing bank through mail and letters. It takes lot of time to confirm the genuineness' of the BG submitted by the vendors and contractors. In one of the cases a contractor submitted two BGs which were found to be fake after manual verification.

Further It was also gathered that the verification of BGs submitted against EMD by vendors are not being done by GAIL, which makes the system vulnerable for frauds.

During investigation, it was also observed that number of BGs were expired before closure of contract although alerts regarding expiry of BG were generated through the SAP system.

Accepting of physical BGs have been abolished by most of the global organisations and these organisations have shifted to the use of electronic BG instruments with SFMS message system, wherein BG confirmation is quick and automatic without manual interference.



GAIL (India) Limited

In view of the above following suggestions have been made by Vigilance:

- To verify the BG submitted against EMD,
- To implement use of structured financial messaging system (SFMS) for BG verification as per guidelines from CVC and Ministry of Finance..
- To develop systems for accepting Electronic BGs from vendors. In this regards Banks may also be approached for issuance of electronic BG in a time bound manner.

Suggestion is under consideration by management,

16. Study of investment of surplus Funds

A study of Procedure for investment of surplus funds was carried out vis-à-vis DPE guidelines and following suggestion were given for revision of GAIL Board approved procedure for surplus fund investment to incorporate following DPE guidelines-

- To put up Annual Report to Board in addition to quarterly report.
- To inform projected surplus availability for the ensuring year to Administrative Ministry at the start of financial year.

Further, it was also suggested to carry out risk assessment afresh to provide clear & strong basis for decision making w.r.t surplus fund investment. The matter is under consideration of management.



Marketing Related Systemic improvements

17. Standardization of procedure for generation of MGO invoice through SAP :

A complaint was received with respect to suppressing of MGO (Minimum Guaranteed Off take) related facts for supply of natural gas to various customers.

However, during scrutiny of the facts, it was observed that raising of MGO bills was being done through initiation of proposals in hard copy and due to non-consensus among the dealing officials, MGO Bills were not raised.

It was suggested by Vigilance that a standard procedure for punching relevant contractual inputs by respective Departments may be developed instead of taking approval on physical file every time a MGO invoice is raised. . For example, shutdown periods should be punched by O&M in SAP and Build-up periods including approved deviations, if any & revised Daily Contract Quantity (DCQ) to be punched in by Marketing Department in SAP System on completion of every quarter.

Subsequently, MGO invoice needs to be generated by Finance Department after vetting the updated inputs by O&M and Marketing Departments on quarterly basis. The suggestion made by vigilance was accepted and a system in this regard has been developed and implemented by GAIL Gas.



Operation & Maintenance Related

18. Standardisation of BEC for similar work/ Procurement tenders across GAIL.

During scrutiny of the tender for Internal Corrosion Monitoring System at one location, it was observed that technical BEC in the instant tender was restrictive and different technical BECs was being formulated at different sites across GAIL for the same job (Internal Corrosion Monitoring System).

Vigilance suggested that standard BECs (along with standard/ Model tender) are formulated by the CIMG Group at Noida for technical jobs which are repetitive in nature and same is circulated across various sites for uniformity and to enhance transparency in awarding jobs by GAIL.

19. Suggestions for improving calibration and checklist in Metering Skid

An Inspection was carried out for the Metering skid installed for Gas supply to a company. Based on the findings, a comprehensive report along with following system improvements has been suggested.

- To prepare a uniform set of check-list may be prepared for commissioning of Metering skid at site (SAT) and a separate check-list to be prepared specific to type of measuring instruments i.e. Ultrasonic flow meter, Turbine flow meter, Orifice meter etc.
- To prepare uniform set of calibration format for the instruments installed in metering skid (for secondary instruments, since primary instruments are generally calibrated through external agency).

The Proposal has been sent to Projects Directorate for consideration for system improvement and implementation in the O&M Policy & Guidelines of the Company.

