डी. बन्द्योपाध्याय
निदेशक (मानव संसाधन)
D. Bandyopadhyay
Director (Human Resources)

भारत हेवी इलेक्ट्रिकल्स लिमिटेड
Bharat Heavy Electricals Limited

Maharatna Company

Golden Jubilee 1964-2014

BHEL's Commitment In Support of U.N.G.C. Programme

BHEL is an integrated power plant equipment manufacturer and one of the largest engineering and manufacturing company of its kind in India engaged in design, engineering, manufacture, construction, testing, commissioning and servicing of a wide range of products and services for core sectors of the economy, viz. Power, Transmission, Industry, Transportation (Railways), Renewable Energy, Oil & Gas, Water and Defence with over 180 products offerings to meet the needs of these sectors. BHEL has been the bedrock of India's Heavy Electrical Equipment industry since its incorporation in 1964. BHEL has joined the elite club of select global giants having an installed base of over 170 GW of power generating equipment globally.

Being a major power plant equipment manufacturer, BHEL is quite aware of its huge responsibility towards providing world class products and services to its customers so as to help them generate power in a sustainable manner and minimise environmental footprint over the entire life cycle of the plant. BHEL is committed towards Sustainable Development and the same is also evident from its mission statement - ***"providing sustainable business solutions in the fields of energy, industry and infrastructure"*** and to address this responsibility, the company has adopted R&D and technology development as key driver as a part of its strategy.

Most of the manufacturing units / divisions of the company are accredited to latest international standards viz. ISO-14001 certification for Environmental Management System (EMS) and OHSAS – 18001 certifications for Occupational Health and Safety Management Systems. Two of our manufacturing units have got ISO- 50001 certification for their Energy Management System. Many other manufacturing units are at various stages in the process of getting this certification. Enabling framework in terms of Sustainable Development Policy and HSE Policy are in place to guide the organization on environment related aspects and tenets of sustainability in its day to day operations.

BHEL has continued to play a prominent role in the United Nation's Global Compact (UNGC) Programme by promoting the core values on human rights, labour standards, environment and anti-corruption and intends to advance these principles, which are embedded in its strategies & culture, within its sphere of influence. The company publically advocates UNGC principles to its Stakeholders through Annual Report, Press Conferences and other public communiqués.

BHEL's performance on each principle of Global Compact for the year 2015-16 is hosted on UNGC website and also available on company's website www.bhel.com.

Date: 02nd July 2016

(D Bandyopadhyay)

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BHEL Performance 2015-16 – Global Compact Principles

Human Rights

Principle 1): Business should support and respect the protection of internationally proclaimed human rights

BHEL policies are in line with the principles of Human Rights, The Constitution of India, the various Labour Laws, etc. BHEL has special provisions for ensuring safeguard of women employees at the workplace. The principles of Natural Justice are enshrined in "The BHEL Conduct, Discipline and Appeal Rules" applicable to all its employees except workers who are governed by the Standing Orders

Principle 2): Make sure they are not complicit in Human Rights abuse

No instance of Human Rights abuse has been reported in the Company.

Labour Standards

Principle 3): Businesses should uphold the freedom of association and the effective recognition of right to collective bargaining

The Government of India has enacted various labour laws to adequately protect the interests of the working class. These laws are strictly adhered to in BHEL. BHEL units/divisions are required to submit quarterly reports on compliance of different laws to the Board of Directors. This is done to ensure that the interests of the workers are protected.

Apart from this, BHEL has various bi-partite fora for workers, where the issues / problems pertaining to the workers are discussed and settled. BHEL also has an apex level bipartite forum namely "The Joint Committee for BHEL" wherein the elected representatives of all units of BHEL, along with the Central Trade Union Organizations, to which the Unions are affiliated, are represented from the workers' side whereas the Management is represented by Chairman & Managing Director and Functional Directors along with the Heads of units.

