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Message

It gives me immense pleasure to know that the Vigilance department of CCL is bringing out a compendium of circulars of Central Vigilance Commission and internal ones.

Every government officials is bound to observe rules/ regulations while discharging his duties. Thus, it becomes essential to keep our selves abreast of the latest circulars / guidelines, rules and regulations.

The publication of this compilation is quite opportune and will be of great help to one and all.

(R K Saha)
Chairman –cum- Managing Director
Central Coalfields Limited

FROM THE DESK OF THE CVO

It gives me immense pleasure to present a usable compendium of circulars/instructions that when followed in letter and spirit can infuse a culture of **'preventive vigilance'** which undoubtedly is the heart and soul of effective vigilance administration. It is a settled principle that "ignorance of law cannot stand as an excuse for not obeying the law". Naturally, it is in the best interest of all concerned that there is a constant endeavour to update oneself with all relevant laws, rules and guidelines. This is in accordance with the age old principle that working with conscious knowledge is the best form of work. This compendium has been compiled with these principles in mind.

The compendium is in the nature of a small but meaningful step undertaken by the vigilance wing of CCL wherein an attempt has been made to compile a ready reference which brings together all the relevant CVC circulars, internal departmental circulars, case studies etc. However, as a disclaimer it must be added that this compendium by no means claims to be so exhaustive that it does not leave out any relevant information, orders etc. All the same it will be our constant endeavour to make this compendium as exhaustive as possible and in this direction one of the steps contemplated is an annual updating. One of the innovative steps proposed is the user interface in developing this compendium in the future. For this it is requested that all users within CCL are free to study the compendium in the future. For this it is requested that all users within CCL are free to study the compendium physically or online at www.ccl.gov.in and send in their suggestions for future updating.

I take this opportunity to express my gratitude to all concerned who helped compile this compendium with dedication and sincerity.

(VISMITA TEJ)

CHIEF VIGILANCE OFFICER

CVC CIRCULARS/
GUIDELINES

*e-Procurement / Reverse
auction*

e-Payment /

e-receipt/Payment/

Mobilization advance

"When plunder becomes a way of life for a group of men living together in society, they create for themselves in the course of time a legal system that authorizes it and a moral code that glorifies it."

- **Frederic Bastiat**

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 11th September 2003

OFFICE ORDER NO.46/9/03

To

All Chief Vigilance Officers

Subject: E-Procurement/Reverse Auction.

Sir/Madam,

The commission has been receiving a number of references from different departments/organizations asking for a uniform policy in this matter. The departments/organizations may themselves decide on e-procurement/reverse auction for purchases or sales and work out the detailed procedure in this regard. It has, however, to be ensured that the entire process is conducted in a transparent and fair manner.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax-24651010

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan , Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 8th April 2004

OFFICE ORDER NO.20/4/04

Sub: Improving Vigilance Administration: Increasing Transparency and cutting delays by e-payments and e-receipt by Govt. Organizations etc.

The commission has been receiving complaints about inordinate delays in making payments to the vendors and other suppliers to the Govt. organisations, Public Sector Undertakings etc. Similarly complaints are received about delays in getting refunds from taxation dept. and other departments. Apart from increasing the cost of procurement, the delays lead to opportunities for corruption. A number of measures are required to put down on delays in making payments. One such step is restoring to mechanism of e-payments and e-receipts wherever, such banking facilities exist.

In the last few years tremendous progress has been made by the banking sector in computerization including net-working of branches, making it possible to do e-banking by making use of facilities like electronic clearing system (ECS) and electronic fund transfer (EFT) etc. These facilities are available in most of the banks including the State Bank of India as well as in private banks. A large number of corporate including public sector undertakings are already making e-payments to vendors and employees instead of making payments by issue of cheques.

The commission has been receiving complaints that delay is intentionally caused with ulterior motives in the issue and dispatch of cheques in the accounts and finance wings of a large number of Govt. Organizations. As the e-payment facility is already available in the metros as well as practically in all the main urban centers of the country, in order to curb the above mentioned malpractices, the CVC in the exercise of powers conferred on it under Section 8(1)(h) issues following instructions for compliance by an govt. departments, PSUs, banks and other agencies over which the Commission has jurisdiction.

1. The payment to all suppliers/Vendors, refunds of various nature, and other payments which the organizations routinely make shall be made through electronic payment mechanism at all centers where such facilities are available in the banks.
2. Salary and other payments to the employees of the concerned organizations at such centers shall also be made through electronic clearing system (ECS whether such facilities exist).

As the organizations will have to collect bank account numbers from the vendors, suppliers, employees and others who have interface of this nature with the govt. organizations, concerned organizations may plan to switch over to e-payment system in a phased manner with transactions with the major suppliers in the beginning or in whatever manner is more convenient.

It is expected that in three months i.e. by 1st July 2004, 50% of the payment transactions in value terms as well as in terms of number of transactions shall be made through ECS/EFT mechanism instead of payment through cheques. The remaining 50% payment transactions at all centers where such facilities exist shall be made by 31st Dec 2004.

These instructions are applicable to all the metro cities and other urban centres where links provide ECS/EFT and similar other facilities.

The departments, PSUs, Banks etc. should also provide an enabling environment and facilities so that businessmen and other citizens can make payment of Govt dues and payments to PSUs etc electronically.

In addition to significantly reducing processing costs in preparation and dispatch of cheques, the above measures also reduce the risk of frauds by providing speed, efficiency and reconciliation of accounts.

Sd/-
(ANJANA DUBE)
DEPUTY SECRETARY

The Secretaries of All Ministries / Departments of Government of India.

The Chief Secretaries to all Union Territories,

The comptroller & Auditor General of India.

The Chairman, Union Public Service Commission.

The Chief Executives of all PSEs/Public Sector Banks/Insurance Companies/Autonomous Organizations'/Societies.

President's Secretariat/Vice President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO.

No.4CC-1-CTE-2
Government of India
Central Vigilance Commission
(CTEs Organisation)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated 8.6.2004

OFFICE MEMORANDUM

Sub: Mobilization Advance.

In order to address the problem of misuse of mobilization advance provision in the civil and other works, the Commission had issued an O.M. dtd 8.12.1997 for grant of interest bearing 'Mobilizations Advance' in selected works. In view of references from certain organizations on this issue, the commission has reviewed the issue and it has been decided to modify and add the following provisions in the existing O.M. This may be read as addendum to the Commission's O.M. dt. 8.12.997.

- i. If the advance is to be given, it should be expressly stated in the NIT/Bid Documents, indicating the amount, rate of interest and submission of BG of equivalent amount.
- ii. The advance payment may be released in stages depending upon the progress of the work and mobilization of required equipments etc.
- iii. There should be a provision in the contract for adjustment of advance progressively even as the bills are cleared for payment.

Sd/-
(Gyaneshwar Tyagi)
Technical Examiner

Copy to:

All CVO:Ministries/Departments/PSUs/Banks/UTs

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 20th October 2004

OFFICE ORDER NO.68/10/04

Sub: Leveraging Technology – e-payment & e-receipt.

Reference is invited to the Commission's Office Order No.20/4/004 dated 6.4.2004 regarding the above mentioned subject.

1. The Commission had directed that by July 2004, 50% of the payment transactions both in value terms as well as in lieu of number of transactions shall be made through ECS/EFT mechanism instead of payments through cheques; and urged all Banks, PSUs and Departments to provide an enabling environment and facilities so that such an initiative is successful. It has been informed that some of the organizations are yet to initiate the process in this regard. The organizations are, therefore, requested to forward the details regarding the implementation of e-payment mechanism, as per the enclosed format by November 15, 2004 positively.

Sd/-
(ANJANA DUBE)
DEPUTY SECRETARY

To
All Chief Vigilance Officers

Format

Leveraging Technology – e-payments & e-receipts

(A) Details regarding payments of salary etc. to employees.

- 1) Total No. of employees –
- 2) No. of employees whose Bank A/c details including MICR have been received-
- 3) % in terms of numbers of employees to whom salary & other dues are being paid through e-payments –
- 4) **Details regarding payments of dues to contractors/suppliers etc.**
 - (1) Number of contractors/suppliers/agents/assesses etc. dealt with regularly during the period July 2004 – September 2004.
 - (2) Number of contractors/suppliers/agents/assesses etc. whose bank account details including MICR have been received.
 - (3) Total payments made to all contractors/suppliers/assesses/CHAs during the period July 2004 – September 2004 (Amount in Rupees in lakhs).
[Payments should include refunds of earnest money/income tax etc.]
 - (4) Total payments made through e-payments during the above period (Amount in Rupees in lakhs).
 - (5) % of Bills (in terms of number of payments) in which e-payment is made.
 - (6) % of value of payments made through e-payments.
 - (7) List of nodal officers who have been entrusted with the responsibility of managing charge to e-payment system.

(B) E-receipts

Separate details as per (1) – (7) above may also be provided in respect of e-receipts by organizations getting regular payments in terms of license fee/income tax receipts/custom duty/sales tax/property tax/freight charges/consultancy fees etc. (The organizations can give the type of payments received).

No.005/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 10th March 2005.

OFFICE ORDER NO.11/03/05

To

All the Chief Vigilance Officers

Sub: Delays in Payments to Contractors & Suppliers etc. – Reducing opportunities for corruption reg.

The Commission has observed that in a large number of Government organizations and PSUs, payments to contractors/suppliers are inordinately delayed. This makes the system vulnerable to corruption, in addition to increasing the cost of procurement by the Government agencies.

2. The Commission has therefore directed that all the CVOs should undertake a review of bills received during the last six months. The review is meant to primarily determine the time taken in clearing the bills. Necessary help from the concerned Finance/Administration departments may be taken wherever required. Wherever the systems have not yet been computerized there may be practical difficulties in conducting such a review for all the bills. The organisation may fix a cut off limit for review. It is suggested that cut off limit for bills can be Rs.1 lakh i.e. time taken for payment of all bills above this amount should be seen. In smaller organizations the cut off limit can be lower depending on feasibility and convenience.
3. The CVO should also review whether payments are being made on “first-come-first serve” basis or not.
4. A compliance report in this regard may be sent to the Commission by 15.4.2005 as per the following details:

Statement on delays in Bill Payments

1. Name of Organization :
2. Cut off limit : Rs.1 lakh/others (in respect of small organs.)
3. Bills received during Sept; 04-Feb, 05:
(from contactors/suppliers etc.) :
Total no. of Bills :

- | | |
|---|---|
| Total amount involved | : |
| 4. Out of these | : |
| a) Bills paid in 15 days | : |
| No. of bills | : |
| Amount involved | : |
| b) Bills paid in 15-30 days | : |
| No. of bills | : |
| Amount involved | : |
| c) Bills paid in 30-60 days | : |
| No. of bills | : |
| Amount involved | : |
| d) Bills paid from 60 days to 120 days: | : |
| No. of bills | : |
| Amount involved | : |
| e) Bills paid over 120 days | : |
| No. of bills | : |
| Amount involved | : |
5. There are also complaints that most of the organizations take inordinately long time in releasing 5% bills amount which is normally retained as performance guarantee after it becomes due. CVO may do a similar exercise with regard to release of this payment.
5. Has any ERP system or any other computerized system been installed for accounting purposes which can monitor bill payment? 6A. if not, is there any plan to do so in near future? If so, please indicate the time frame.

Sd/-
(Balwinder Singh)
ADDITIONAL SECRETARY

Telegraphic Address:
"SATARKTA" New Delhi

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No.009/VGL/002

GOVERNMENT OF INDIA

CENTRAL VIGILANCE COMMISSION

Starkta Bhawan, G.P.O. Complex

Block A, INA, New Delhi 110 023

Dated 17th September, 2009

Circular No.29/9/09

Subject: Implementation of e-tendering solutions.

Guidelines were prescribed in this OM of even number dated 13.01.2009, on the above cited subject, advising organizations to follow a fair, transparent and open tendering procedure, to select the application service provider for implementing their e-tendering solutions.

2. It is clarified that while ensuring fair place, transparency and open tendering procedure for e-tendering solutions, the organizations must take due care to see that effective security provisions are made in the system to prevent any misuse. In this regard, the guidelines on security related issues in e-tendering systems are enclosed for information. Organizations concerned may follow these guidelines while implementing e-tendering solutions to contain the security related loop holes.

Sd/-

(V. Ramchandran)

Chief Technical Examiner

To

All CVOs of Ministries/Departments /PSUs/Banks/Insurance Companies/Autonomous Organizations/Societies/UTs.

Guidelines on Security considerations for e-procurement System

1.0 E-procurement Systems.

E-procurement provides a platform for the collaborative procurement of goods, works and services using electronic methods at every stage of the procurement process. The e-procurement platform transacts confidential procurement data and is exposed to several security threats. Agencies World over face threats to their online e-procurement platforms and the same are addressed by employing a combination of security features and security best practices which result in reduced threat of data loss, leakage or manipulation.

2. Security of e-Procurement system.

2.1 Security of e-procurement system is essentially an amalgamated output of Security of Infrastructure, Application and Management. Assuming the management issues are taken care of the following aspects of Infrastructure and Application are essential to have a fairly secure e-Procurement.

2.2 **Security Infrastructure level:**

<u>Issues</u>	<u>Best Practices to achieve security considerations</u>
Perimeter Defence	Deployment of routers, Firewalls, IPS/IDS, Remote Access and network segmentation.
Authentication	Network authentication through deployment of password policy for accessing the network resources. To minimize unauthorized access to the e-procurement system at system level.
Monitoring	Deployment of logging at OS/network level and monitoring the same.
Secure configuration of network host	The security of individual servers & workstations is a critical factor in the defence of any environment, especially when remote access is allowed. Workstations should have safeguards in place to resist common attacks.
System patching	As the vulnerability of the system are discovered almost regularly and the system vendors are also releasing the patches. It is expected the host are patched with latest security updates released by the vendors.
Control of malware	Suitable control like anti-virus, anti spyware ext. should be deployed on the host associated with e-procurement system. However, option for running the services at non-privileged user profile may be looked for. Otherwise, suitable operating system which is immune to virus, Trojan and malware may be deployed.
Structured cabling	The availability of the network services is critically dependent on the quality of interconnection between the hosts through structured including termination and marking. It is expected the e-procurement system has implemented structured cabling and other controls related with network and interconnection.

2.3 Security at Application level.

2.3.1 Security during design.

<u>Issues</u>	<u>Best Practices to achieve security considerations</u>
Authentication	The authentication mechanism of the e-procurement application should ensure that the credentials are submitted on the pages that are server under SSL.
Access Control	The application shall enforce proper access control model to ensure that the parameter available to the user cannot be used for launching any attack.
Session management	The design should ensure that the session tokens are adequately protected from guessing during as an authenticated session.
Error handling	The design should ensure that the application does not present user error messages to the outside world which can be used for attacking the application.
Input validation	The application may accept input at multiple points from external sources, such as users, client applications, and data feeds. It should perform validation checks of the syntactic and semantic validity of the input. It should also check that input data does not violate limitations of underlying or dependent components, particularly string length and character set. All users supplied fields should be validated at the serve site.
Application logging and monitoring	Logging should be enabled across all applications in the environment. Log file data is important for incident and trend analysis as well as for auditing purposes. The application should log failed and successful authentication attempts, changes to application data including user accounts, serve application errors and failed and successful access to resource. When writing log data, the application should avoid writing sensitive data to log files.

2.3.2 Security during application deployment and use.

<u>Issues</u>	<u>Best Practices to achieve security considerations</u>
Availability Clustering. Load balancing	Depending on the number of expected hits and access the options for clustering of servers and load balancing of the web application shall be implemented.
Application and data recovery	Suitable management procedure shall be deployed for regular backup of application and data. The regularity of data backup shall be in commensurate with the nature of transaction / business translated into the e-procurement system.
Integrity of Application. Control of source code. Configuration management	Suitable management control shall be implemented on availability of updated source code and its deployment. Strict configuration control is recommended to ensure that the latest software in the production system.