Polymer production related

20. Suggestions related to stock accounting

At one of the project sites, surprise inspection was carried out to check the stock accounting and material reconciliation methodologies adopted by the unit for declaring inventory of polymer products. In the inspection, following points were observed:

- The unit produces polymer of different grades (LLDPE / HDPE / PP); subsequent to production of materials, automated bagging and palletizing operations are carried out. In the bagging unit, each bag is filled-in with 25 kg of polymer and subsequently, in the palletizing unit, filled bags are stacked on pallet for storing the same at pre-designated bin location. Automated counting facilities are available in every bagging and palletizing machine. However, while preparing the bagging / inventory reports, same was not taken into cognizance; rather, reports were prepared based on manual counting of the bags / pallets.
- Random checking was carried out for few batches to verify the inventory indicated in SAP vis-à-vis material physically available in the product warehouse. However, same found to be not tallying for even a single batch checked.
- As per customer demand, delivery order was prepared for requisite quantity of material and loading operation was carried out (loading into the truck for transportation). However, loading was done based on manual counting of bags; there was no system in place for cross-verification / weighing of the loaded trucks. Therefore, in case of any excess / shortage of bags loaded into the truck, either advertantly or inadvertently, detection of same was not possible.
- During bagging / loading operation, few bags found to be got damaged due to various technical reasons such as improper stitching, rupture of bag joints, damaged at pallets, damaged by forklifts etc and material got spilled over. However, no record was found to be maintained in respect of the material of the aforesaid damaged bags (plant sweep & ground sweep materials). Further, no record was found to be maintained in respect of the bags consumed to replenish the material of the aforesaid damaged bags.



In view of the aforesaid observations, following recommendations were suggested for Systemic Improvement in the matter:

- To use automatic counters available in respective bagging / palletizing machines may be used to declare the production of filled bags and to avoid manual interference to the best extent possible while preparing inventory reports.
- To avoid manual intervention and also to avoid any possibility of extra / under loading of bags / materials it was suggested to install weigh bridges .
- To maintain specific report in respect of bags getting damaged during loading operation. Further, record to be maintained in respect of the material consumed to replenish the aforesaid damage bags.
- To maintain record for plant sweep and ground sweep materials and inventory of same needs to be updated in SAP.
- To install adequate number of CCTVsin the product warehouse for extensive coverage and effective monitoring, which shall essentially include each loading bay. Further, dedicated facility needs to be provided for continuous monitoring of the entire bagging / loading operation.
- Periodic physical verification to be carried out to ensure that inventory indicated in SAP and physical inventory available in the product warehouse is tallying.

The aforesaid suggestions have been implemented by the unit to ensure better stock accounting and reconciliation of material.

21. Suggestion for accounting of rejected polymer bags at GAIL, Pata

During an investigation, it was brought to the notice of Vigilance that huge quantity of Bagging Machine rejected empty polymer bags were accumulated in Product Transfer & Dispatch (PTD) warehouse since 2013-14 or earlier. During the inspection, it was noticed that around 4.0 lac poor quality rejected bags were not replaced despite a decision for their replacement against provisions of the Annual Rate Contract. It was noticed that, no proper records were maintained by PTD section for accounting of such machine rejected bags. As a system improvement, it was suggested to the Management for issuing guidelines for proper record keeping on daily basis. \

The same has been implemented and included in Standard Operating Procedure (SOP).



Corporate Communication Policy Related Improvements

22. System Improvement related to Corporate Communication Policy:

A study of the Corporate Communication Manual of GAIL and other Oil SPUs was done and the following salient points were recommended by Vigilance to the Corporate Communication department:

- a) To make provision for securing Bank Guarantee from the empanelled advertising agencies to safe guard company's interest. In case of premature termination, the Bank Guarantee of the said agency can be forfeited.
- b) To form a suitable mechanism for rationalization of publication rates. A Committee comprising of HOD (CC) and In-charge of Finance may negotiate with each publisher at least once in a fiscal year. Usually the last publication rate would be the benchmark: if the current rates (after discount offered on card rates) are more than 10 % over the last publication rates, negotiations may be conducted by this Committee.

In addition to above, it was also recommended to review the existing Policy of the Corporate Communication Dept. of GAIL in the light of policies being followed in other major Oil PSUs as well as in the private sector. It was suggested to adopt various measures as follows:

- i. Securing Bank Guarantee against work award to advertising agencies,
- ii. Premature termination in the cases of non-performance,
- iii. Forfeiture of Bank Guarantee and
- iv. Negotiation of rates as per the agreed conditions with the empanelled agencies in case of any abrupt upward revision.
- v. All these suggestions have been implemented.



Information Technology related improvements

23. Integration of Central Dak system with BWS:

Central DAK system has been integrated with BWS for all locations and bill cannot be entered in BWS without mentioning central DAK number, generated by central DAK system. The central DAK system generated number has been made mandatory for BWS for all bills even if received by PMCs. This has resulted in capturing actual Bill received date and has led to avoidance of any manipulation in respect of date of receiving of vendor bills.