As part of our efforts to take the participative culture to a higher pedestal, BHEL has been organizing "Workshops" related to various themes namely Productivity, Organizational Excellence, etc. BHEL has been regularly organizing "Special Sessions" of Joint Committee in Workshop format. During these workshops employees are sensitized about the challenges being faced by the Company and on evolving strategies to meet the challenges and customer commitment. Syndicate Groups are formed on various topics which are of interest to both, workers as well as the management. The topics taken up in these syndicate exercises ranges from Strengthening of Participative For a in the company, how to improve percolation of discussions in the Joint Committee to Plant level, Multi-skilling, Redeployment, Effective

Utilization of Critical Machines, Enhancing the Productive Time of Man and Machine, Reduction in Rejection and Rework, Maintenance and Upkeep of Machines, Three shift working, Enhancing Productivity of Employees, Dissemination of Company Information, Cost Cutting Measures at workplace and Wastage Control, Improving Quality and bringing Quality Consciousness among employees, Reduction in Cycle Time, Sequential Supplies from the Units, Expectations from the Workers/ Unions in the Present Business Scenario, Imbibing the Work Culture of BHEL, Improving Employees Engagement, Mentoring and Coaching for Bridging the Skill Gap & Developing New Skills, The Role of Trade Unions in Motivating Employees at Work Places, Balancing the Manpower Cost vis-a-vis Employee Productivity, to Project Implementation issues.

At the unit level, there are Plant Council & Shop Councils which meet regularly and discuss issues related to Production in Financial & Physical terms, Productivity, Order book, Cash collection, Dispatch, General Administration and Discipline, etc. The Plant Council as well as the Shop Councils have representation from all categories of employees. Suggestions on Cost Reduction, Meeting the Production Targets, Sequential Deliveries and Quality of goods are accepted which are evaluated for implementation. The involvement of all the cadres in the workshop has had a positive impact on the work culture in the Units. In addition, at the Unit level, workshops are organized on Unit specific issues. Such workshop have not only resulted in better organizational climate but have also brought together the various categories of employees in resolving the various issues.

Principle 4): The Elimination of all forms of forced and compulsory labour

The Company neither subscribes to nor indulges in such coercive practices. Towards this, it never asks its employees to deposit their original documents pertaining to their education qualifications or Date of Birth.

Principle 5): The Effective Abolition of Child Labour

As per BHEL's Recruitment Policy, the minimum age for employment in the Company is 18 years. No person below this age can be employed in BHEL, thereby ensuring that child labour is not employed in BHEL.

Principle 6): Eliminate discrimination in respect of employment and occupation

Uniform set of rules are mentioned in "The Personnel Policy" of BHEL, which apply equally to all employees, irrespective of factors such as sex, caste, religion, race, etc. All recruitments are conducted in a transparent and impartial manner, giving equal opportunity to all eligible candidates, without any discrimination whatsoever.

Environment

Principle 7): Businesses should support a precautionary approach to environmental challenges

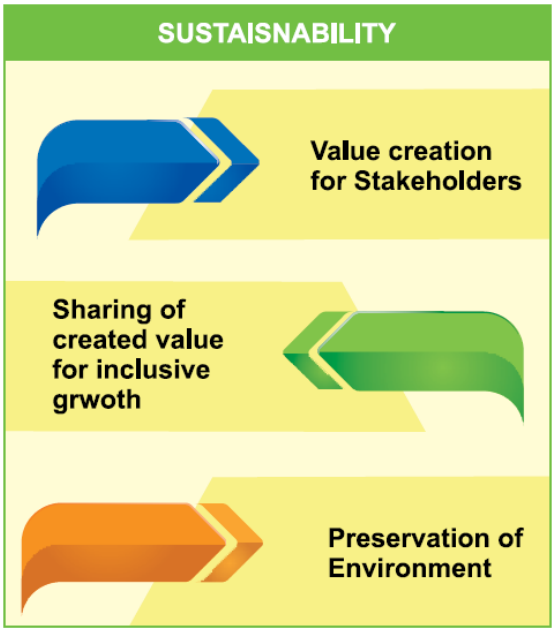
From the very beginning BHEL has been conscious towards its responsibilities towards conservation of environment and prevention of pollution. Continual efforts towards reducing material consumption, including consumption of raw materials, in our activities, product and service; conservation of water , measures for conservation of energy and improving energy efficiency, reduction and control of emissions; reduction and reuse of wastes manifests our commitment towards the precautionary approach towards environmental challenges.