2.3.3 Security in Data storage and communication.

<u>Issues</u>	<u>Best Practices to achieve security considerations</u>
Encryption for data storage	<p>Sensitive data should be encrypted or hashed in the database and file system. The application should differentiate between data that is sensitive to disclosure and must be encrypted, data that is sensitive only to tampering and for which a keyed hash value (HMAC) must be generated, and data that can be irreversibly transformed (hashed) without loss of functionality (such as passwords). The application should store keys used for decryption separately from the encrypted data.</p> <p>Examples of widely accepted strong ciphers are 3DES, AES, RSA, RC4 and Blowfish. Use 128-bit keys (1024 bits for RSA) at a minimum.</p>
Data transfer security	<p>Sensitive data should be encrypted prior to transmission to other components. Verify that intermediate components that handle the data in clear-text form, prior to transmission or subsequent to receipt, do not present an undue threat to the data. The application should take advantage of authentication features available within the transport security mechanism.</p> <p>Specially, encryption methodology like SSL must be deployed while communicating with the payment gateway over public network.</p>
Access control.	<p>Applications should enforce an authorization mechanism that provides access to sensitive data and functionality only to suitably permitted users or clients.</p> <p>Role-based access controls should be enforced at the database level as well as at the application interface. This will protect the database in the event that the client application is exploited.</p> <p>Authorization checks should require prior successful authentication to have occurred.</p> <p>All attempts to obtain access, without proper authorization should be logged.</p> <p>Conduct regular testing of key applications that process sensitive data and of the interfaces available to users from the Internet Include both “black box” informed” testing against the application. Determine if users can gain access to data from other accounts.</p>

3.0 Some of the other good practices for implementers of e-procurements to achieve security considerations are as follows:-

3.1 Common unified platform for all department.

A single platform to be used by all departments across a State / Department/ Organizations reduces the threat to security of data. With a centralized implementation, where in the procurement data is preferably hosted and maintained by the State /

Department / Organizations itself; concerns of security and ownership of data are well addressed. A common platform further facilitates demand aggregation of common items across State / Department / Organizations, and result in economies of scale.

3.2 Public key Infrastructure (PK) Implementation

This is of the most critical security features that are required to be implemented in order to establish non-repudiation and to ensure the security of the online system. Under the system, participating contractors and suppliers, as well as the departmental users, are issued a Digital Signature Certificate (DSC) by a licensed Certification Authority.

3.3 Third Party Audit

It is recommended that the implemented solution be audited by a competent third party at least once a year.

Through the above mentioned steps, the complete security of the system and the transacted data can be ensured and may be communicated to all concerned agencies.

No.4CC-1-CTE-2
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 10th April 2007

OFFICE MEMORANDUM
CIRCULAR NO.10/4/07

Sub: Mobilisation Advance

Commission has reviewed the existing guidelines on 'Mobilisation Advance' issued vide OM No. UU/POL/18, dated 08.12. 97 and OM No. 4CC-1- CTE-2, dated 08.06.2004.

The following guidelines are issued in supercession of earlier guidelines issued by the Commission on 'Mobilisation Advance'.

1. Provision of mobilization advance should essentially be need-based. Decision to provide such advance should rest at the level of Board (with concurrence of Finance) in the organization.
2. Though the Commission does not encourage interest free mobilization advance, but, if the Management feels its necessity in specific cases, then it should be clearly stipulated in the tender document and its recovery should be time-based and not linked with progress of work. This would ensure that even if the contractor is not executing the work or executing it at a slow pace, the recovery of advance could commence and scope for misuse of such advance could be reduced.
3. Part 'Bank Guarantees' (BGs) against the mobilization advance should be taken in as many numbers as the proposed recovery instalments and should be equivalent to the amount of each instalment. This would ensure that at any point of time even if the contractor's money on account of work done is not available with the organization, recovery of such advance could be ensured by encashing the BG for the work supposed to be completed within a particular period of time.
4. There should be a clear stipulation of interest to be charged on delayed recoveries either due to the late submission of bill by the contractor or any other reason besides the reason giving rise to the encashment of BG, as stated above.
5. The amount of mobilization advance; interest to be charged, if any; its recovery schedule and any other relevant detail should be explicitly stipulated in the tendered documents upfront.
6. Relevant format for BG should be provided in the tender document, which should be enforced strictly and authenticity of such BGs should also be invariably verified from the issuing bank, confidentially and independently by the organization.
7. In case of 'Machinery and Equipment advance', insurance and hypothecation to the employer should be ensured.

8. Utilization certificate from the contractor for the mobilization advance should be obtained. Preferably, mobilization advance should be given in installments and subsequent instalments should be released after getting satisfactory utilization certificate from the contractor for the earlier instalment.

Sd/-
(P. VARMA)
Chief Technical Examiner

Copy to :-

All CVO' s : Ministries/ Departments/PSU's/ Banks/Uts.

NIT / Tendering /
Negotiations / Purchase /
Contracts / Banning of
Business/Miscellaneous

"A nation can survive its fools, and even the ambitious. But it cannot survive treason from within. An enemy at the gates is less formidable, for he is known and he carries his banners openly. But the traitor moves among those within the gate freely, his sly whispers rustling through all the alleys, heard in the very halls of government itself. For the traitor appears not traitor, he speaks in the accents familiar to his victims, and he wears their face and their garments, and he appeals to the baseness that lies deep in the hearts of all men. He rots the soul of a nation, he works secretly and unknown in the night to undermine the pillars of a city, he infects the body politic so that it can no longer resist. A murderer is less to be feared."

- Cicero, 42 B.C.

Government of India
Ministry of Finance
(Department of Expenditure)

New Delhi, the 17th December 1998.

OFFICE MEMORANDUM

Subject: Purchase of Computer Systems by Government Departments.

The undersigned is directed to invite attention to the provisions of GFR 102 (1) and the Annexure to the same according to which "Open Tender" system (that is, invitation to tender by public advertisement) should be used as a general rule in all cases in which the estimated value of demand is Rs.50,000/- and above.

2. It has been brought to the notice of this Ministry by Deptt. of Electronics that certain Ministries/Deptts etc. issue tenders for purchase of personal computers where they specify the international brands like IBM, Compaq, HP, Digital, DELL or Gateway Micron. This vitiates the guidelines for open tender system laid down in GFRs and deprives other brands including domestic manufacturers of an opportunity to participate in the tender. Further Deptt. of Electronics have pointed out that brand names do not have any great advantage since at the broad level there is hardly any difference between the competing products because they predominantly use Intel microprocessors.
3. Separately, DGS&D have informed that generalized specifications for personal computers have been finalized and the process of concluding rate contract is being initiated.
4. It is, therefore, advised that Ministries/Departments should follow the open tender system without vitiating it by specifying brand names in accordance with the provisions in GFRs for purchase of personal computers till a rate contract for computers is concluded by DGS&D. Thereafter, computers could be purchased on rate contract basis.

Sd/-

(Narain Das)

Under Secretary to the Govt. of India

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 15th March, 1999.

To

- i) The Secretaries of All Ministries/Departments of Government of India
- ii) The Chief Secretaries to All Union Territories
- iii) The Comptroller & Auditor General of India
- iv) The Chairman, Union Public Service Commission
- v) Chief Executives of All PSUs/Banks/ Organizations
- vi) All Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Subject: Improving vigilance administration - Tenders.

Sir,

Please refer to CVC's instructions issued under letter No.8(1)(h)/98(1) dated 18/11/98 banning post tender negotiations except with L-1 i.e., the lowest tenderer. Some of the organizations have sought clarifications from the Commission as they are facing problems in implementing these instructions. The following clarifications are, therefore, issued with the approval of Central Vigilance Commissioner.

- i) The Government of India has a purchase preference policy so far as the public sector enterprises are concerned. It is clarified that the ban on the post tender negotiations does not mean that the policy of the Government of India for purchase preference for public sector should not be implemented.
- ii) Incidentally, some organizations have been using the public sector as a shield or a conduit for getting costly inputs or for improper purchases. This also should be avoided.
- iii) Another issue that has been raised is that many a time the quantity to be ordered is much more than L1 alone can supply. In such cases the quantity order may be distributed in such a manner that the purchase is done in a fair transparent and equitable manner.

Yours faithfully,
Sd/-
(P.S. Fatehullah)
Director

IMMEDIATE

No.3(V)/99/9
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 1st October, 1999.

Subject:- Applicability of CVC's instruction No.8(1) h/ 98(1)dated 18/11/98 on post- tender negotiations to Projects of the World Bank & other international funding agencies.

The commission has banned post-tender negotiations except with L-1 vide its instruction No.8(1)(h)/98(1) dated 18.11.98. Subsequently, the Commission had also issued a clarification vide No.98/ORD/1 dated 15.3.99. Notwithstanding the clarifications issued by the Commission, many Departments/Organisations have been approaching the Commission on specific issues which were clarified to the individual departments/organisations.

2. A clarification sought by many Departments/Organisation, which is vital and has relevance to many of the organizations relates to the applicability of the above said instruction of CVC to World Bank Projects. It has been decided after due consideration, that in so far as the "World Bank Projects and other international funding agencies such as IMF, ADB etc. are concerned, the department/organizations have no other alternative but to go by the criteria prescribed by the World Bank/concerned agencies and the Commission's instruction would not be applicable specifically to those projects. However, the instructing of the CVC will be binding on purchases/sales made by the departments within the Country. The CVC's instruction of 18/11/98 will apply even if they are made with sources outside the Country and if they are within the budget provisions and normal operations of the Department/Organisation.
3. All CVOs may ensure strict compliance of this instruction.
4. This instruction is also available on CVC's Website at <http://cvc.nic.in>

Sd/-
(N. VITTAL)
CENTRAL VIGILANCE COMMISSIONER

To

- i) The Secretaries of All Ministries/Departments of Government of India
- ii) The Chief Secretaries to All Union Territories

- iii) The Comptroller & Auditor General of India
- iv) The Chairman, Union Public Service Commission
- v) The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

IMMEDIATE

No.98/ORD/1
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 24th August, 2000.

To

- i) The Secretaries of All Ministries/Departments of Government of India
- ii) The Chief Secretaries to All Union Territories
- iii) The Comptroller & Auditor General of India
- iv) The Chairman, Union Public Service Commission
- v) The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Subject: Improving Vigilance Administration - Tenders.

Sir,

Please refer to the instructions issued by Commission vide its communication No.8(1)(h)/98(1) dated 18.11.98, banning post tender negotiations except with L-1.

2. The Commission has been getting a number of queries on how to handle the matter if the quantity to be ordered is more than L-1 can supply or about placement of orders on Public Sector Undertakings. It is requested that such matters may be dealt with in accordance with the clarifications issued by the Commission vide its letter of even number dated 15.3.99 (copy enclosed).
3. Some of the organisations have sought clarification as to whether they can consider the L-2 offer or negotiate with that from if L-1 withdraws his offer before the work order is placed, or before the supply or execution of work order takes place. In this regard, it is clarified that such a situation may be avoided if a two-bid system is followed (techno commercial) so that proper assessment of the offers is made before the award of work order. Therefore, if L-1 party backs out, there should be retendering in a transparent and

fair manner. The authority may in such a situation call for limited or short notice tender if so justified in the interest of work and take a decision on the basis of lowest tender.

4. The Commission has also been getting references for its advice on the procedures being followed in individual cases of tenders. The Commission would not involved itself in the decision making process of individual organisations. It, however, would expects the organizations to implement its instructions dated 18.11.98, in its spirit and to ensure that the decisions of administrative authorities are transparent.

Yours faithfully,

Sd/-
(K.L. Ahuja)
Officer on Special Duty

No.98/ORD/1
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 3rd August, 2001.

To

- i) The Secretaries of All Ministries/Departments of Government of India
- ii) The Chief Secretaries to All Union Territories
- iii) The Comptroller & Auditor General of India
- iv) The Chairman, Union Public Service Commission
- v) The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Subject: Improving Vigilance Administration - Tenders.

Sir,

Please refer to the instructions issued by Commission vide its communication No.8(1)(h)/98(1) dated 18.11.98, banning post tender negotiations except with L-1.

2. It is clarified that the CVC's instructions dated 18.11.1998, banning post tender negotiations except with L-1 (i.e. the lowest tenderer), pertain to the award of work/supply orders etc., where the Government or the Government company has to make payment. If the tender is for sale of material by the Government or the Government Company, the post tender negotiations are not to be held except with H-1 (i.e. the highest tenderer), if required.

Yours faithfully,

Sd/-
(K.L. Ahuja)
Officer on Special Duty

No.001/VGL/21
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 28th March, 2002.

To
All Chief Vigilance Officers

Subject: Missing files in vigilance cases - regarding.

Dear Sir,

It has come to the notice of the Commission that many a time, sensitive files or basic files needed for conducting disciplinary inquiry are found to be missing. This is more likely to be a problem in PSEs some departments have a regular system of the maintaining and tracing files. This could be used as an excuse to deny access to files required for investigation and enquiry, leading to distortions. Despite this, the focus being on the proceedings itself, ability for the cause of their distortions is never pinpointed.

2. It has therefore been decided that officer responsible for custody of files needs to be held accountable for missing files. Therefore, all CVOs are advised to take up for consideration initiation of disciplinary proceedings against the custodians who report that files required in vigilance enquiries are missing.

This issues with the approval of the Commission.

Yours faithfully,

Sd/-
(C.J. Mathew)
Deputy Secretary

No.98/ORD/1
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 28th March, 2002.

To

- i) The Secretaries of All Ministries/Departments of Government of India
- ii) The Chief Secretaries to All Union Territories
- iii) The Comptroller & Auditor General of India
- iv) The Chairman, Union Public Service Commission
- v) The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Subject: Applicability of CVCs instruction No.8(1)(h)/98 (1) dated 18.11.98 on post order negotiations.

During the review meeting of the CVOs in Mumbai on 18.01.2002 one of the issue raised the applicability of the CVC guidelines banning post tender negotiation except with L-1 to such projects as are funded by sources other than the consolidated Fund of Government of India.

2. It has been decided after due consideration that in so far as funding from sources other than consolidated Fund of Government of India, the Commission's instruction dated 18.11.1998 is not applicable.

All concerned may ensure strict compliance of this instruction.

Yours faithfully,

Sd/-
(C.J. Mathew)
Deputy Secretary

N. Vittal

98/ORD/1

**GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSIONER
CENTRAL VIGILANCE COMMISSION
SATARKTA BHAWAN,
GENERAL POOL OFFICE COMPLEX,
BLCOK-A, INA,
NEW DELHI – 110 023**

Dated 5th April, 2002.

Dear Shri Bhoopathy,

Subject: - use of web site for tender document publication.

As a method of improving e-government and bringing greater transparency in administration, the CVC has decided that if a government organisation which goes for procurement has website and publishes the tender documents and other details in the website, it would be deemed to have complied with the requirements for giving wide publicity through the media, especially newspapers.

In vigilance cases relating to such departments if the web site has been used for publicizing the tender documents, the CVC would consider that the rules regarding publicity in the media have been complied with.

As it is necessary to give a boost to the e-governance and use of information technology in government, I shall be grateful if you could also consider amending the relevant rules regarding procurement in your organisation so that publicity through the web site becomes more a norm than an exception.

As it is necessary to give a boost to the e-governance and use of information technology in government, I shall be grateful if you could also consider amending the relevant rules regarding procurement in your organisation so that publicity through the web site becomes more a norm than an exception.

I shall be grateful to know the action taken.

With regards,

Yours sincerely,

Sd/-
(N. Vittal)

Shri P.V. Bhoopathy
Chairman & Managing Director (Actg.)
Neyveli Lignite Corpon. Ltd.
PO : Neyveli
Guddalore Dist,
Tamil Nadu - 607 801.