24. System Improvement in Bill Watch System:

Bill Watch System and e-QPR System were being operated as standalone system and there was no linkage between the two systems. It was suggested to integrate the e-QPR system with BWS system.

After the modification/integration, Bill delay exception report for contracts entered in the e-QPR can be generated from Bill Watch System.

25. Capturing IP addresses and other data of bidders participating in e-tenders

After implementation of e-procurement system in GAIL, all the relevant data pertaining to the bidders participating in GAIL Tenders are available in the system. During an investigation of an e-tender for confirming the suspicion of a cartel formation between the bidders, Vigilance sought access to the data captured in the e-procurement system w.r.t. the IP addresses of the bidders from Business Information System (BIS) Department.

It was observed that the IP address data of the bidders captured in the system was inadequate and the system was not capturing IP addresses of all the bidders.

Vigilance suggested incorporating adequate functionality in e-procurement system of GAIL to capture IP addresses and other data of all the bidders participating in e-tenders and to get GAIL's e-procurement system certified by the STQC (Standardisation Testing and Quality Certification) Directorate under Ministry of Electronics and Information Technology for adequacy of audit trail in the system.

26. Checks of Common Mail ID

During the investigation of a case, it was noticed that a common e-mail id was



used to send communication outside GAIL concealing the true identity of the sender. Further, the government authority also responded, in the matter, to common email-id of GAIL considering them as concerned authority in GAIL. The record of such communication was not available in the relevant file & details of sender could not be established.

To avoid the misuse of common mail ID & identification of sender / receiver, it was suggested that as a system improvement common e-mail IDs may be restricted for inter-departmental purpose only and no communication outside GAIL's domain / server be allowed through common e-mail ID. This suggestion of Vigilance has been accepted and common e-mail IDs have been disabled for sending mails to outside GAIL.

27. Automatic alerts to concerned EICs for delayed bills

In-depth analysis of delayed bills in Bill Watch System was carried out by Vigilance Executives wherein long pending bills of all work centres were analysed. It was observed that there was inordinate delay in some of the bills.

In order to sensitize the EICs for timely processing the bills, provision has been made in Bill Watch System to generate email alerts after every 15 days to the EIC as well as to the OIC in case a Bill is pending for more than 15 days. In case the bill is pending for more than 100 days, email alert is sent to the concerned Director. Modification in Bill Watch System has been carried out by in-house IT Team.

28. GAIL's Complaint Management System

To avoid the time gap between the date of complaint uploaded by the complainant and the date when Complaint system is accessed by Vigilance Executive, it was suggested to BIS for enabling the provision for generating auto e-mail alerts upon receiving a new complaint in the system.



HRD & Training Related Improvements

29. Promotion Policy

In order to minimise the discretion in annual promotion exercise, it was suggested to the Management that weightage of marks assigned for Interview part to be reviewed and restricted to norms comparable to other PSUs. The weightage of interview marks for promotion was reviewed. After detailed deliberations on the matter, it was decided to discontinue 'Interview' as a criterion for promotion from E-6 to E-7, E-7 to E-8 & E-8 to E-9 vide Corporate HR Circular dated 26.03.2019.

Vigilance also suggested that the percentage of marks for DPC modulation should not exceed 15%. Suggestion has been agreed upon by the management.

30. Online Vigilance status as per MOU with MOPNG

Driven by the external MOU targets set by the MOPNG a system had been developed for online Vigilance status in respect of Employees in E9, E8, E7 and E6 grade...

As per MoU for FY 2019-20 signed with MoPNG, Vigilance status of officers of the level of GM and above (E-7 to E-9) was to be updated on quarterly basis. For the same, intranet based online Vigilance status system was existing. However, data for E-7 to E-9 officials was not updating automatically and it was showing the names of Officers who had superannuated/ separated/ resigned.

Accordingly, for automatic up-dation of official's name, following modifications were suggested:

Integration of Vigilance status system with HR master data for automatic up-dation.

In addition to above, provision for capturing the Annual Property Return submission status along with date of submission from SAP based HR system. These modifications have been implemented in the system.



31. Suggestions in online Vigilance Clearance format

As per the prevailing format for online vigilance clearance, there was provision of security clearance also. It was suggested to modify the vigilance clearance format in such a way that security clearance is excluded from the vigilance clearance format. Same has been implemented for online Vigilance clearance format for obtaining passport clearance..

32. Work Visa for Foreign Nationals

During investigation of a complaint, it was observed that foreign nationals visited GAIL installations for execution of a contract without having proper work visa of India. For ensuring all foreign nationals to have proper work Visa while working at GAIL Installations, an advisory has been issued on the recommendation of Vigilance to all OICs for ensuring the compliance of proper Visa norms.