BHEL has implemented Environment Management System (EMS) in all its manufacturing units and divisions. All major manufacturing units and divisions are certified to ISO 14001:2004. All units and divisions have HSE policies which are in sync with the corporate HSE policy of the company. As a part of EMS, environmental aspects of all our activities, products and services are identified and their impact assessment is carried out in a systematic manner. Proactive measures are taken which are based on the principle of elimination/reduction/control of environmental impacts. Periodic audits are carried out by the certifying agencies to ensure effective implementation of the established systems, including legal compliances. All applicable environmental consents, authorizations and licenses are maintained and their terms & conditions are complied with. As per the relevant statutes, the Environmental Statement showing related environmental compliances are submitted to the respective State Pollution Control Board by all the manufacturing units by September every year for the preceding financial year.

Environmental monitoring like monitoring of emission from stacks, monitoring of quality of effluents etc. are carried out wherever applicable. Quality of emissions and discharges are maintained within the permissible limits specified in the applicable statues and regulations. As a general practice, effluents generated in various processes/activities inside manufacturing units are treated at source, reused & recycled to the extent possible and then the remaining quantity is discharged. Efforts for conservation of water, oil and energy is a continual process in all units. Regarding waste generate in the units, approach based on the concept of 3R [reduce/reuse/recycle] is followed. As a general practice all saleable wastes are stored in a safe and secured manner and sold to authorized agencies following relevant statues, if any. Similarly, hazardous wastes are handled, stored and disposed of in accordance with the provisions of applicable statues and regulatory requirements.

Principle 8): Undertake initiatives to promote greater environmental responsibilities

Since its inception, BHEL has been guided by the holistic approach of development. It involved technological development and industrial production along with preservation of natural environment and contribution to wellbeing of society. The concept of sustainability is ingrained in the Organisational culture acting as an enabling factor in creation of value for the stakeholders in a responsible and socially acceptable manner. For BHEL sustainability is about creating wealth for its stakeholders through achieving growth which is sustainable, attained in a manner which is socially acceptable while remaining within the realms of the assimilative capacity of our ecological system.



For almost fifty years of its existence, company has been leveraging technology and innovation for providing products, systems and services to its customers and enabling them to use resources with better efficiency and productivity which is also evident from its Mission statement – ***"Providing sustainable business solutions in the fields of energy, industry & infrastructure".***

8.1 Sustainability framework

BHEL has formulated a 'Sustainable Development Policy' keeping in view the scale and nature of activities, products & services. This policy is the guiding force for us which inspires all our endeavors to venture into the realms of sustainable development. This policy has been incorporated into our corporate strategy through BHEL's strategic plan 2012-17.

For contributing towards Environment Sustainability, focus areas have been identified in this Strategic Plan for ensuring our continued impetus on Sustainability through our products, service as well as internal operations across the organization. Key projects & initiatives undertaken are renewable energy generation through Solar Power Plants, projects for energy conservation and energy efficiency, tree plantation, water conservation, workplace environment improvement by installing Fumes Extraction Systems, installation of turbo-ventilators, Noise Level Reduction Systems, Resource Conservation Systems, and Utilization of Non-Conventional Energy Sources.

A very brief write-up about the various activities undertaken during 2015-16 on some of the focus areas is presented in the following sections.

8.2 Responsible Consumption of Natural Resources and Other Materials.

There is continued stress on conservation and effective utilization of various natural resources in manufacturing activities and at project site. The Company has a strong institutionalized mechanism to recycle the products and wastes to the extent feasible. For example, each MT of the molten steel produced at our Central Foundry and Forge Plant (CFFP) , located at Haridwar contains approximately 54% of the recycled scrap (from CFFP) and 45% of MS Scrap (from other BHEL units), thus making it an almost 100% recycled product.

Some of the measures adopted in BHEL to minimize waste (Scrap) generation at the source itself are listed below:

Waste reduction in use of steel plates :

- Computerized nesting plan of each steel plate to adjust maximum number of jobs in a plate
- Preservation and reuse of Off-cuts generated after nesting & using them for cutting out smaller jobs, like strong backs lifting lugs & tackles, etc.