No.98/ORD/1
Central Vigilance Commission

Satarkta Bhawan, Block- 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 29th April, 2002

To

- i) The Secretaries of All Ministries/Departments of Government of India
- ii) The Chief Secretaries to All Union Territories
- iii) The Comptroller & Auditor General of India
- iv) The Chairman, Union Public Service Commission
- v) The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vi) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- viii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Subject: Applicability of CVCs instruction No.8(1)(h)/98(1) dated 18.11.98 on post tender negotiation.

Sir,

The undersigned has been directed to refer to the Commission's letter of even number dated 28.03.2002; on the above subject, and to say that the instructions contained therein are hereby withdrawn.

Yours faithfully,

Sd/-
(K.L. Ahuja)
Officer on Special Duty

No.12-02-1-CTE-6
Central Vigilance Commission
(CTE'S Organisation)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 17th December, 2002.

OFFICE MEMORANDUM

Subject: Prequalification criteria (PQ).

The commission, has received complaints regarding discriminatory prequalification criteria incorporated in the tender documents by various Deptts./Organisations. It has also been observed during intensive examination of various works/contracts by CTEO that the prequalification criteria is either not clearly specified or made very stringent/very lax to restrict/facilitate the entry of bidders.

2. The prequalification criteria is a yard stick to allow or disallow the firms to participate in the bids. A vaguely defined PQ criteria results in stalling the process of finalizing the contract or award of the contract in a non-transparent manner. It has been noticed that organizations, at times pick up the PQ criteria from some similar work executed in the past, without appropriately amending the different parameters according to the requirements of the present work. Very often it is seen that only contractors known to the officials of the organization and to the Architects are placed on the select list. This system gives considerable scope for malpractices, favouritism and corruption. It is, therefore, necessary to fix in advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.
3. Some of the common irregularities/lapses observed in these regard are highlighted as under:
 - i) For a work with an estimated cost of Rs.15 crores to be completed in two years the criteria for average turnover in the last 5 years was kept as 15 crores although the amount of work to be executed in one year was only Rs.7.5 crores. The above resulted in prequalification of a single firm.
 - ii) One organization for purchase of computer hardware kept in criteria for financial annual turnover of Rs.100 crores, although the value of purchase was less than Rs.10 crores, resulting in disqualification of reputed computer firms.
 - iii) In one case of purchase of Computer hardware, the prequalification criteria stipulated was that the firms should have made profit in the last two years and should possess ISO Certification. It resulted in disqualification of reputed vendors including a PSU.

- iv) In a work for supply and installation of AC Plant, reentering was resorted to with diluted prequalification criteria without adequate justification, to favour selection of a particular firm.
 - v) An organisation invited tenders for hiring DG Sets with eligibility of having 3 years experience in supplying DG Sets. The cut off dates regarding work experience were not clearly indicated. The above resulted in qualification of firms, which had conducted such business for 3 years, some 20 years back. On account of this vague condition, some firms that were currently not even in the business were also qualified.
 - vi) In many cases, “Similar Works” is not clearly defined in the tender documents. In one such case, the supply and installation of AC ducting and the work of installation of false ceiling were combined together. Such works are normally not executed together as AC ducting work is normally executed as a part of AC work while false ceiling work is a part of civil construction or interior design works. Therefore, no firm can possibly qualify for such work with experience of similar work. The above resulted in qualification of AC Contractors without having any experience of false ceiling work although the major portion of the work constituted false ceiling.
4. The above list is illustrative and not exhaustive. While framing the prequalification criteria, the end purpose of doing so should be kept in view. The purpose of any selection procedure is to attract the participation of reputed and capable firms with proper track records. The PQ conditions should be exhaustive, yet specific. The factors that may be kept in view while framing the PQ Criteria include the scope and nature of work, experience of firms in the same field and financial soundness of firms.
5. The following points must be kept in view while fixing the eligibility criteria:-

A) For Civil/Electrical Works

- i) Average Annual financial turnover during the last 3 years, ending 31st March of the previous financial year should be at least 30% of the estimated cost.
- ii) Experience of having successfully completed similar works during last 7 years ending last day of month previous to the one in which applications are invited should be either of the following.
 - Three similar completed works costing not less than the amount equal to 40% of the estimated cost.
 - Or
 - Two similar completed works costing not less than the amount equal to 50% of the estimated cost.
 - Or
 - One similar completed works costing not less than the amount equal to 80% of the estimated cost.
- iii) Definition of “similar work” should be clearly defined. In addition to above, the criteria regarding satisfactory performance of works, personnel,

establishment, plant, equipment etc. may be incorporated according to the requirement of the project.

B) For Store/Purchased Contracts

Prequalification/Post Qualification shall be based entirely upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their (i) experience and past performance on similar contracts for last 2 years (ii) capabilities with respect to personnel, equipment and manufacturing facilities (iii) financial standing through latest I.T.C.C., Annual report (balance sheet and Profit & Lost Account) of last 3 years. The quantity, delivery and value requirement shall be kept in view, while fixing the PQ criteria. No bidder should be denied prequalification/post qualification for reasons unrelated to its capability unrelated to its capability and resources to successfully perform the contract.

6. It is suggested that these instructions may be circulated amongst the concerned officials of your organization for guidance in fixing prequalification criteria.

These instructions are also available on CVC's website, <http://cvc.nic.in>.

Sd/-
(MP Juneja)
Chief Technical Examiner

To

All CVOs of Ministries/ Departments /PSUs/Banks/ Insurance Companies/ Autonomous Organisation / Societies/ UTs.

No.12-02-6-CTE/SPI (I)-2
Government of India
Central Vigilance Commission
(CTE'S Organisation)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 7th January, 2003.

OFFICE MEMORANDUM

Subject: Consideration of Indian Agents.

The Commission has received a complaint alleging that in Government tenders at time an Indian Agent participates on behalf of two different foreign suppliers and in the event of only offers of these two suppliers getting short-listed, then the Indian representative knowing the prices of the two foreign suppliers/manufacturers may taken an undue advantage.

2. The issue has been deliberated in the commission. In order to maintain sanctity of the tender system, it is advised that one Agent cannot represent two suppliers or quote on their behalf in a particular tender.
3. It is suggested that these instructions may be circulated amongst the concerned officials of your organisation for guidance.

Sd/-
(NIRANJAN SINGH)
UNDER SECRETARY

To
All CVOs of Ministries / Departments / PSUs/ Banks/ Insurance Companies/ Autonomous Organisations / Societies / UTs.

No.98/ORD/1(Pt.IV)
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 12.03. 2003.

To

All Chief Vigilance Officers

Subject: Use of web-site in Government procurement or tender process.

Sir,

Attention is invited to the instructions issued by the Commission vide communication No.98/ORD/1 dated 28.3.2002 regarding publishing of tender documents on the web-site.

2. The Commission has received a number of references from various departments/organisations expressing reservations in implementation the said instructions in toto. The matter has been reviewed in the Commission and it is observed that it is a fact that use of web-site for accessing the information has so far not picked up in the country and it would not be possible for the vendors to access the web-site of every organisation to know the tender details. There is also no centralized web-site for the tenders.
3. Therefore, it has been decided by the Commission that till such time the penetration of Information Technology is adequate and a dedicated web-site for Government tenderers is available, Departments/Organisations may continue with publishing of NIT in newspapers in concise format and put the detailed information in their respective web-site.

Yours faithfully,

Sd/-
(Mange Lal)
DEPUTY SECRETARY
T. No. 24651010

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 5th May 2003.

To

- (1) Chief Executives of all PSUs/PSBs/Insurance Sector/Organisations
- (2) All Chief Vigilance Officers

Subject: Purchase of computer systems by Govt. departments/organisation.

Sir/Madam,

It has come to the notice of the Commission that some departments/organisations are issuing tenders for purchase of computers where they mention and insist on the international brands. This not only encourages the monopolistic practices but also vitiates the guidelines issued by the Ministry of Finance, D/O-Expenditure vide its OM No.8(4)-E.II(A) 98 dated 17.12.1998 (copy enclosed).

2. It is, therefore, advised that departments/organisations may follow the instructions issued by the Department of Expenditure.

Yours faithfully,

Sd/-
(Anjana Dube)
DEPUTY SECRETARY

No.98/ORD/1
Government of India
Central Vigilance Commission
(CTE'S Organisation)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 9th July, 2003.

Office Order No.33/7/03

To

All the Chief Vigilance Officers

Subject: Short comings in bid documents.

Sir/Madam,

The Commission has observed that in the award of contracts for goods and services, the detailed evaluation/exclusion criteria are not being stipulated in the bid documents and at times is decided after the tender opening. This system is prone to criticism and complaints as it not only leads to a non-transparent and subjective system of evaluation of tenders but also vitiates the sanctity of the tender system.

2. The commission would reiterate that whatever pre-qualification, evaluation/exclusion criteria, etc. which the organization wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interests of equity and fairness are satisfied. The acceptance/rejection of any bid should not be arbitrary but on justified grounds as per the laid down specifications, evaluation/exclusion criteria leaving no room for complaints as after all, the bidders spend a lot of time and energy besides financial cost initially in preparing the bids and, thereafter, in following up; with the organisations for submitting various clarifications and presentations.

3. This is issued for strict compliance by all concerned.

Yours faithfully,

Sd/-
(Mange Lal)
Deputy Secretary
Telefax No.24651010

Confidential

No.71/03-Vig.VI
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 29th July, 2003.

OFFICE MEMORANDUM

Subject: Procurement of Critical Items through more than one source - PTE - reg.

NLC may please refer to their letter No.CGM/MM/I&C/0111/2003 dated 26.06.03 on the above cited subject.

2. In this connection, kind attention is invited to Commission's letter No.98/ORD/1 dated 23.06.03 addressed to ONGC (copy enclosed).

Encl : as the above

Yours faithfully,

Sd/-
(PN Pillai)
Deputy Secretary

Neyveli Lignite Corporation Ltd.,
(Shri R. Srinivasan-DGM Vig)
J-26, J.N. Salai, IBlock-8,
Neyveli - 607 801.
TAMIL NADU.

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated 4.9. 2003.

Office Order No.44/9/03

To

All Chief Vigilance Officers

Subject: Irregularities in the award of contracts.

Sir/Madam,

While dealing with the case of a PSU, the Commission has observed that the qualification criteria incorporated in the bid documents was vague and no evaluation criterion was incorporated therein. It is also seen that the category-wise anticipated TEUs were not specified in the bid documents and the same was left for assumptions by Tender Evaluation Committee for comparative evaluation of financial bids, which led to comparative evaluation of bids on surmises and conjectures. Further, it was also provided as a condition in the tender bid that the tenderer should have previous experience in undertaking handling of similar work and/or transportation works preferably of ISO containers, however, no definition of 'similar works' was, indicated in the bid documents.

2. It should be ensured that pre-qualification criteria, performance criteria and evaluation criteria are incorporated in the bid documents in clear and unambiguous terms as these criterion very important to evaluate bids in a transparent manner. Whenever required the departments/organisations should follow two bid system, i.e. technical bid and price bid. The price bid should be opened only of those vendors who were technically qualified by the departments/organisations. The commission would therefore advice that the department/organisation may issue necessary guideline in this regard for future tenders.
3. It has also observed the orders were allegedly split in order to bring it within the powers of junior officers and that the proper records of machine breakdown were not being kept. It is therefore, decided that in the matters of petty purchase in emergency items all departments/organisations must keep proper records of all machine breakdown etc.
4. All CVOs may bring this to the notice of all concerned.

Yours faithfully,

Sd/-
(Anjana Dube)
DEPUTY SECRETARY

No.2EE-1-CTE-3
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated - 15.10. 2003.

OFFICE MEMORANDUM

Subject: Tender Sample Clause.

The commission has received complaints that some organisations, while procuring clotting and other textile items insist on submission of a tender sample by the bidders though detailed specifications for such items exist. The offers are rejected on the basis of tender samples not conforming to the requirements of feel, finish and workmanship as per the 'master sample' though the bidders confirm in their bids that supply shall be made as per the tender specifications, stipulated in the bid documents.

2. While it is recognized that samples may be required to be approved to provide a basis in respect of indeterminable parameters such as shade, feel, finish & workmanship for supplies of such items but system of approving/rejecting tender samples at the time of decision making is too subjective and is not considered suitable, especially for items which have detailed specifications. The lack of competition in such cases is also likely to result in award of contracts at high rates.
3. It is thus advised that Government Departments/Organisations should consider procurement of such items on the basis of detailed specifications. If required, provision for submission of an advance sample by successful bidder(s) may be stipulated for indeterminable parameters such as, shade/tone, size, make-up, feel, finish and workmanship, before giving clearance for bulk production of the supply. Such a system would not only avoid subjectivity at the tender decision stage but would also ensure healthy competition among bidders and thus take care of quality aspect as well as reasonableness of prices.
4. It is requested that these guidelines may be circulated amongst the concerned officials of your organization for guidance. These are also available on the CVC's website, <http://cvc.nic.in>.

Sd/-
(A.K. Jain)
Technical Examiner
For Chief Technical Examiner

To
All CVOs of Ministries/ Departments/ PSUs/ Banks/ Insurance Companies/ Autonomous Organisations / Societies/ UTs.

No.06-03-02-CTE-34
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated - 20.10. 2003.

OFFICE MEMORANDUM

Subject: Back to back tie up by PSUs - instructions regarding.

It has been observed during intensive examination of various works/contracts awarded by construction PSUs on back to back basis that the works are being awarded in an ad-hoc and arbitrary manner without inviting tenders and ascertaining the performance, capability and experience of the tenderers. In some cases, the works were awarded on single tender basis/limited tender basis though sufficient time was available with the Organisation to invite open tenders.

2. Some of the common irregularities/lapses observed during the examination of works were as under:-
 - a) No transparency in selection of contractor for the back to back tie up which is the main source of corruption.
 - b) Collusion among the contractors was observed where more than one contractors were involved at various stages.
 - c) Ineligible contractor obtains the contract through the PSUs.
 - d) Purchase preference misused by the PSUs.
 - e) PSUs sublet the complete work to a private contractor without obtaining permission from the client which invariably put a condition insisting such permission since the client is generally not interested in such back to back sublet of the work.
 - f) Infructuous work (to the exchequer) due to the involvement of intermediary PSUs and cost of project goes up ultimately.
 - g) No supervision by the PSU as they put the staff mainly for coordination work.
 - h) Quality ultimately suffers due to lack of supervision by the PSUs.
3. Commission is of the view that the practice of award of works to PSUs on nomination basis by Govt. of India/PSUs needs to be reviewed forthwith.

4. The irregularities observed during intensive examination of work and difficulties being faced by the PSUs in inviting tenders were considered and it has been decided that the procedure to be followed for award of work by Construction PSUs shall be finalized taking into account the following points:
- a) PSUs (when bag the contract from the client Department) as a contractor, has to execute the work by functioning like a contractor instead of sub-letting the 100% work on back to back basis.
 - b) Open tenders to be invited for selection of sub-contractors as far as possible.
 - c) In case, it is not possible to invite open tenders, selection should be carried out by inviting limited tenders from the panel approved in the following manner. Panel of contractors are to be prepared for different categories, monetary limits, regions, in a transparent manner clearly publishing the eligibility criteria etc. The above panel is to be updated every year.
 - d) Tenders to be opened confidentially by a high level committee to maintain the secrecy of rates, if required. Tender opening register should be maintained in this regard duly signed by the officers opening the tender and kept confidentially. This should be available for perusal when required by audit/vigilance.
 - e) The terms and conditions of the contract of the client especially those pertaining to subletting of works should be strictly adhered to by the PSUs.
 - f) Adequate staff to be deployed by the PSUs to ensure quality in construction etc.
 - g) The record of enlistment/updation of contractor and tender opening register shall be produced to the CTEO as well as audit officials when demanded for scrutiny.
5. It is, therefore, suggested that the procedure for award of work on back to back basis be finalized keeping in view the above points and circulated amongst the concerned officials of your organisation for strict compliance in future works.