Transparency Initiatives

33. Information placed on GAIL Website

A study of contents/information displayed/published on GAIL website i.e. gailonline.com has been carried out in comparison vis-à-vis websites of other PSUs under Oil and Gas sector and Power sector. It was observed that some of the policies were not available on GAIL website. Accordingly, to ensure greater transparency, following additional information have been displayed on GAIL website:

Health and Safety Policy, ii.) Information Security Policy, iii) Quality Policy iv) Risk Management Policy.

In addition to the above, list of parties/ vendors banned/ put on holiday by GAIL is also being displayed on GAIL's website.



GAIL (India) Limited

System Improvements related to Complaints Management

34. Whistle Blower Policy

GAIL implemented Whistle blower policy in 2011, wherein resolution 89 of Govt. of India was adopted as its whistle blower policy. Vigilance proposed to display the Whistle Blower Policy adjacent to Fraud Prevention Policy on the front page of Intranet for the information of all employees of GAIL. Purpose of hosting the policy on front page was to ensure easy access by all employees. On the recommendation of Vigilance, policy was hosted on front page of GAIL Intranet and GAIL Website.

Further, as a part of review of policies and systems, Vigilance undertook study of Whistle Blower Policy in year 2018. It was observed that as per the resolution of Gol, CVC/CVOs of Ministry/Department are authorized to receive the whistle blower complaints whereas, as per GAIL policy, GM (Vigilance) was authorized to receive the whistle blower complaints, which was in contravention to the resolution of Gol.

Therefore, it was suggested to review Whistle Blower Policy of GAIL and accordingly, revised policy has been framed in accordance with the Companies Act and C&MD, GAIL / Chairman of Audit Committee has been nominated to receive complaints. Also a detailed procedure has been formulated for redressal of complaints under this policy. The revised policy has been implemented with effect from 12th Feb 2019.

35. Fraud Prevention Policy

In GAIL, Fraud Prevention Policy was implemented in Nov'2012. As per the Policy, Nodal officers shall act as Coordinators and refer the details of frauds/suspected frauds to CVO, ED (IA) and concerned Directors. Names of Nodal Officers and Linked Nodal Officers were not being updated regularly on GAIL Web Site after annual transfer exercise. Programmes such as familiarisation, sensitization, and awareness to report frauds amongst employees were not being organized as per policy. Hence, there was a need to revisit Fraud Prevention Policy.

Vigilance recommended that list of Nodal officers needs to be updated in GAIL website & GAIL intranet upon transfer/superannuation and after APE. Relevant Training may be planned by GTI for the Nodal Officers. All suggestions have been agreed upon by the Management and implemented.

Glimpses of Vigilance Awareness Week 2020





GAIL (India) Limited



INTEGRITY PLEDGE

I believe that corruption has been one of the major obstacles to economic, political and social progress of our country. I believe 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 behavior.
- To report any incident of corruption to the appropriate agency

सत्यनिष्ठा प्रतिज्ञा

मेरा विश्वास है कि हमारे देश की आर्थिक, राजनीतिक तथा सामाजिक प्रगति में भ्रष्टाचार एक बड़ी बाधा है। मेरा विश्वास है कि भ्रष्टाचार का उन्मूलन करने के लिए सभी संबन्धित पक्षों जैसे सरकार, नागरिकों तथा निजी क्षेत्र को एक साथ मिल कर कार्य करने की आवश्यकता है।

मेरा मानना है कि प्रत्येक नागरिक को सतर्क होना चाहिए तथा उसे सदैव ईमानदारी तथा सत्यनिष्ठा के उच्चतम मानकों के प्रति वचनबद्ध होना चाहिए तथा भ्रष्टाचार के विरुद्ध संघर्ष में साथ देना चाहिए।

अतः, मैं प्रतिज्ञा करता हूँ कि-

- जीवन के सभी क्षेत्रों में ईमानदारी तथा कानून के नियमों का पालन करूँगा:
- ना तो रिश्वत लूँगा और ना ही रिश्वत दूँगा:
- सभी कार्य इमानदारी तथा पारदर्शी रीति से करूँगा:
- जनहित में कार्य करूँगा:
- अपने निजी आचरण में ईमानदारी दिखाकर उदाहरण प्रस्तुत करूँगा:
- भ्रष्टाचार की किसी भी घटना की रिपोर्ट उचित एजेन्सी को दूँगा:





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