These small but significant steps help us in reducing use of precious natural resource and consequently reducing the environmental footprint of BHEL. Some of the activities related to material and natural resource management carried out during 2015-16 include:

- HEEP Haridwar: Utilization of old wooden packing boxes after repair /modification in Wood Working Shop, Recovery of 155 drums (27.9 MT) of used /waste oil through Coolant Recovery System and with the help of Oil Skimmers fitted on main waste water drain.
- HPEP Hyderabad: Recycling of 384 MT of Ferrous and non- ferrous scrap, 30% reduction in paper and printer cartridge consumption
- HPVP Vizag: 686 MT of Heavy Melting CS Scrap send to CFFP Haridwar for recycling.
- TP Jhansi: Recovery of waste oil from storm water drain with the help of oil skimmers.

8.3 Managing energy requirements at workplace

BHEL, being a major player in manufacturing of power plant equipment in India, is all the more aware of its responsibility towards energy conservation, energy efficiency and use of green energy in its operations. This will ultimately help us in achieving reduction in conventional energy usages, enhancing usage of green energy in our energy mix and ultimately moving towards use of sustainable energy mix in our operations. The energy management policy of BHEL lays emphasis on energy efficiency, use of cleaner technologies, energy conservation and most importantly involvement of employees.

Thrust areas in BHEL pertaining to generation/ use of Renewable Energy are:

- ✓ *Installation of Roof Top Solar PV Systems*
- ✓ *Installation of Solar Water Heating Systems*
- ✓ *Installation of Grid interactive SPV Power Plant (sub MW and MW scale)*
- ✓ *Installation of Solar Street lights*

As a part of its strategic plan 2017, BHEL is enhancing the use of clean energy in all units / sites through usages of PV based street lights & solar water heating systems, installation of roof-top and grid interactive solar power plants (KW & MW scale) and many such systems are already there in place. A 5 MW_P Solar Power plant at BAP Ranipet unit is hallmark in our efforts towards ensuring Environmental Sustainability and during 2015-16 a 1.5 MW_P solar power plant has been commissioned at HPEP Hyderabad Unit which has buttressed our efforts in moving towards sustainable energy mix in our operations. List of major solar installations in our manufacturing units as on 31.03.2016 are given below:

List of major solar installations details within BHEL premise		
Sl No	Name of the unit / division	Details of installed system
1	HEP Bhopal	250 kW_P SPV Plant
2	R&D Hyderabad	250 kW_P SPV Plant
3		13.7 kW_P + 13.5 kW_P Roof Top Solar Power System
4	HPEP Hyderabad	1.5 MW_P Grid Interactive SPV Plant
5	ESD Bengaluru	42 kW_P Roof Top Solar Power Plant
6	Trichy Unit	20 kW_P grid connected Rooftop Solar Power Plant
7		50 kW_P + 50 kW_P Rooftop Solar Power Plant
8		10 Nos. 24 W Solar LED Street Lights
9		80 Nos. 40 W Solar LED Street Light
10		3000 Litre Per Day (LPD) Solar Water Heater System
11		4000 Litre Per Day (LPD) Solar Water Heater System
12	BAP Ranipet	17.5 kW_P Roof top Solar Power Unit
13	BAP Ranipet	5 MW_P Grid Interactive SPV Plant

Total energy generated through various renewable energy systems during 2015-16 stood at 8.08 Million Units as compared to 7.0 Million units during 2014-15.

8.4 Managing Water & Bio-diversity within Our Premise.

We at BHEL strongly believe that we need to manage the water and waste water systems in our premise in a sustainable manner to meet the requirement and expectations of our stakeholders. That is why water management has been made a part of our strategy.Our approach is in sync with our country's National Water policy 2012 which lays emphasis on water reuse / recycle and gradually moving towards making our industrial units as Zero Liquid Discharge (ZLD) units. Some of our existing units have already achieved the status of being a ZLD and remaining units are striving hard for achieving this goal.