Sd/-
(R.A. Arumugam)
Chief Technical Examiner

To
All CVOs of Ministries/ Departments/ PSUs etc.

No.98/ORD/1
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 18th December, 2003.

**Subject: Improving Vigilance Administration: Increasing Transparency in
Procurement/Sale etc.**

The Commission is of the opinion that in order to bring about greater transparency in the procurement and tendering processes there is need for widest possible publicity. There are many instances in which allegations have been made regarding inadequate or no publicity and procurement officials not making available bid documents, application forms etc. in order to restrict completion.

2. Improving vigilance administration is possible only when system improvements are made to prevent the possibilities of corruption. In order to bring about greater transparency and curb the mal-practices mentioned above the Central Vigilance Commission in the exercise of the powers conferred on it under Section 8(1)(h) issues following instructions for compliance by all govt. departments, PSUs, Banks and other agencies over which the Commission has jurisdiction. These instructions are with regard to all cases where open tender system is resorted to for procurement of goods and services or for auction/sale etc. of goods and services.
 - i) In addition to the existing rules and practices regarding giving publicity of tenders through newspapers, trade journals and providing tender documents manually and through post etc. the complete bid documents along with application form shall be published on the web site of the organisation. It shall be ensured by the concerned organisation that the parties making use of this facility of web site are not asked to again obtain some other related documents from the department manually for purpose of participating in the tender process i.e. all documents upto date should remain available and shall be equally legally valid for participation in the tender process as manual documents obtained from the department through manual, process.
 - ii) The complete application form should be available on the web site for purposes of downloading and application made on such a form shall be considered valid for participating in the tender process.
 - iii) The concerned organisation must give its web site address in the advertisement/NIT published in the newspapers.
 - iv) If the concerned organisation wishes to charge for the application form downloaded from the computer then they may ask the bidding party to pay the amount by draft/cheques etc. at the time of submission of the application form and bid documents.

3. While the above directions must be fully complied with, efforts should be made by organisations to eventually switch over to the process of e-procurement/e-sale wherever it is found to be feasible and practical.
4. The above directions are issued in supersession of all previous instructions issued by the CVC on the subject of use of web-site for tendering purposes. These instructions shall take effect from 1st January, 2004 for all such organisations whose web-site are already functional. All other organisations must ensure that this facility is provided before 1st April, 2004.

Sd/-
(P. Shankar)
Central Vigilance Commissioner

To

- i. The Secretaries of All Ministries/ Departments of Government of India
- ii. The Chief Secretaries to All Union Territories
- iii. The Comptroller & Auditor General of India
- iv. The Chairman, Union Public Service Commission
- v. The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vi. The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- vii. President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

No.OFF-1-CTE-1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated 5.02. 2004.

OFFICE MEMORANDUM-8/2/04

Subject: Common irregularities in the award of contracts.

The CTE Organisation of the Central Vigilance Commission conducts independent intensive examinations of various types of works and contracts executed by the organisations under its purview. The lapses and deficiencies observed during the course of such examinations are brought to the notice of the CVOs, for suitable corrective action. With a view to prevent recurrence of such lapses and irregularities and for improving the systems and procedures in the organisations, a few booklets have also been issued by the CTEO. However, it is observed that certain common deficiencies and irregularities continue to plague the systems in a large number of organizations. Some of these noticed during recent inspections are enumerated as under:

- Appointments of consultants continue to be done in an arbitrary manner. At times two or even three consultants are appointed for a work with no clear cut and some times overlapping responsibilities. A PSU, in a recent case, in addition to the engineering and project management consultants appointed an inspection and expediting consultant with no well defined role for them.
- The tendency of over dependence on the consultants continues. All activities are left completely to the consultants. In a recent inspection of an Oil PSU, the tenders for a big work of about Rs.20 cores were issued on the basis of a single page estimate submitted by the consultants and the same was revised by the latter upwards by 20% after opening of price bids, in order justify the quoted rates. A detailed and realistic estimate must be prepared before issue of tender.
- Some organisations prefer limited tendering system, restricting competition to their approved contractors. The selection of these contractors at times is arbitrary and due of lack of competition or cartel formation amongst such group of contractors, the contracts are awarded at high rates. These needs to be discouraged and the organizations must ensure that contracts are awarded on the basis of competitive bidding at reasonable rates.
- The works are awarded without preparing any market rate justification. The comparison at times is made with works which were awarded few years back. This procedure cannot be considered objective and appropriate for justifying the awarded rates. The justification should be based on realistic prevailing rates.

- In a recent inspection of oil PSU, it was noticed that revised price bids were asked from all the bidders, as rates were high vis-à-vis the estimate. This tantamounts to negotiations with firms other than L-1 and is a clear violation of CVC instruction in this regard. The negotiations should be an exception rather than a rule and should be conducted if required, only with the L-1 bidder.
- The organisations generally make provisions for a very small amount of say Rs.50000/- or Rs.1 lacs earnest money. This amount is grossly insufficient to safeguard the organization's interest in high rate tenders running into several crores of rupees. This needs to be revised to a sufficient amount.
- The post award amendments issued by the organisations, at times recommended by consultants, without into account the financial implications favour the contractors. Such post award deviations without financial adjustment are unwarranted and against the principles of competitive tendering.
- The tender documents and the agreement are maintained in loose condition, are not page numbered and not signed by both the parties. This is highly objectionable. In order to ensure that the agreements are enforceable in court of law, it is imperative that the agreements are well bound, page numbered, signed by both the parties and well secured. This shall also prevent any possibility of interpolation and tampering of documents.
- Loose & incomplete implementation of contract clauses pertaining to insurance, Workmen's Compensation Act, ESIC, Labour Licenses etc., has been noticed, which give undue financial benefit to the contractors.
- Time is the essence of any contract. It has been observed that at times the work is extended and even payments released without a valid extension to the agreement. This has legal implications and in case of disputes, may jeopardize the interest of the organisation. Timely extension to the contracts and BGs of any must be ensured.

In order to make contract management more transparent and professional, CVOs are requested to circulate this memorandum to the concerned officials in their organisations. The OM is also available in the Commission's website www.cvc.nic.in.

Sd/-
(M.P. Juneja)
Chief Technical Examiner

To
All CVOs of Ministries/ Departments/ PSUs/ Banks/ Insurance Cos./ Autonomous
Organizations/ Societies/ UTs.

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 9th February, 2004.

OFFICE ORDER NO. -9/2/04

To

All Chief Vigilance Officers

Subject: - Improving Vigilance Administration - Increasing transparency in procurement/sale - use of web-site regarding.

The commission has issued a directive vide No.98/ORD/1 dated 18th December 2003 wherein detailed instructions are issued regarding the use of website for tendering process. The objective is to improve vigilance administration by increasing transparency. The instructions were to take effect from 1st January 2004. It is noticed that many organisations whose web-sites are functional are still not putting their tenders on the web-site. The Commission has desired that CVOs should ensure compliance of the above directive. They should regularly pursue the Newspaper advertisements, the web-site of their organisation and in general keep track to ensure that the directives of the Commission on this subject are complied with. Further, the Commission has desired that the CVOs should indicate in their monthly report in the column pertaining to tender notices whether all the tenders have been put on the web-site, and if not, the reasons for non-compliance. The explanation of the concerned officers who are not complying with these directions should be called and further necessary action taken.

Sd/-
(Balwinder Singh)
Additional Secretary

No.98/ORD/1
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 11th February, 2004.

OFFICE ORDER NO. - 10/2/04

To

All Chief Vigilance Officers

Subject: Improving Vigilance Administration - Increasing transparency in procurement/sale - use of web-site regarding.

In CPWD, MCD, Civil Construction Division of Post & Telecom departments and in many other departments/organisations, there is system of short term tenders (by whatever name it is called in different organisations), wherein works below a particular value are undertaken without resorting to publicity as is required in the open tenders. This practice is understandable because of cost and time involved in organizing publicity through newspapers. In all such cases, notice can be put on the web-site of the departments as it does not take any time compared to giving advertisements in the newspapers and it practically does not cost anything. This will benefit the department by bringing in transparency and reducing opportunities for abuse of power. This will also help the organisations by bringing in more competition.

2. In view of the reasons given above, the Commission has decided that instructions given in the Commission's circular (No.98/ORD/1 dated 18.12.2003) for the use of web-site will also apply to all such works awarded by the department/PSEs/other organisations over which the Commission has jurisdiction.

Sd/-
(Balwinder Singh)
Additional Secretary

No.12-02-6-CTE-SPI(I)-2
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 21st April, 2004.

OFFICE ORDER NO. - 25/04/04

Subject: Consideration of Indian Agents.

The commission has received a complaint alleging that in Government tenders an agent participates by representing a company officially and another bid is submitted as a 'direct offer' from the manufacturer. At times, the agent represents a foreign company in one particular tender and in another tender the said foreign company participates directly and the agent represent another foreign company. There is a possibility of cartelization in such cases and thus award of contract at higher prices.

2. The issue has been deliberated in the Commission. In order to maintain the sanctity of tendering system, it is advised that the purchases should preferably be made directly from the manufacturers. Either the Indian Agent on behalf of the foreign principal or the foreign principal directly could bid in a tender but not both. Further, in cases where an agent participates in a tender on behalf of one manufacturer, he should not be allowed to quote on behalf of another manufacturer along with the first manufacturer in a subsequent/parallel tender for the same item.
3. It is suggested that these guidelines may be circulated amongst the concerned officials of your organisation for guidance.

Sd/-
(A.K. Jain)
Technical Examiner
For Chief Technical Examiner

To

All CVOs of Ministries/ Departments/ PSUs/ Banks/ Insurance Companies./ Autonomous Organizations/ Societies/ UTs.

No.05-04-1-CTE-8
Government of India
Central Vigilance Commission
(CTE's Organisation)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated 8.6.2004

OFFICE MEMORANDUM

Subject: Receipt and Opening of Tenders.

In the various booklets issued by the CTE Organisation of the Commission, the need to maintain transparency in receipt and opening of the tenders has been emphasized and it has been suggested therein that suitable arrangements for receipt of sealed tenders at the scheduled date and time through conspicuously located tender boxes need to be ensured.

A case has come to the notice of the Commission, where due to the bulky size of tender documents the bid conditions envisaged submission of tenders by hand to a designated officer. However, it seems that one of the bidders while trying to locate the exact place of submission of tenders got delayed by few minutes and the tender was not accepted leading to a complaint.

In general, the receipt of tenders should be through tender boxes as suggested in our booklets. However, in cases where the tenders are required to be submitted by hand, it may be ensured that the names and designation of at least two officers are mentioned in the bid documents. The information about these officers should also be displayed at the entrance/reception of the premises where tenders are to be deposited so as to ensure convenient approach for the bidders. The tenders after receipt should be opened on the stipulated date and time in presence of the intending bidders.

Sd/-
(Gyaneshwar Tyagi)
Technical Examiner

To

All CVOs: Ministries/ Departments/ PSUs/ Banks/ UTs.

No.98/ORD/1
CENTRAL VIGILANCE COMMISSION

Satarkta Bhavan, Block 'A'
G.P.O. Complex, INA,
New Delhi – 110 023
Dated the 2nd July, 2004

Office Order No.43/7/04

Subject:- Improving Vigilance Administration: Increasing Transparency in Procurement/ sale etc. – Use of website – regarding.

The Central Vigilance Commission has issued a directive on the above subject vide its Order No.98/ORD/1 dated 18th December 2003 making it mandatory to use web-site in all cases where open tender system is resorted to. These instructions have been further extended vide Office Order No.10/2/04 dated 11.2.2004 to tenders of short-term nature (by whatever name it is called in different organizations). Various organizations have been corresponding with the Commission seeking certain clarifications with regard to the above directives. The main issues pointed out by organizations are as follows:

Issue 1 Size of Tender Documents

In cases works/procurement of highly technical nature, tender documents run into several volumes with large number of drawings and specifications sheets, etc. It may not be possible to place these documents on website.

Clarification: These issues have been discussed with the technical experts and in their opinion, there is no technical and even practical difficulty in doing the same. These days almost all the organizations do their typing work on computers and not manual typewriters. There is no significantly additional effort involved in uploading the material typed on MS Word or any other word processing softwares on the website irrespective of the number of pages. The scanning of drawings is also a routine activity. Moreover if the volume and size of tender document is so large as to make it inconvenient for an intending tendering party to download it, they always have the option of obtaining the tender documents from the organization through traditional channels. The Commission has asked for putting tender documents on web-site in addition to whatever methods are being presently used.

Issue 2 Issues connected with Data Security, Legality and Authenticity of Bid Documents.

Certain organizations have expressed apprehensions regarding security of data, hacking of websites etc. They have also pointed out that certain bidding parties may alter the downloaded documents and submit their bids in such altered tender documents which may lead to legal complications.

Clarification: This issue has been examined both from technical and legal angles. Technically a high level of data security can be provided in the websites. The provisions of digital signatures through Certifying Authority can be used to ensure that in case of any forgery or alteration in downloaded documents it is technically feasible to prove what the

original document was. There are sufficient legal provisions under IT Act to ensure that e-business can be conducted using the web-site. A copy of the remarks given by NIC on this issue are enclosed herewith.

Issue 3 Some organizations have sought clarification whether web site is also to be used for proprietary items or items which are sourced from OEMs (Original Equipment Manufacturers) and OESs (Original Equipment Suppliers).

Clarification: It is clarified that Commission's instructions are with regard to goods, services and works procured through open tender system, so these instructions do not apply to proprietary items and items which necessarily need to be procured through OEMs and OESs.

Issue 4 Do the instructions regarding 'short term tenders' given in the CVC Order No.98/ORD/1 dated 11th Feb., 2004 apply to limited tenders also?

Clarification: In many organizations goods, services and works which as per laid down norms are to be procured/executed through open tender system many times due to urgency are done through short term tenders without resorting to wide publicity in newspapers because of time constraint. In all such cases short term tenders (by whatever name it is called) etc. should also be put on the website of the dept. as it does not involve any additional time or cost.

Regarding applicability of these instructions to limited tenders where the number of suppliers/contractors is known to be small and as per the laid down norms limited tender system is to be resorted to through a system of approved/registered vendors/contractors, the clarifications are given below.

Issue 5 Some organizations have pointed out that they make their procurement or execute their work through a system of approved/registered vendors and contractors and have sought clarification about the implications of CVC's instructions in such procurements/contracts.

Clarification: The commission desires that in all such cases there should be wide publicity through the web site as well as through the other traditional channels at regular intervals for registration of contractors/suppliers. All the required proforma for registration, the pre-qualification criteria etc should be always available on the web-site of the organization and it should be possible to download the same and apply to the organization. There should not be any entry barriers or long gaps in the registration of suppliers/contractors. The intervals on which publicity is to be given through website and traditional means can be decided by each organization based on their own requirements and developments in the market conditions. It is expected that it should be done at least once in a year for upgrading the list of registered vendors/contractors.

The concerned organization should give web based publicity for limited tenders also except for items of minor value. If the organization desires to limit the access of the limited tender documents to only registered contractors/suppliers. But it should be ensured that password access is given to all the registered contractors/suppliers and not denied to any of the registered suppliers. Any denial of password to a registered

supplier/contractor will lead to presumption of malafide intention on the part of the tendering authority.

Sd/-
(Balwinder Singh)
Addl. Secretary

To

- (i) The Secretaries of All Ministries/Departments of Government of India
- (ii) The Chief Secretaries to all Union Territories
- (iii) The Comptroller & Auditor General of India
- (iv) The Chairman, Union Public Service Commission
- (v) The Director, Central Bureau of Investigation
- (vi) The Chief Executives of all PSEs/Public Sector Banks/Insurance Companies/Autonomous Organizations/Societies.
- (vii) The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organizations/Societies.
- (viii) President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

CENTRAL VIGILANCE COMMISSION

Technical note from National Informatics Center

Solution for Hosting of Signed Documents

1. Integrity of Document:

The documents should be digitally signed by the person submitting them. The web server to which the documents are submitted for hosting, should verify the signature before hosting each.

2. Secure Hosting:

'HTTPS' should be used for both uploading and downloading of documents to avoid alteration of documents over the network.

3. Digital Signing and submission:

The documents submitted for hosting may be in PDF or MS-WORD FORMAT

The document is digitally signed at the document submission end by a digital signing tool and by using a private key stored in a smart card. The detached (PKCS#7) signature file is generated.

The document and the signature are uploaded to the server. The uploading procedure may be automated through a program. This involves development effort.

The web server can verify the digital signatures programmatically when the files are uploaded.

The files and their verified signatures are hosted for downloading by end users.

This procedure will ensure that the signer is confident of what he/she is signing.

The person involved in web hosting is sure that the documents are properly signed.

The end users benefit that the document they are downloading is authentic and that the integrity of the documents is maintained.

4. Download procedure:

- a. The user verifies the digital signature of the document on the web site.
- b. User downloads both the documents and the signature.
- c. User can verify the signature of the documents by using any standards Compliant Document Signing Tool which can verify a PKCS#7 detached signature.

5. Certificate for Digital Signature:

- a. The signature should be generated using a certificate issued by a Certification Authority (CA) trusted under Controller of Certifying Authorities (CCA). This is mandatory for legal validity of the digital signature.
- b. The end user should ensure that the certificate used for signing the document is issued by a trusted CA.

No.004/ORD/9
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 10th December, 2004.

Office Order No.72/12/04

Subject: Transparency in tendering system - Guidelines regarding.

In order to maintain transparency and fairness, it would be appropriate that organisations should evolve a practice of finalizing the acceptability of the bidding firms in respect of the qualifying criteria before or during holding technical negotiations with him. Obtaining revised price bids from the firms, which do not meet the qualification criteria, would be incorrect. Therefore the exercise of short listing of the qualifying firms must be completed prior to seeking the revised price bids. Moreover, the intimation of rejection to the firms whose bids have been evaluated but found not to meet the qualification criteria, along with the return of the unopened price bid, will enhance transparency and plug the loop-holes in the tendering system. All organisations/departments are advised to frame a policy accordingly.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No.98/DSP/3
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 24th December, 2004.

Office Order No.75/12/04

Subject: Participation of consultants in tender - Guidelines regarding.

Consultants are appointed by the organisation for preparation of project report. These appointments are made for any new projects, expansions, modernization/modification of the existing projects etc. The election is made with maximum attention to the suitability, competence and proven track record.

2. Further, during the CVO's Conference convened by the Commission in Sept. 1997, the Central Vigilance Commissioner had constituted a Committee of CVOs to go into the system of contracts prevalent in PSUs and to suggest, where required, methods of streamlining the contracting provisions. The Committee after going through the contract system of various organisations had made recommendations on consultants as under:-

Consultants:-A firm which has been engaged by the PSU to provide goods or works for a project and any of its affiliates will be disqualified from providing consulting services for the same project. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, will be disqualified from subsequently providing goods or works or services related to the initial assignment for the same project.

Consultants or any of their affiliates will not be hired for any assignment, which by its nature, may be in conflict with another assignment of the consultants.

3. It has come to the notice of the Commission that in a tendering process of a PSU, the consultant was also permitted to quote for work for which they had themselves estimated the rates and the consultant quoted 20% above their own estimates rates as against the awarded rates which were 20% below the estimated cost. Such over dependence on the consultant can lead to wasteful and infructuous expenditure which the organisation regrets in the long run. Meticulous and intelligent examination of the consultants proposal is thereof essential for successful and viable completion of the project.
4. The Commission reiterates the recommendations made by the Committee that the consultants/firm hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, will be disqualified from

subsequently providing goods or works or services related to the initial assignment for the same project.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No.005/VGL/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 16th March, 2005.

Office Order No.13/3/05

Subject: Details on award of tenders/contracts publishing on Websites/Bulletins.

The Commissions vide its Circular No.8(1)(h)/98(1) dated 18.11.1998 had directed that a practice must be adopted with immediate effect by all organisations within the purview of the CVC that they will publish on the notice board and in the organization's regular publication(s), the details of all such cases regarding tenders or out of turn allotments or discretion exercised in favour of an employee/party. However, it has been observed by the Commission that some of the organisations are either not following the above mentioned practice or publishing the information with a lot of delay thereby defeating the purpose of this exercise, viz. increasing transparency in administration and check on corruption induced decisions in such matters.

2. The commission has desired that as follow up of its directive on use of "website in public tenders", all organisations must post summary every month of all the contracts/purchases made above a certain threshold value to be decided by the CVO in consultation with the head of organisation i.e. CEO/CMD etc. as per Annexure-I. The threshold value may be reported to the Commission for concurrence.
3. Subsequently, the website should give the details n the following:
 - a) actual date of start of work
 - b) actual date of completion
 - c) reasons for delay if any

A compliance report in this regard should be sent by the CVOs along with their monthly report to CVC.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No.000/VGL/161
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 24th March, 2005.

Office Order No.18/3/05

Subject: Banning of business dealings with firms/contractors - clarification regarding.

Para 31 of Chapter-XIII, Vigilance Manual Part-I provides that business dealings with the firms/contractors may be banned whenever necessary. It was also suggested that for banning of the business with such firms/contractors or for withdrawal of banning orders, advice of the Central Vigilance Commission need not be sought.

2. It is however observed by the Commission that some of the departments/organizations cite the Commission as the authority behind the decision in their orders while banning of the firms/contractors. This is not appropriate. **The Commission once again reiterates its instructions that banning of business is an administrative matter to be decided by the management of the organization and the Central Vigilance Commission does not give its advice in such matters.** This may please be noted for strict compliance.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No.OFF-1-CTE-1(Pt) V
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 24th March, 2005.

Office Order No.15/3/05

Subject: Notice inviting tenders - regarding.

The Commission has observed that some of the Notice Inviting Tenders (NITs) have a clause that the tender applications could be rejected without assigning any reason. This clause is apparently incorporated in tender enquiries to safeguard the interest of the organisation in exceptional circumstances and to avoid any legal dispute, in such cases.

2. The Commission has discussed the issue and it is emphasized that the above clause in the bid document does not mean that the tender accepting authority is free to take decision in an arbitrary manner. He is bound to record clear, logical reasons for any such action of rejection/recall of tenders on the file.
3. This should be noted for compliance by all tender accepting authorities.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No.005/VGL/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 28th July, 2005.

Office Order No.46/7/05

**Subject: Details on award of tenders/contracts publishing on Websites/Bulletins -
Reminder regarding.**

Reference is invited to Commission's **Office Order No.13/3/05 dated 16.3.2005** regarding above mentioned subject directing the organisations to publish every month the summary of contracts/purchases made above a threshold value on the website. **In this regard it is specified that the proposed threshold limit is acceptable to the Commission as long as it covers more than 60% of the value of the transactions every month.** This limit can be raised subsequently once the process stabilizes.

2. CVOs may, therefore, ensure that such details are posted on the website of the organisation immediately and compliance report in this regard should be sent by CVOs in their monthly report to the Commission.

Sd/-
(Anjana Dube)
Deputy Secretary

To

All Chief Vigilance Officers

No.005/MS/25
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 13th October, 2005

OFFICE ORDER NO.67/10/05

Subject: Festival gifts to Government servants by PSU's etc.

Please refer to the Commission's letter No.002/MS/70 (Office Order No.40/8/2003) dated 27th August, 2003 and 004/MS/32 (Office Order No.60/9/04) dated 22nd September, 2004 on the subject cited above.

2. The Commission once again reiterates its instructions issued vide the aforesaid office orders and emphasizes that the practice by PSUs etc. of sending gifts to Government servants on the occasion of festival and new year be discouraged. All CVOs are requested to bring this to the notice of all concerned. They should furnish report on the expenditure incurred by them on festival gifts during this year in their Monthly and Annual reports to the Commission.

Sd/-

(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No.005/CRD/12
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated 25.10.2005

Office Order No.68/10/05

Subject: Tendering process - Negotiation with L-1.

A workshop was organized on 27th July 2005 at SCOPE New Delhi, by the Central Vigilance Commission, to discuss issues relating to tendering process including negotiation with L-1. Following the deliberations in the above mentioned Workshop, the following issues are clarified with reference to para 2.4 of Circular No.8(1)(h)/98(1) dated 18th November, 1998 on negotiation with L-1, which reflect the broad consensus arrived at in the workshop.

- i. There should not be any negotiations. Negotiations if at all shall be an exception and only in the case of proprietary items or in the case of items with limited source of supply. Negotiations shall be held with L-1 only. **Counter offers tantamount to negotiations and should be treated at par with negotiation.**
 - ii. Negotiations can be recommended in exceptional circumstances only after due application of mind and recording valid, logical reasons justifying negotiations. In case of inability to obtain the desired results by way of reduction. In rates and negotiations prove infructuous, satisfactory explanations are required to be recorded by the Committee who recommended the negotiations. The Committee shall be responsible for lack of application of mind in case its negotiations have only unnecessarily delayed the award of work/contract.
- 2 Further, it has been observed by the Commission that at times the Competent Authority takes unduly long time to exercise the power of accepting the tender or negotiate or re-tender. **Accordingly, the model time frame for according such approval to completion of the entire process of Award of tender should not exceed one month from the date of submission of recommendations. In case the file has to be approved at the next higher level a maximum of 15 days may be added for clearance at each level. The overall-time frame should be within the validity period of the tender/contract.**
 3. In case of L-1 backing out there should be re-tendering as per extant instructions.
 4. The above instructions may be circulated to all concerned for compliance.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No.005/VGL/66
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated 9.12.2005

Office Order No.71/12/05

Subject: Undertaking by the Members of Tender Committee/Agency.

In continuation of the Commission's directions vide Order 005/VGL/4 dated 16/3/2005 regarding transparency in the tender process, the Commission would advise that the members of the Tender Committee should given an undertaking at the appropriate time, that none of them has any personal interest in the Companies/Agencies participating in the tender process. Any member having interest in any Company should refrain from participating in the Tender Committee.

2. CVOs should bring this to the notice of all concerned.

Sd/-
(Anjana Dube)
Deputy Secretary

All Chief Vigilance Officers

No.005/CRD/012
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 3rd March, 2007

Circular No.4/3/07

Subject: Tendering process - negotiations with L-1.

Reference is invited to the Commission's circulars of even number, dated 25.10.2005 and 3.10.2006, on the above cited subject. In supersession of the instructions contained therein, the following consolidated instructions are issued with immediate effect:-

- (i) As post tender negotiations could often be source of corruption, it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations. Such exceptional situations would include, procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
- (ii) In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process.
- (iii) Negotiations should not be allowed to be misused as a tool for bargaining with L-1 within dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In cases where the proposal is to be approved at higher levels, a maximum of 15 days should be assigned for clearance at each level. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalized within their validity period.

- (iv) As regards the splitting of quantities, some organisations have expressed apprehension that pre-disclosing the distribution of quantities in the bid document may not be feasible, as the capacity of the L-1 firm may not be known in advance. It may be stated that if, after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable. It is essentially in cases where the organisations decide in advance to have more than one source of supply (due to critical or vital nature of the item) that the Commission insists on pre-disclosing the ratio of splitting the supply in the tender itself. This must be followed scrupulously.
- (v) Counter-offers to L-1, in order to arrive at an acceptable price, shall amount to negotiations. However, any counter-offer thereafter to L-2, L-3, etc., (at the rates accepted by L-1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.
2. It is reiterated that in case L-1 backs out, there should be a re-tender.
 3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

Sd/-
(Vineeta Mathur)
Deputy Secretary

All Chief Vigilance Officers

No.98-VGL-25
Government of India
Central Vigilance Commission
(CTEO)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 30th April, 2007

OFFICE MEMORANDUM

Circular No.14/4/07

Sub: Use of Products with standard specification.

A case has come to the notice of the Commission that the user department one organisation requisitioned an item of non-standard size. Requisitioning of item with non-standard size resulted in issue of Non-availability certificate' by the stores keeper although the same item of standard size was already available in the stock. Citing urgency, the item was procured by the user department at 10 times the cost of the standard item by inviting limited quotations.

1. In order to avoid such occurrences, it is reiterated that the items with standard specifications only should be stipulated in the bid documents. In case, items with non-standard specifications are to be procured, reasoning for procuring such items may be recorded and reasonability of rates must be checked before placing order.

Sd/-
(Smt Padmaja Varma)
Chief Technical Examiner

To
All CVOs of Ministries/ Departments/ PSUs/ Banks/ Insurance Companies/ Autonomous
Organisations/ Societies

No.005/CRD/19
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 5th July, 2007

Circular No23/7/07

Subject: Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.

Reference is invited to the Commission's circular No.15/5/06 (issued vide letter No.005/CRD/19 dated 9.5.2006), wherein the need for award of contracts in a transparent and open manner has been emphasized.

2. A perusal of the queries and references pertaining to this circular, received from various organisations, indicates that several of them believe that mere post-facto approval of the Board is sufficient to award contracts on nomination basis rather than the **inevitability of the situation, as emphasized in the circular.**
3. It is needless to state that tendering process or public auction is a basic requirement for the award of contract by any Government agency as any other method, especially award of contract on nomination basis, would amount to a breach of Article 14 of the Constitution guaranteeing right to equality, which implies right to equality to all interested parties.
4. A relevant extract from the recent Supreme Court of India judgment in the case of Nagar Nigam, Meerut Vs A1 Faheem Meat Export Pvt Ltd [arising out of SLP (CIVIL) No.10174 of 2006] is reproduced below to reinforce this point.

“The law is well-settled that contract by the State, its corporations, instrumentalities and agencies must be normally granted through public auction/public tender by inviting tenders from eligible persons and the notifications of the public-auction or inviting tenders should be advertised in well known dailies having wide circulation in the locality with all relevant details such as date, time and place of auction, subject matter of auction, technical specifications, estimated cost, earnest money deposit, etc. The award of Government contracts through public-auction/public tender is to ensure transparency in the public procurement, to maximize economy and efficiency in Government procurement, to promote healthy competition among the tenderers, to provide for fair and equitable treatment of all tenderers, and to eliminate irregularities, interference and corrupt practices by the authorities concerned. This is required by Article 14 of the Constitution. However, in rare and exceptional cases, for instance, during natural calamities and emergencies declared by the Government; where the procurement is

possible from a single source only; where the supplier or contractor has exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists; where the auction was held on several dates but there were no bidders or the bids offered were too low, etc., this normal rule may be departed from and such contracts may be awarded through 'private negotiations'."

(Copy of the full judgment is available on web-site of the Hon'ble Supreme Court of India, i.e. www.supremecourtindia.nic.in)

5. The Commission advises all CVOs to formally apprise their respective Boards/managements of the above observations as well as the full judgment of the Hon'ble Supreme Court for necessary observance. A confirmation of the action taken in this regard may be reflected in the CVO's monthly report.
6. Further, all nomination/single tender contracts be posted on the web-site ex post-facto.

Sd/-
(Rajiv Verma)
Under Secretary

To
All Chief Vigilance Officers

No.004/VGL/90
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 1st May, 2008

CIRCULAR NO.17/4/08

Subject: Rotation of officials working in sensitive posts.

Attention is invited to the Commission's circular No.98/VGL/60 Dated 15.4.99 and 2.11.01.

2. The Commission vide circular dated 15.4.99, had asked the CVOs of Ministries/Departments/Organizations to identify the sensitive posts in their organizations and also to send to the Commission, the list of posts so identified. Further, CVOs were also asked to ensure that officials posted on sensitive posts were rotated every two/three years to avoid developing vested interest.