Water Conservation Activities in various units of BHEL
➢ Development of rain water harvesting potential at all premises
➢ Treatment of Trade effluents, its recycling / reuse and then drainage to outside

➢ Facility like zero waste water discharge unit, has been created at HERP Varanasi, in which water, used as coolant, is recycled and finally exhausted within the process.
➢ At HPBP Trichy unit, 100% treated trade effluent water is used for irrigation purpose within the complex to maintain zero discharge hence avoiding contamination of the water body
➢ Recycling of Hydro Test water, cooling tower from SSTP Trichy, treated sewage water from township and factory are facilities that are operating to their full capacities
➢ In Jhansi, water recycling is done within the process, steam is condensed into water, which is recycled back into the boiler
➢ In compliance with environmental norms, the quality parameters of discharged water are within limits for each and every BHEL unit, as specified by the respective state Pollution Control Boards
➢ At BAP, Ranipet unit only the treated water from STP is being for horticulture

With respect to its concern for environmental protection and soil conservation, BHEL has undertaken afforestation activities such as mass tree plantation and development of green belt which has resulted in development of nearly 4.7 million M^2 of green coverage and plantation of more than 3 million trees till date. Further plantation activities have been carried out across our premises during 2015-16 as well.

8.5 Emissions and Carbon Management

The emission level of NO_x, SO_x, SPM & other significant parameters are well within the limits prescribed by respective State Pollution Control Boards. Monitoring and control of emissions from boiler & gas plant furnaces are undertaken regularly to maintain pollution levels below the permissible limits.

BHEL achieved Carbon footprint avoidance to the extent of 7800 MT CO_2-e during 2015-16 which is approx. 24% more as compared to 2014-15 (6300 MT) through various renewable energy based systems.

In addition to generation of renewable energy at our premise, the usages of cleaner fuels is also one of the factors which is helping us in mitigating our carbon footprint. Our EPD Bangalore unit has switched over to natural gas (RLNG) which is safer and cleaner fuel causing negligible emission to atmosphere. HEEP Haridwar unit has switched over to natural gas from producer gas. Also CFFP Haridwar unit has converted Oil-fired burners to Natural Gas fired burners, resulting in drastic reducing emissions to atmosphere.

8.6 Sustainable Development – our commitment

With its innovation-led growth strategy, BHEL is committed to offer sustainable, environment friendly and fuel efficient technologies and products to its customers. Further, the organization

has taken all the necessary steps to internalise the tenets of Sustainable Development in its day to day operations. Amidst the difficult external economic and business environment, BHEL continues to face challenges in the current year also. Nevertheless, the company has developed considerable resilience to leverage its engineering strength and manufacturing prowess to regain growth momentum in next phase of Indian economic growth.

For BHEL, it is imperative to focus on newer areas to meet the challenges of a changing business scenario while continuing development in traditional areas of business and thus 'Creating the BHEL of tomorrow' and charting the course of its Sustainable growth.

Principle 9): Encourage the development and diffusion of environment friendly technologies

BHEL is contributing to a greener environment through development of environment friendly technologies, reduced emissions and improvement in efficiency of its equipment. Some of the steps taken in this direction are detailed below:

Power Sector

- Continuous improvement in cycle efficiency and reduced emissions has been achieved over time by evolution of technology from sub critical to super critical, Ultra super critical and Advanced Ultra Super critical parameters. Details are as given in table below:

Plant type with power rating	*Steam Pressure (kg/cm^2)*	*Steam Temperature (℃)*	*Efficiency (%)*	*CO_2 Emissions (g/kW-hr)*
Sub Critical (500 MW_e)	*170*	*540*	*35*	*900*
Super Critical	*247*	*565*	*40*	*830*
Ultra Super Critical	*250*	*600*	*42*	*784*
Advanced Ultra Super Critical	*310*	*710*	*46*	*740*

- Development efforts have been undertaken to achieve breakthrough improvement in cycle efficiency by designing power plants to Advanced Supercritical (AUSC) parameters of 300 bar pressure and 710°C temperature. The project has NTPC and IGCAR as consortium partners.

- Efficiency improvement in various power plant equipment is pursued by improving efficiency and reducing direct energy loss. BHEL has taken initiatives for producing/ using energy efficient gadgets/ motors/ drives etc. BHEL make HT Motors have now an improved efficiency upto 98%. BHEL has developed energy efficient IGBT based 1MW High Performance Low Voltage Variable Frequency Drive (VFD) which has been successfully tested for all its design features on 25 HP induction motor.