3. No information in this regard has been received in the Commission so far. The CVOs may, therefore, complete the exercise expeditiously now, and send to the Commission, a list of posts identified as sensitive in their organization. The exercise may be completed by 30th June 2008.

Sd/-

(Rajiv Verma)
Deputy Secretary

All Chief Vigilance Officers

No.008/VGL/083
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 6th November, 2008

Circular No.31/11/08

Subject: Time bound processing of procurement.

The Commission has observed that at times the processing of tenders is inordinately delayed which may result in time and cost over runs and also invite criticism from the Trade Sector. It is, therefore, essential that tenders are finalized and contracts are awarded in a time bound manner within original validity of the tender without seeking further extension of validity. While a short validity period calls for prompt finalization by observing specific time-line for processing, a longer validity period has the disadvantage of vendors loading their offers in anticipation of likely increase in costs during the period. Hence, it is important to fix the period of validity with utmost care.

2. The Commission would, therefore, advise the organisations concerned to fix a reasonable time for the bids to remain valid while issuing tender enquiries keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the Competent Authority, etc and to ensure the finalization of tender within the stipulated original validity. Any delay, which is not due to unforeseen circumstances, should be viewed seriously and prompt action should be initiated against those found responsible for non-performance.
3. Cases requiring extension of validity should be rare. And in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time, **valid and logical grounds**, justifying extension of the said validity.
4. These instructions may please be noted for immediate compliance.

Sd/-
(Shalini Darbar)
Director

All Chief Vigilance Officers

No.005/VGL/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 14th July, 2009

Circular No.17/7/09

Subject: Posting of details on award of tenders/contracts on websites.

The Commission vide circulars dated 16.03.2005, 28.07.2005 18.04.2007 had directed all organisations to post on their web-sites a summary, every month, containing details of all the contracts/purchases made above a threshold value (to be fixed by the organisations) covering at least 60 % of the value of the transactions every month to start with on a continuous basis. CVOs were required to monitor the progress and ensure that the requisite details were posted regularly on respective websites, and also to incorporate compliance status in their monthly report to the Commission.

2. On a review of the status of implementation by the organisations, it is observed that some organisations have not adhered to the instructions and implemented the same. Further such information being posted on the websites are not being regularly updated on a continuous basis by certain organisations and, in some cases, the information published is disjointed and not as per the prescribed format laid down by the Commission. It is also seen that a few organisations have placed such information on restricted access through passwords to registered vendors/suppliers etc. which defeats the basic purpose of increasing transparency in administration.
3. The Commission, therefore, while reiterating its aforementioned instructions would direct all organisations/departments to strictly adhere and post summary of details of contracts/purchases awarded so as to cover 75 % of the value of the transactions without any further delay. Any failure on the part of the organisations on this account would be viewed seriously by the Commission.

4. All Chief Vigilance Officers should reflect the compliance status in their monthly reports to the Commission after personally verifying the same.

Sd/-
(Shalini Darbari)
Director

To

All Secretaries of Ministries/Departments
All CEOs/Heads of Organisations
All Chief Vigilance Officers

No.005/CRD/012
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi – 110 023
Dated the 20th January, 2010

- I. The Secretaries of All Ministries/Departments of Government of India
- II. The Chief Secretaries to All Union Territories
- III. The Comptroller & Auditor General of India
- IV. The Chairman, Union Public Service Commission
- V. The Chief Executives of All PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- VI. The Chief Vigilance Officers in the Ministries/Departments/PSEs/Public Sector Banks/Insurance Companies/Autonomous Organisations/Societies
- VII. President's Secretariat/Vice-President's Secretariat/Lok Sabha Secretariat/Rajya Sabha Secretariat/PMO

Circular No.01/01/10

Attention is invited to the Commission's circular No.4/3/07 dated 3.3.07 on the issue of **“Tendering Process - Negotiations with L1”**

In the said circular it has, among other things, been stated “As post tender negotiations could often be a source of corruption, it is directed that there should be no post tender negotiations with L1, except in certain exceptional situation”. It has come to Commission's notice that this has been interpreted to mean that there is a ban on post tender negotiations with L-1 only and there could be post tender negotiations with other than L1 i.e. L2, L3 etc. This is not correct.

It is clarified to all concerned that - there should normally be no post tender negotiations. If at all negotiations are warranted under exceptional circumstances, then it can be with L1 (Lowest tenderer) only if the tender pertains to the award of work/supply orders etc. where the Government or the Government company has to make payment. However, if the tender is for sale of materials by the Government or the Govt. company, the post tender negotiations are not to be held except with H1 (i.e. Highest tenderer) if required.

2. All other instructions as contained in the circular of 3.3.2007 remain unchanged.
3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

Sd/-
(V. Ramchandran)
Chief Technical Examiner

F.No.006/VGL/29
Government of India
Central Vigilance Commission

Satarkata Bhawan, Block 'A',
GPO Complex, INA,
New Delhi-110 023
Dated, the 1st May, 2006

Circular No.21/05/06

**Subject: Examination of Public Procurement (Works/Purchases/Services)
Contracts by CVOs.**

The Commission has been emphasising the need for close scrutiny by the CVO, of the Public Procurement (Works/ Purchases/Services) Contracts of his department/organisation concerned, to ensure that the laid down systems and procedures are followed, there is total transparency in the award of contracts, and there is no misuse of power in decision making.

2. A number of booklets have been issued by the Chief Technical Examiner organisation of the Commission, bringing out the common irregularities/ lapses noticed in different contracts. A Manual for Intensive Examination of Works/ Purchase Contracts and guidelines on tendering have also been issued. These are available in the Commission's website.
3. The need for CTE type examinations by the CVOs has been emphasised in the Zonal meetings. The CVOs are required to reflect their examinations in the monthly reports. The Commission reiterates the importance of such examinations by the CVOs, as an effective preventive vigilance measure.
4. For this purpose, the CVOs are required to be well conversant with their organisation's works / purchase manual. Wherever works/purchase manuals are non-existent, they should be got prepared, particularly, in those organisations which have substantial procurement activities. CVOs should also ensure that the manuals are updated from time to time. They should check and ensure that the field staff is well conversant with the extant provisions of the manuals, and the guidelines issued by the Commission/CVOs from time to time. CVOs should have a full and active participation during the CTE inspections to know about the problem areas in the organisation's procurement process.
5. CVOs must also familiarise themselves with the earlier CTE examination reports and ensure that the lapses previously noticed are not repeated. If lessons are not learnt from the past, there would be need to take a serious view of the repetition of lapses and initiate disciplinary proceedings against the officials found responsible for repetition of the lapses committed previously.
6. On the basis of the lapses noticed by the Chief Technical Examiner's Organisation over the years, a checklist has been prepared which could be used by the CVO while examining procurement contracts. The checklist may be seen in Annexure -1. If certain procurement contracts require an intensive examination by the CTEO, a reference may be made to them with adequate justification.
7. This may please be noted for strict compliance.

All Chief Vigilance Officers

Sd/-
(V.Kannan)
Director

Check list for examination of Procurement (Works/ Purchases/ Services) Contracts by CVOs

A. Pre-Award Stage

1. Financial and Technical sanction of competent authority is available.
2. Adequate and wide publicity is given. Advertisement is posted on website and tender documents are available for downloading.
3. Convenient tender receiving/opening time and address of the tender receiving officials/tender box are properly notified.
4. In the case of limited tender, panel is prepared in a transparent manner clearly publishing the eligibility criteria. The panel is updated regularly.
5. Pre-qualification criteria are properly defined/ notified.
6. Short listed firms/consultants are fulfilling the eligibility criteria. There is no deviation from notified criteria during evaluation.
7. Experience certificates submitted have been duly verified.
8. Tenders/bids are opened in the presence of bidders.
9. Corrections/omissions/additions etc., in price bid are properly numbered and attested and accounted page –wise. Tender summary note/ Tender opening register is scrupulously maintained.
10. Conditions having financial implications are not altered after opening of the price bids.
11. In case of consultancy contracts (a)Upper ceiling limit is fixed for consultancy fee and (b) Separate rates for repetitive works are fixed.

B. Post-award stage

(a) General

1. Agreement is complete with all relevant papers such as pre-bid conference minutes, etc.
2. Agreement is page-numbered, signed and sealed properly.
3. Bank Guarantee is verified from issuing bank.

4. Insurance policies, labour licence, performance guarantee are taken as per contract.
5. Technical personnel are deployed as per contract.
6. Plant and equipment are deployed as per contract.
7. Action for levy of liquidated damages is taken in case of delay/default.

(b) Payments to contractors

1. Price escalation is paid only as per contract.
2. Retention Money/Security Deposit is deducted as per contract.
3. Recovery of Mobilisation & Equipment advance is made as per the provisions in the contract.
4. Recovery of I. Tax & Works Contract tax is made as per provisions in the contract.
5. Glaring deviations are supported with adequate justification and are not advantageous to the contractor.

(c) Site Records

1. Proper system of recording and compliance of the instructions issued to the contractors is maintained.
2. Proper record of hindrances is maintained for the purpose of timely removal of the hindrance and action for levy of liquidated damages.
3. Mandatory tests are carried out as per the frequency prescribed in the Agreement.

No.005/CRD/19
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 9th May, 2006

CIRCULAR No.15/5/06

Subject:- Transparency in Works/Purchase/Consultancy contracts awarded on nomination basis.

The Commission had, in its OM No. 06-03-02-CTE-34 dated 20.10.2003 on back to back tie up by PSUs, desired that the practice of award of works to PSUs on nomination basis by Govt. of India/PSUs needed to be reviewed forthwith. It is observed that in a number of cases, Works/Purchase/Consultancy contracts are awarded on nomination basis. There is a need to bring greater transparency and accountability in award of such contracts. While open tendering is the most preferred mode of tendering, even in the case of limited tendering, the omission has been insisting upon transparency in the preparation of panel.

2. In the circumstances, if sometimes award of contract on nomination basis by the PSUs become inevitable, the Commission strongly feels that the following points should be strictly observed.

- (i) All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto.
- (ii) The reports relating to such awards will be submitted to the Board every quarter.
- (iii) The audit committee may be required to check at least 10% of such cases.

3. This may be noted for strict compliance.

Sd/-
(V. Kannan)
Director

All Chief Vigilance Officers

Copy to:

- (i) All Secretaries of Govt. of India
- (ii) All CEOs/Head of the organisation

No.005/VGL/4
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 1st September, 2006

CVC Circular No. 31/9/06

Subject: Posting of details on award of tenders/contracts on websites/bulletins.

The Commission, vide its orders of even number dated 16.3.2005, 28.7.2005 and 20.9.2005, had directed all organisations to post every month a summary of all contracts/purchases made above a certain threshold value on the websites of the concerned organisations, and it was specified that the proposed threshold limits would be acceptable to the Commission as long as they covered more than 60% of the value of the transactions every month in the first instance, to be revised subsequently after the system stabilized. The threshold values as decided by the organisations, were also to be communicated to the Commission separately for its perusal and record. CVOs were required to monitor the progress in this regard and ensure that the requisite details were posted regularly on respective websites. They were also required to incorporate the compliance reports in this regard in their monthly reports.

2. The Commission has taken serious note that the aforementioned instructions are not being adhered to by the organisations. CVOs are, therefore, once again advised **to ensure that details of the tenders awarded above the threshold value by the organizations are uploaded in time on the organisation's official website** and are updated every month. The position in this regard should be compulsorily reflected in the CVOs monthly reports to the Commission. CVOs should also specifically bring to the notice of the Commission, any violation of this order.
3. Please acknowledge receipt and ensure due compliance.

Sd/-
(V.Kannan)
Director

- (i) All Secretaries / CEO's/ Head of organizations
- (ii) All Chief Vigilance Officers

No.02-07-01-CTE-30
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 31st December, 2007

OFFICE MEMORANDUM
CIRCULAR NO. 01/01/08

Sub: Acceptance of Bank Guarantees.

A number of instances have come to the notice of the Commission where forged / fake bank guarantees have been submitted by the contractors/suppliers. Organizations concerned have also not made any effective attempt to verify the genuineness/ authenticity of these bank guarantees at the time of submission.

2. In this background, all organizations are advised to streamline the system of acceptance of bank guarantees from contractors/suppliers to eliminate the possibility of acceptance of any forged/fake bank guarantees.
3. The guidelines on this subject issued by Canara Bank provides for an elaborate procedure, which may be found helpful for the organizations in eliminating the possibility of acceptance of forged/fake bank guarantees. The guidelines issued by Canara Bank provides that –

“ The original guarantee should be sent to the beneficiary directly under Registered Post (A.D.). However, in exceptional cases, where the guarantee is handed over to the customer for any genuine reasons, the branch should immediately send by Registered Post (A.D.) an unstamped duplicate copy of the guarantee directly to the beneficiary with a covering letter requesting them to compare with the original received from their customer and confirm that it is in order. The A.D. card should be kept with the loan papers of the relevant guarantee.

At times, branches may receive letters from beneficiaries, viz., Central/State Governments, public sector undertakings, requiring bank's confirmation for having issued the guarantee. Branches must send the confirmation letter to the concerned authorities promptly without fail”.

4. Therefore, all organizations are advised to evolve the procedure for acceptance of BGs, which is compatible with the guidelines of Banks/Reserve Bank of India. The steps to be ensured should include-
 - i). Copy of proper prescribed format on which BGs are accepted from the contractors should be enclosed with the tender document and it should be verified verbatim on receipt with original document.

- ii) It should be insisted upon the contractors, suppliers etc. that BGs to be submitted by them should be sent to the organization directly by the issuing bank under Registered Post (A.D.).
 - iii) In exceptional cases, where the BGs are received through the contractors, suppliers etc., the issuing branch should be requested to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the guarantee directly to the organization with a covering letter to compare with the original BGs and confirm that it is in order.
 - iv) As an additional measure of abundant precaution, all BGs should be independently verified by the organizations.
 - v) In the organization/unit, one officer should be specifically designated with responsibility for verification, timely renewal and timely encashment of BGs.
5. Keeping above in view, the organizations may frame their own detailed guidelines to ensure that BGs are genuine and encashable.
6. Receipt of the above guidelines should be acknowledged.

Sd/-

(Smt. Padamaja Varma)
Chief Technical Examiner

To,

All Chief Vigilance Officers

No.007/VGL/033
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 28th December, 2007

Office Order NO.43/12/07

**Subject: Adoption of Integrity Pact in major Government Procurement Activities
– regarding.**

Reference is invited to Commission's office order No. 41/12/2007 circulated vide letter of even no. dated 4/12/2007 on the aforementioned subject.

2. The Commission vide para 4 of the aforementioned office order had directed that the organizations were required to forward a panel of names of the eminent persons of high integrity through their administrative ministries for consideration and approval by the Commission as IEMs.
3. The matter has been reconsidered by the Commission and in order to simplify the procedure and avoid delay, it has been decided that the organizations may forward the panel of names of eminent persons for appointment and consideration as IEMs directly to the Commission for approval.
4. Para 4 of the Commission's circular cited above stands amended to this extent.

Sd/-
(Vineet Mathur)
Deputy Secretary

All Chief Vigilance Officers

No.007/VGL/033
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Dated the 4th December, 2007

Office Order No.43/12/07

**Subject : Adoption of Integrity Pact in major Government Procurement Activities
– regarding.**

Ensuring transparency, equity and competitiveness in public procurement has been a major concern of the Central Vigilance Commission and various steps have been taken by it to bring this about. Leveraging technology specially wider use of the web-sites for disseminating information on tenders, tightly defining the pre-qualification criteria and other terms and conditions for the tender are some of the steps recently taken at the instance of the Commission in order to bring about greater transparency and competition in the procurement/award of tender.