- Environment friendly air cooled condensers (ACC) have collectively improved operating efficiency and helped in conservation of valuable resources like water. In a typical 2 X 500 MW Thermal Power Plant the requirement of cooling water make-up can be eliminated and

as a result water requirement reduced by almost 70 % by using ACC. BHEL is currently executing ACC based supercritical thermal power plant for 3 X 660 MW NTPC-North Karanpura.

- To reduce emissions and meet the stringent new emission norms, BHEL has initiated several measures like modification in boiler design, improvement in collection efficiency of ESPs; installation of FGD systems for SO_x capture, modifications in the wind box firing system of Boilers and development of SCR catalyst for NO_x reduction.

- BHEL developed a NOx and Ozone Levels Evaluation Tool to estimate NOx and residual ozone emissions formed in Electro Static Precipitator (ESP) using Artificial Neural Network (ANN) to predict NO_x values at ESP outlet. The work has resulted in precise estimation of NO_x and residual ozone at ESP.

- BHEL is also carrying out research in developing technologies related to CO_2 capture namely;
  - Oxy-blown Combustion-systems development and performance demonstration
  - Membrane Electrode Assembly (MEA) based CO_2 capture systems (Post Combustion Techniques)
  - Chemical looped combustion technology demonstration
  - Algal based CO_2 decomposition of industrial flue gases
  - Oxy-blown IGCC gasification for H_2 production and gas to liquid fuel conversion.

Renewables

- BHEL presently has a manufacturing capacity of 8 MW (Cell) and 26 MW (module) for solar PV which is planned to be increased to 105MW (Cell) 226 MW (Module) by Oct'16.

- Continuous R&D in the field has resulted in BHEL achieving solar cell efficiency up to 18.4% for monocrystalline and 17.5% for multicrystalline cells, which is among the best in the world.

- BHEL has demonstrated a 100 kW_P Solar PV Plant consisting of 50 kW_P SPV system using 18 nos. of 2.8 kW_P capacity polar axis passive trackers and a 50 kW_P SPV system using 36 nos. of 1.4 kW_P capacity horizontal axis passive trackers. This development has led to increase in energy output by 15 to 20% with respect to modules mounted on the fixed tilt structures.

- Electric Vehicle mobility is fast gaining recognition as the future mode of transportation. BHEL under a consortium with National Automotive board (NAB) and M/s. Ashok Leyland will develop the system for Motors / Alternators, IGBT controllers and VCU hardware for Electric powered vehicles.

- BHEL has developed 1 kW PEM (Proton Exchange Membrane) fuel cell stack for strategic applications in defence.

ANTI-CORRUPTION

BHEL believes in the highest levels of personal and institutional integrity. The Value Statement of the Company calls for the highest ethical standards to be observed in decision making and demonstration of the same in an honest, decent and fair manner. The Company has zero tolerance approach towards all forms of corruption. BHEL is committed to enhancing transparency in all its business dealings for which it has a Vigilance set-up in place to prevent irregularities.

BHEL is focusing more on preventive vigilance to tackle corruption. The approach to preventive vigilance include a combination of review of rules and policies particularly concerning procurement and recruitment, awareness measures, targeting specific functional areas/ issues by engaging stakeholders, in order to minimize scope for corruption.

Some of the preventive measures initiated in recent times are as under:

- Action against Defaulting Contactors as per Company Policy to check corrupt practices.
- Action was initiated to review and update the under-mentioned Policies / Manual in order to align them with the Govt. Policies / guidelines, to minimize discretionary powers and bring clarity in provisions to avoid scope for different interpretations.
  - Works Policy-2008
  - Supplier Evaluation and Registration Procedure (SEARP)- 2010
  - Master Schedule of Rates for preparation of estimates-2010
  - Capital Budget Manual-1984
  - Works Account Manual-1984
  - Recruitment Policy
  - Personnel Manual-1997
- Expansion of Vendor Base to ensure competitiveness.
- Utilization of Unused Material at various manufacturing units and divisions.
- Demarcation of BHEL's land and digitization of land records to curb encroachment.
- Introduction of Audit Trail in computerized systems for tracking changes.
- Installation of CCTVs in Units to check material movements and improve security environment in unit's premises.
- Fraud Prevention Policy and Complaint Handling Policy of the company were issued.
- On-line Complaint System has been introduced in the company to bring more transparency in the functioning.
- Implementation of Sequential Material Supply System by Units.