2. In this context, Integrity Pact, a vigilance tool first promoted by the Transparency International, has been found to be useful. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer committing the persons/officials of both the parties, not to exercise any corrupt influence on any aspect of the contract. Only those vendors/bidders who have entered into such an Integrity Pact with the buyer would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification. The Integrity Pact in respect of a particular contract would be effective from the stage of invitation of bids till the complete execution of the contract.
3. The Integrity Pact envisages a panel of Independent External Monitors (IEMs) approved for the organization. The IEM is to review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. He has right of access to all project documentation. The Monitor may examine any complaint received by him and submit a report to the Chief Executive of the organization, at the earliest. He may also submit a report directly to the CVO and the Commission, in case of suspicion of serious irregularities attracting the provisions of the PC Act. However, even though a contract may be covered by an Integrity Pact, the Central Vigilance Commission may at its discretion, have any complaint received by it relating to such a contract, investigated.
4. The Commission would recommend the Integrity Pact concept and encourage its adoption and implementation in respect of all major procurements of the Govt. organizations. As it is necessary that the Monitors appointed should be of high integrity and reputation, it has been decided that the commission would approve the names of the persons to be included in the panel. The Government Organizations are, therefore, required to submit a panel of names of eminent persons of high integrity and repute and experience in the relevant field, through their administrative ministry, for consideration

and approval by the Commission as Independent External Monitors. The terms and conditions including the remuneration payable to the Monitors need not be a part of the integrity Pact and the same could be separately communicated. It has also to be ensured by an appropriate provision in the contract, that the Integrity Pact is deemed as part of the contract in order to ensure that the parties are bound by the recommendation of the IEMs, in case any complaint relating to the contract, is found substantiated.

5. A copy of the Integrity Pact, which the SAIL got vetted by the Addl.Solicitor General is available on the Commission's web-site i.e. www.cvc.nic in as an attachment to this Office Order in downloadable form, which may be used in original or may be suitably modified in order to meet the individual organization's requirements.

Sd/-
(Vineet Mathur)
Deputy Secretary

All Secretaries to the Govt. Of India
All CMD'S of PSU's
All CMD's of PSB's
All CVO's

No.98-VGL-25
Government of India
Central Vigilance Commission
(CTEO)

Satarkta Bhawan, Block 'A',
GPO Complex, INA,
New Delhi- 110 023
Date- 26.04.07

OFFICE MEMORANDUM
CIRCULAR NO.14/4/07

Sub: Use of Products with standard specification.

A case has come to the notice of the Commission that the user department one organization requisitioned an item of non-standard size. Requisitioning of item with non-standard size resulted in issue of 'Non- availability certificate' by the stores keeper although the same item of standard size was already available in the stock. Citing urgency, the item was procured by the user department at 10 times the cost of the standard item by inviting limited quotations.

2. In order to avoid such occurrences, it is reiterated that the items with standard specifications only should be stipulated in the bid documents. In case, items with non-standard specifications are to be procured, reasoning for procuring such items may be recorded and reasonability of rates must be checked before placing order.

Sd/-
(Smt. Padmaja Varma)
Chief Technical Examiner

To,

All CVO's of Ministries / Departments/ PSU's/ Banks/ insurance / Companies/ Autonomous Organisations/ Societies/ Uts.

**INTERNAL CIRCULARS/
GUIDELINES**

OF

CIVIL DEPARTMENT

CCL

"The world is a dangerous place to live; not because of the people who are evil, but because of the people who don't do anything about it"
- Albert Einstein

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.CCL:D(T/O):c-1:Corresp./02/661

Date:08.11.02.

To
The GMs/CGMs-Barka-Sayal, Argada, NK, Piparwar,
Argada, Kuju, H.Bagh, Rajrappa, Rajhara, Kargali, Dhor,
& Kathara.

All HODs of CCL, Ranchi.

Dear Sir,

C.M.D. desires that in future whenever a proposal for sanction is initiated, the amount of money must be written both in words and figures.

Yours faithfully,

Sd/-
Chief General Manager (Oprns.)

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.

Date 1.1.2004

Confidential

To
The Chief General Manager,
Argada/Barka-Sayal/NK/Piparwar/
H.Bagh/Rajrappa/Dhori/Kargali
The General Manager,
Kathara/Kuju/Rajhara.

Sub: Docketing of Official papers.

Dear Sir,

Your attention is invited to CMD's Office Order No.CMD/CCL/A08/2K/1249 dated 23rd Dec 02 and my Office Order No.CCL:D(T/O):Conf:08:374 dated 7.8.03 on the above subject. Vide above Office Orders, you were advised to ensure that all Official papers must be docketed properly before it is dispatched. In this connection, I regret to inform that the instructions are not being followed in some of the areas.

Recently, in one of the Area a case of payment to a contractor fraudulently has been detected, resulting in imprisonment of some of the officers. It is reported that in contravention of the instructions issued in the past, bills concerning payment to the contractor were moved by hand to hand.

Hence, you are again strongly advised to ensure that all papers/letters/dak etc are henceforth properly docketed in the receipt/dispatch register as well as peon book and moved from one Deptt to other Deptt of concerned officials through official dak. In no case any dak/letter should be given into the hand of the outsiders.

Action taken and arrangements made may please be intimated.

Yours faithfully,

Sd/-
(V.K. Singh)
Director(Tech/Opns)

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.T/PP/Tender/05/246-64

Dated 04.05.2005

To
All Area CGMs/GMs, Hazaribagh,
CGM(MM)/GM(C)/
GM(S&M).

Sub: Open Tendering Process on Approved and Latest Scheduled Rates.

Dear Sir,

It has been revealed that proposals for Civil/Purchase jobs are being bifurcated in such a way to avoid open tendering process. Moreover, the estimates are not being prepared as per the latest Schedule of Rates. Therefore, you have been directed to ensure that bifurcation of the work must not be done and estimates should be prepared only on the basis of approved and latest schedule rates of the company.

Open Tendering is defined as a wide publicity, - Tendering should be done as per Purchase/Civil manual including publication in web sites. Hence, publicity is being made to give equal opportunity to all the persons interested in executing the work/supply of materials. Strict compliance of the process should be ensured.

Yours faithfully,

Sd/-
(B.K. Sinha)
Director Technical (P&P)

Copy to:

1. CGM(Excv), CCL
2. CGM (Ws), CCL

cc to:

CMD
Dir.Tech (Opns.)

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.CCL:D(T/O):07/Guideline/23/203

Date:09.02.07

CIRCULAR

Following should be observed in all the files:

1. Name of the initiating Officer with designation, department, subject and date should be clearly mentioned on the first page of the note sheet.
2. File movement record on the back side of the file cover should be entered into at every stage of the file movement.

Date	From	To	Signature

3. All the pages should be numbered serially and no blank space should be left. If any side of the note sheet is left blank, it should be crossed.
4. Officials must put their name and designation legibly below the signature.
5. All noting should be in legible hand writing. If some one's handwriting is not legible, the noting must be got typed. Scribbled not in a haste with illegible writing should be avoided.

Sd/-
(A.K. Singh)
Director(Tech/Opns)

Distribution:

- 1) All CGMs/GMs of the Area
- 2) All HODs of CCL HQ

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.DT(PP)/07/170

Dated 25.04.07

CIRCULAR

It is observed that proposal on Notesheets are initiated and examined by various executives below Board level at Hqrs., Area and Colliery levels without writing their name and designation below their signature. This wrong practice/habit is to be stopped forthwith. All below Board level executives are advised that henceforth they must write their name and designation below their signature without fail. This should be complied with strictly.

Sd/-
(RK Saha)
DIRECTOR TECHNICAL (P&P)

Distribution:

All HODs of Hdqrs./HOD(MM), HOD(S&M), Kolkata.
All CGM/GM of Area. Rajrappa
GM, Mines Rescue Station, Ramgarh.
GM, CWS, Barkakana,
CMS, CCL, Ranchi.

Copy for kind information:

CMD, CCL, Ranchi.
DT(O), CCL, Ranchi.
D(F), CCL, Ranchi.
D(P), CCL, Ranchi.
CVO, CCL, Ranchi.

**INTERNAL CIRCULARS/
GUIDELINES**

OF

CMC DEPARTMENT

CCL

The price of freedom is eternal vigilance."
- Thomas Jefferson

CIRCULAR

No.CCL/CGM(CMC)/Circular/CTE/2008/910

Date:05/08.08.08

Listed below are some of the points as observed by the Chief Technical Examiner of CVC during intensive examination of one of the contract related to transportation of coal of CCL:

- 1) Original contract agreement was found kept in a loose folder. It was not bound and not kept under sealed cover. Also every page including pages detached NIT & GTC was not signed by the concerned agreement signing authority. It is, therefore advised that the original agreement duly signed must be kept sealed to prevent tampering.
- 2) Team observed that copy of the LOI/Letter of Award, copy of NIT and copy of original schedule of rate on which the contractor had quoted their final rate were not formed part of the agreement. As such copy of these documents must be made part of the contract agreement.
- 3) Serial numbering of the pages of the contract agreement must be done.
- 4) Hindrance Register:- Proper Hindrance register must be maintained. In it, date & time of occurrence and removal of a particular hindrance affecting the work must be recorded. This is required for correct assessment of demurrage amount on account of contractor's fault.
- 5) Safety measures must be observed at work site strictly. No Contractors employees should be allowed working at site without dust mask, safety shoes and safety helmets. Proper safety signs etc must be displayed at the site of work.
- 6) In the R/A bills paid to the contractors, it is found that the rates for payments have been adopted by adding the agreement rate plus escalation. This system is not in order. All the running payments should be made @ agreement rate. Escalation bill should be paid separately. From the paid bills it should be clear, what is the amount paid against the work done and the amount of escalation paid under the contract.
- 7) As per contract, vocational training under rule 1966 is being agreed by CCL for all the contractors' workers from time to time. Appropriate recoveries for organizing the training program by CCL must be made from the contractor.

In view of above, all concerned are advised to take further corrective/preventive steps and ensure the compliance of the observations with respect to transportation/outsourcing contracts under their jurisdiction.

This issues with the approval of competent authority.

Sd/-
CGM (CMC),
CCL, Ranchi

CC :

- (1) Director Technical (Operation), CCL
- (2) CVO, CCL
- (3) GM(Finance)d, CCL, Ranchi
- (4) CGM/General Manager, All Areas of CCL
- (5) Area Finance Managers, All areas of CCL.
- (6) Staff Officer (Mining), All Areas of CCL.

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.DIR/OPNS/09/VIG/Conf/12/108-30

Dated 13/23.02.09

To

The Area CGMs/GMs,

Argada/Barka-Saya/NK/Rajhara/Piparwar/Rajrappa/

Kuju/Hazaribagh/(B&K)/Dhori /Kathara, BCW Kathara.

All HODs, CCL, Ranchi

Dear Sir,

During the course of investigation by Vigilance Deptt, certain issues were highlighted which need proper attention in order to prevent re-occurrence of such lapses:

1. Siding Manager or any other authorized official of the Project should be present at Railway siding during wagon loading operations.
2. Daily/Weekly/Monthly records for maintenance of Railway Siding, cleaning of rails, trenches etc. is to be properly maintained at siding.
3. Explosive vans should be properly maintained.
4. Proper records are to be maintained at workshops in connection with outgoing & incoming electric motors which are sent for repairs to outside parties. Performance of repaired motors is also to be recorded properly.
5. It is expected from TC members that while giving recommendations for award of certain works, they shall give an undertaking that the contractor is not related to them. Guidelines from CVC in this respect has already been issued vide their Office Order dt. 9.12.05.

You are advised to ensure compliance of the guidelines and other statutory obligations in this regard.

Yours faithfully,
Sd/-

(T.K. Nag)
Director (Tech/Opns)

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.D(F)/CCL/F-43.2/2009/86

Dated 26 February 2009

To
The Director (Technical/Operation),
Central Coalfields Limited,
Ranchi

Sub: Price variation clause - Clause 37.0 of Special terms &
conditions related to transport contracts.

Dear Sir,

It is observed that the Clause 37.0 of the special terms & conditions for the transport contracts in CCL regarding the price variations stipulates, among others, that compensation for price variation will not be paid where the tender period is upto six months. Contrary to such stipulation in the NITs prepared by the CMC Department, CCL, the payment of escalation should actually be governed by the contract period and not by the tender period. In fact, the said clause had been modified through a Board decision of CIL (224TH meeting held on 24.01.2006), which was communicated by CMD, CCL to the FDs of CCL through his endorsement dated 6 March 2006.

In view of above, it is requested that you may kindly advise CGM (CMC) to prepare NITs strictly in compliance with the extant provisions of the clause 37.0 of the Contract Management Manual (Transport Contract) as referred to above. Accordingly, the TC member may also be advised to adhere to the guidelines of the Contract Management Manual.

Yours faithfully,

Sd/-
(Dr A.K. Sarkar))
Director (Finance)

Copy for kind information:

1. CMD, CCL

For compliance:

2. CGM(CMC)
3. CGM(F)
4. CFM(HQ)
5. CFM(OP)
6. CFM(P&P)
7. CIA

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.CMD/CCL/--/09/565-92

Dated 28.2.2009

Circular

It has been noticed that in some of the NITs contradictory clauses are incorporated leading to unacceptably anomalous situation. For instance, in a few NITs clauses related to taxation are placed in different sections of the NIT and such clauses are contradictory to each other. Apart from causing difficulty in the implementation of the contract even the situation of securing undue advantage to the contractor also cannot be totally ruled out. Placement of such misaligned and contradictory clauses may be due to oversight or even sheer negligence and non application of mind by the NIT preparing and approving authorities.

However, such situation is entirely unacceptable and has to be rectified immediately. In view of this following guidelines are issued for strict compliance:

- a. There should not be any contradiction amongst various clauses of the NIT relating to a particular issue.
- b. All the clauses related to a particular issue should be grouped reviewed at appropriate competent level to ensure that there are no ambiguities or contradiction amongst various clauses.
- c. The standard NIT formats in use at CCL should be reviewed at appropriate competent level to ensure that there are no ambiguities or contradiction amongst various clauses.
- d. In case any NIT is to be framed with some deviation from the standard format then reasons for such departure should be clearly recorded and approved by the competent authority.
- e. Before issue of any NIT it must be vetted by the concerned issuing authority to ensure that there are no ambiguous or contradictory clauses in the NIT.

All NIT approving authority for various contractual works are advised to ensure compliance of the above guidelines. Any deviation/irregularity, if found, after issue of the circular will be viewed seriously and if warranted suitable disciplinary action may also be initiated against the officers found responsible for the same.

This circular should be widely circulated to al the concerned authorities by respective HODs/Area GMs.

Sd/-

(RK Saha)
Chairman-cum-Managing Director
CCL, Ranchi

Distribution:

CGM, CMC/Civil/MM/Excavation/E&M/P&P/S&R
All Area CGMs/GMs/GM(CWS)/Mines Rescue

Copy to:

D(F)/DT(O)/D(P)/DT(P&P)/CVO, CCL

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

Ref:CMD/Integrity/Pact/09/M-12/726-75

Dated 23rd March, 2009

Guideline for Implementation of Integrity Pact in the contracts of CCL

CCL has signed MOU for implementation of Integrity Pact with Transparency International India with a view to bring transparency in finalization of contracts. To ensure complete and effective implementation, it is suggested that following steps may be taken at our end in cases of such contracts which require approval of CMD, CCL and above:-

- At pre-NIT stage itself names of the full panel should be processed for inclusion in NIT.
- Name and address of IEMs should be mentioned in the NIT.
- Copy of NIT and retainer ship as per order of CIL dated 31.12.2008 should be sent to IEMs immediately.
- A monthly report as per enclosed format should be provided to Vigilance Department.
- IEMs should be kept informed about progress of finalization of NIT at various stages. For example, after opening of part-I of NIT details of bidders may be sent to IEMs; at subsequent stage names of all bidders qualified for opening of part II bids should be communicated to IEMs.
- After award of work a copy of work/supply order should be forwarded to the IEMs.
- Up date details of contracts under IP along with name and contact details of IEMs should be made available on CCL web site.
- Complaints, if any, received in respect of contract falling in purview of IP should be immediately forwarded to IEMs, suitable information and copy of complaints should also be sent to Vigilance Department of records.
- A copy of the report of IEM based on any complaint received by him or on suo motto action along with action taken thereupon should be sent to the Vigilance Department.