In addition, new areas have been identified for improvements in future. Some of them are stated below:

- Review of vendor approval system by customers.
- Review of Material Estimation Procedure.

- Role of Finance at early stage of procurement.
- Implementation of ERP in time bound manner to bring more transparency in procurement process.
- Simplification of vendor registration process to reduce vendor complaints.

A detailed Corruption Mitigation Action Plan has been prepared in respect of potential areas of corruption in BHEL and has been taken up for implementation by all manufacturing units and other divisions of the company. Potential areas of corruption taken up are Procurement, Logistics department, Outsourcing of Fabrication Work/Subcontracting, Civil Works, Overtime payments, Recoveries from Unit Township allottees, Recruitment & Promotions. In each case, detailed strategy has been identified in respect of Causes of Corruption, Proposed Action Plan to mitigate the same, Measurable Targets have been identified and Persons responsibility for implementation in Units have been identified. Half yearly review is being done through Nodal Officer appointed in this regard.

Public Awareness is an important cornerstone for good governance. An enlightened employee not only can contribute in achieving the organizational goal but also in system improvements. Various training programmes were conducted by Vigilance department in different units for their employees as part of preventive vigilance, Corporate Vigilance also organised various interactive sessions, workshops and panel discussions. In addition, in all the general management programme /strategic management programmes organised by HRDI, Corporate office, a session on vigilance issues has also been included.

Vigilance Department publishes Quarterly **e-Newsletter 'DISHA'** with a view to create awareness about procurement policy, rules and procedures etc., to disseminate the instructions/ guidelines issued by CVC and Government of India from time to time, to share best practices and case studies. Articles and views of employees are provided space to share their views and understanding of the vigilance activities. *Eleven issues* have already been published so far.

During the Vigilance Awareness Week, a documentary film on BHEL **"Chalo Sath Chalein- Ek Anubhav BHEL ka"** was made by BHEL and telecast by Doordarshan on 26.10.2015. Besides showcasing the good governance, transparency and best practices adopted by **BHEL**, the film highlights how the collective approach of **BHEL**'s Management and Vigilance has brought benefits for the Company. Discussion on 'Role of Youth in Promoting Good Governance in BHEL' was organized in Corporate Office as well as in all manufacturing units and other divisions.

In addition, interactive quiz / debate among students of various schools / colleges were organized. Lectures and interaction with various eminent personalities, expert speakers on various relevant topics were also organized.

Routine / Surprise Inspections were carried out by Units / Corporate Vigilance. The learnings through these inspections and surprise checks were shared with the senior executives of management. Also, Unit Vigilance shared findings of inspections with Unit management through

Vigilance Committee Meetings. Based on these feedbacks various system improvements have been initiated by the management. In addition, circulars on the following areas for systemic improvements were issued:

- *Circular on Deficiency in Quality Inspections,*
- *Circular on Reasonableness of Rates,*
- *Circular on Qualification of vendors in open tenders,*
- *Circular on Placement of Repeat orders,*
- *Circular on Submission of stamped documents Suppliers / Bidders,*
- *Circular on Deficiencies noticed in execution of Transport Contracts and preventive measures required.*

BHEL signed Integrity Pact with Transparency International on 16.12.2008 and was adopted in Feb 2009. Structured meetings are held with the Independent External Monitors (IEMs) every quarter wherein the procurement related issues and complaints thereupon are discussed.

Shri D.R.S. Chaudhury, IAS (Retd.), Former Secretary (Steel), Govt. of India; Ms. Pravin Tripathi, Dy. CAG cum Chairperson Audit Board (Retd.) and Shri V.V.R. Sastry, Ex. CMD, Bharat Electronics Ltd. (BEL) are current IEMs of the Company.

Earlier, the Integrity Pact has been made mandatory for all purchase orders / contracts valuing more than Rs.10 Crore. However, in the meeting dated 29.12.2015, IEMs agreed, on vigilance advice, to have Integrity Pact clause in all tenders above Rs.5 Crore.

As part of Company's endeavor to set high standards of integrity, the Company has enforced its Conduct, Discipline & Appeal Rules.

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