Sd/-

(RK Saha)

(Chairman-cum-Managing Director)

Encl: as above.

Copy to:

1. DT(O),CCL
2. DT(P&P), CCL
3. D(P), CCL
4. D(F), CCL
5. Company Secretary, CCL

Circulation to:

1. All CGMs/GMs of CCL Areas.
2. All HODs, CCL HQ, Ranchi.

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.CGM(CMC)/CCL/Circular/Overloading/2009/906

Dt.15/20.06.09

Circular

Matter of overloading of coal in tipping trucks engaged in coal transportation in some of the Areas of CCL has been brought into the knowledge of the management. In this regards it is incumbent upon all officials associated with execution monitoring and supervision of the transportation works in the company to ensure strict observance and compliance of the stipulations of GT C no.3.7 (Spl. Condition) applicable to transportation contracts in CCL.

As per it the trucks shall be loaded only upto its carrying capacity and shall not be overloaded under any circumstance.

All concerned must ensure strict compliance of the provision of the contract.

Sd/-
(Avtar Krishan)
Chief General Manager (CMC)

Copy to:

1. CMD, CCL, Darbhanga House, Ranchi-For kind information.
2. Director Technical (Operations), CCL- For kind information.
3. Director (Pers.), CCL- For kind information.
4. Gm(S&R), CCL-For kind information.
5. All CGM/GM of the Area of CCL- For kind information & necessary action.
6. All AGM/SO (Mining) of Areas of CCL- For kind information and necessary action.

Coal India Limited
VIGILANCE DIVISION
15, PARK STREET, (6TH FLOOR)
KOLKATA - 700 016

Ref.No.CIL:VIG:IVA:126/273

Date 09.05.2006

CIRCULAR

Corrigendum to tender notices are being issued from time to time against published notices inviting tender. In order to bring transparency in the matter, the following are required to be observed henceforth.

- a) Corrigendum except for change of dates or correction of address etc should not be issued. However, if a corrigendum is published after commencement of sale of tender documents regarding change of dates or address etc then a copy of the corrigendum is published after commencement of sale of tender documents regarding change of dates or address etc then a copy of the corrigendum is to be sent to those, who have already purchased the tender documents, by speed post or otherwise deliver the corrigendum under a receipt of acknowledgement by any other lawful means.
- b) If date of submission of tender or price bid opening is to be changed, then the last date of submission of the tender should be suitably extended to allow the tenderer the same time period for submission of tender as originally indicated.
- c) No corrigendum in respect of change in scope of work, quantity and estimated value of work or any other specific condition shall be issued. If any such change becomes essential then a fresh NIT should be issued notifying cancellation of earlier NIT.
- d) The information pertaining to (a), (b) and (c) above is to be simultaneously incorporated in the Website.

This has approval of the Chairman, CIL.

Sd/-9.5.06
(Shashi Kumar)
Chief Vigilance Officer

Distribution:

- 1) Chairman-cum-Managing Director,
ECL/BCCL/CCL/WCL/MCL/SECL/NCL/CMPDIL.
- 2) Director(Tech),CIL/Director(Finance),CIL/Director(Mktg.),
CIL/Director(Personnel),CIL.
- 3) Chief Vigilance Officer, ECL/BCCL/CCL/WCL/MCL/SECL/NCL/CMPDIL.
- 4) GM(MM), CIL/GM(Civil), CIL/GM(Admn.), CIL- They may circulate among their counterparts in the subsidiaries.
- 5) TS to Chairman, CIL.
- 6) All Officers of CIL, Vigilance Division.

**INTERNAL CIRCULARS/
GUIDELINES**

OF

E&M DEPARTMENT

CCL

A small leak can sink a great ship."

- Benjamin Franklin

WIRELESS

DT: 01.7.2002

FOR : SO(E&M) ALL AREAS
RPT : GM, CWS BARKAKANA
RPT : PO RWS BHURKUNDA
RPT : DY CE(E&M) GIRIDIH
FROM: KK JHA, GM(E&M) INCHARGE, CCL, RANCHI

INDSUTRIAL ENGG.DEPTT. HAS DONE A WORK STUDY OF ELECTRICAL REPAIR SHOP CWS BARKAKANA WHEREIN THEY HAVE FOUND THAT THE CAPACITY OF ELECTRICAL REPAIRL SHOP OF CWS BARKAKANA IS AS FOLLOWS:

MOTORS - 375 Nos.
TRANSFORMERS - 400 KVA & ABOVE – 30 Nos.
AC Motors - 90KW & ABOVE - 85 Nos.

ALL THE ELECTRICAL REPAIRS OF AREA'S MOTOR AND TRANSFORMERS BELOW 90 KW & BELOW 400 KVA RESPECTIVELY ARE TO BE TAKEN UP BY RWS BHURKUNDA (.) PO RWS WILL ASSESS THE TOTAL CAPACITY WHICH HE CAN UNDERTAKE FOR REPAIR OF TRANSFORMERS AND A.C. MOTORS OF AREAS (.)

DY CHIEF ENGINEER(E&M) GIRIDIH WORKSHOP WILL ALSO ASSESS THE ANNUAL CAPACITY OF DIFFERENT WORKS WHICH CAN BE UNDERTAKEN BY THE GIRIDIH WORKSHOP AND PREPARE AN ESTIMATE FOR SUCH REPAIR REGARDING MATERILAS REQUIREMENT ETC. (.)

NTT

GM(E&M)/Repairing at Trans/02/5355-69 dt 3.7.02

Sd/-
(KK Jha)
General Manager(E&M) Incharge

Post confirmation copy to:

1. SO(E&M), All areas.
2. GM, CWS, Barkakana.
3. PO, RWS, Bhurkunda.
4. Dy CE(E&M), Giridih.

CENTRAL COALFIELDS LIMITED
OFFICE OF THE CHIEF GENERAL MANAGER(E&M)
DARBHANGA HOUSE:RANCHI-834 001

No.CCL/CGM(E&M)/Vehicle/07/859-82

Dated 16.3.07

To
The Staff Officer(E&M)
All Areas.

Sub: Procedure/Guidelines to be followed for 'REPAIR OF OLD LIGHT/HEAVY VEHICLES' at Area level.

Dear Sir,

Please find enclosed herewith Procedure/guidelines to be adopted by All Area S.O.(E&M)s for "Repair of Old Light/Heavy Vehicles" at Area level. The proposal shall be submitted to this office only when the estimated expenditure exceeds the DOP of Area CGM/GMs. The History sheet as per enclosure shall be filled up and signed by all concerned and shall invariably be enclosed with the repair proposal. This is in addition to Rules and Procedure being practiced. In connection with other required formalities being observed at Area level. All Staff Officer(E&M)s are requested to circulate the Guidelines in respect of repair of old vehicles to all the Engineer(E&M)s working/posted in the Area and ensure that it is percolated down to concerned E&M Engrs and duly acknowledged for needful action.

The receipt of the above may be acknowledged.

Yours faithfully,

Sd/-
Chief General Manager(E&M)
CCL, Ranchi

CC to : 1. D.T.(O), CCL, Ranchi for kind information
2. CGMs/GMs, All Areas, CVO, CCL HQ – for kind information.

PROCEDURE TO BE ADOPTED FOR REPAIR OF OLD VEHICLE (LIGHT/HEAVY VEHICLES)

1. A departmental estimate shall be prepared and forwarded to Hqrs only if the estimated expenditure exceeds the DOP of Area CGM/GM i.e. Rs.20,000/- or Rs.30,000/- per annum per light vehicle or heavy vehicle respectively as the case may be, detailing out the need for repair of the vehicle with reason/need/justification of repair through outside agency.
2. “The estimate shall be prepared as per format in the history sheet attached with details as per 7(a)I, II, III & IV with complete technical specification in the scope of work.
3. The HISTORY Sheet is to be filled up as per format enclosed and duly signed by all concerned.
4. The proposal with note sheet shall be submitted for obtaining Administrative approval of DT(O) with the following details:-
 - I) Inability certificate i.e. work cannot be done departmentally
 - II) A) Analysis of each item of Scope of Work of the estimate (with documentary evidence) by the concerned Estimate initiating Engineer(E&M) shall be recorded. (b)Estimate for the work to be executed duly recorded with its basis and reasonability of rates taken in the estimate for different items.
 - III) Concurrence and vetting of the estimate by A.F.M. of the Area and CGM/GM of the Area.
 - IV) Urgency certificate for the proposed repair.
 - V) Post expected repair life of the vehicle after the proposed repair.
 - VI) Techno-economics of the proposed repair cost as compared with the present cost of the New Vehicle. The total cost of the repair shall include (a) The estimated repair cost in the instant proposal + (b) Repair cost already incurred during the present Financial Year + (c) Cost of spares to be provided departmentally/Cost of spares issued during the year.
 - VII) The proposal shall be duly certified for provision of required fund by Area Finance Manager.
5. After obtaining the Administrative approval from competent authority, it may be processed for issue of Tender Notice at “AREA LEVEL”, as per Contract Management Manual for carrying out such contractual repair jobs, “observing all required formalities as per rules and procedure”. The following guidelines are to be followed strictly while inviting ‘Notice Inviting Tender’:
 - I. Preparation of Tender documents/NIT Document.
 - II. Tender document shall include the following details;
General terms and conditions of the contract including commercial terms, prequalification criteria/Eligibility criteria with definition of similar work experience, EMD/SD Clause and DGS&D/NSIC/Governemnt approved certificate for carrying out such repair jobs and CST/JST/VAT/ documents as

applicable and Documents related to the firm for registration/Partnership Deed, Power of Attorney or Proof of Proprietorship etc. Proof of Labour Licence/Documents related to Service Tax registration etc may also be included. The estimate shall include "Complete Technical specification in the scope of work" as per 7(a) I, II, III & IV as per History sheet.

- III. Minimum period for submission of quotation/Tender as 5 Days, counted from the day next to the day of issue of tender notice. The tender shall be opened on scheduled date and time in the presence of Finance Member.
- IV. Minimum eligibility criteria shall be mentioned in the Tender Notice with the terms mentioning that such documents/experience are to be attached with the offer in Part-I, the period of experience should not be beyond 3 years counted from the date of issue of the Tender Notice.
- V. The Tender Notice shall be distributed and displayed in all leading Notice Boards of all Projects/Area office and copies may be sent to CCL Hqrs/Other Areas of CCL for display. Care shall be taken to ensure that the Tender Notice is put up in respective Notice boards.
- VI. S.O.(E&M) shall record the status of technical scrutiny and reasonability of rates with recommendation thereof at the time of finalization of the "Tender at Area level.

CENTRAL COALFIELDS LIMITED
 AREA

(History sheet format for repair of Old Vehicle)

1. Name of the Project/Colliery
2. Type of Vehicle/Make
3. Registration No. of the Vehicle
4. Year of Purchase
5. a)Date of Commissioning
 b)Engine No.
 c)Chasis No.

6. PREVIOUS 3 YEARS EXPENDITURE/KM Run/POL etc.

Date of Repair	Details of Repair Work done	Expenditure incurred-Rs.	Km Run	POL
2004-05				
2005-06				
2006-07				

7. Nature & details of repair proposed with complete technical specification in the scope of work.

I)List of Materials required in the repair (Both for spares to be provided departmentally and to be included with the repair job separately)

Sl. No.	Scope of work with complete technical specification/part Nos.	Qty	Rate	Value: Rs.

II)List of Repair Jobs (Mechanical) required in the repair:

Sl No	Scope of work with complete technical specification/Part No. if any	Qty	Rate	Value: Rs.

III)List of Repair jobs (Electrical) required in the repair:

Sl No	Scope of work with complete technical specification/Part No. if any	Qty	Rate	Value: Rs.

IV)List of Repair jobs (Other Misc Works) required in the repair:

Sl No	Scope of work with complete technical specification/Part No. if any	Qty	Rate	Value:Rs.

Total Rs.

7(b)Expenditure already incurred upto date (Current year) Rs.

8.STATUS OF THE VEHICLE:

- I. PRESENT CONDITION OF ENGINE & CHASIS :
 - II. DATE OF BREAKDOWN/DETAILS OF b/d etc :
 - III. WHETHER THE VEHICLE IS IN RUNNING CONDITION? :
 - IV. WHETHER THE VEHICLE IS SURVEYD OFF? :
- (If yes, a copy of survey off report shall be enclosed.)

Sig. of SE(E&M)

Sig of PE(E&M)

Sig. of FM

Sig. of SO(E&M)

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.CGM(E&M)/Rep.motor/transformer/09/643-65

dt. 25.03.2009

To
The Staff Officer(E&M)
All Areas.

Sub: Fresh guideline/procedure to be followed for repairing /rewinding of transformer & motors at area level.

Dear Sir,

Please find enclosed herewith fresh guidelines/procedures duly approved by competent authority which are to be followed by all area Staff Officers (E&M) for repairing/rewinding of transformers & motors at area level. The proposal shall be submitted only when the estimated expenditure exceeds the DOP of areas CGM/GM. The check list as per enclosure shall be filled up item-wise and signed by all concerned and shall invariably be enclosed with the repair proposal. This will remain effective till further orders.

This is in addition to rules and procedure being followed in connection with other required formalities being observed at area level.

All Staff Officers (E&M) are requested to circulate the guidelines in respect of repair of transformers & motors to all the Engineers(E&M) working in the area and ensure that it is percolated down to concerned E&M engineers.

This will supersede earlier guideline vide No.CGM(E&M)/Rep. of transformer/07/1348-70 dt.12.04.07.

The receipt of the above may be acknowledged.

Encl: As above.

Yours faithfully,

Sd/-
(K.P. Singh)
Chief General Manager(E&M)

CC: 1. CGMs/GMs, All Areas
2. TS to Dir(T)(O), CCL, Ranchi
3. CFM(O), CCL, Ranchi

**PROCEDURE TO BE ADOPTED FOR REPAIRING OF MOTOR AND TRANSFORMER
REQUIRED FOR APPROVAL OF COMPETENT AUTHORITY**

1. A departmental estimate shall be prepared and forwarded to HQ only when the repairing cost of transformer and motor exceeds 15% of the current equipment cost with reason/justification for getting the job done through outside agency.
2. The estimate shall be prepared as per the format given below with complete technical specification of wire, insulation and all other required material.

		Weight (Kg)	Rate Rs/Kg	Total Value
a)	Cost of copper winding/strip for Total weight (size of wire shall be given).			
b)	Insulating material cost in % of the cost component of the copper wire/strip			
c)	Labour charges with other incidental charges for small items etc of the cost component of the copper wire/strip			
d)	Less scrap value in % of the cost component of copper wire/strip			
e)	Any other major items The detailed technical specification item wise and reasonability of rates adopted in the estimate with supporting documents may be linked specifically.)			

- N.B. I. As per the prevailing norms the rates for item (b) & (c) should be taken as 15% of the cost of new copper wire while the scrap value should be taken as 60% of the new copper cost instead of 43.5% as prevailed earlier.
- II. The rate of new copper wire shall be as per RC for the same prevailing at the time of processing.
3. N.O. certificate from CWS, Barkakana/RWS Bhurkunda having Sl.No. of transformer/motor, showing their inability with reasons for not undertaking the job departmentally.
 4. Check list duly signed by all the concerned officials and filled in item wise.
 5. The proposal with note sheet shall be submitted for concurrence of Dy CFM(O) and approval of D(T)(O) with full following details:
 - a) Reasonability of rates item wise specifically.
 - b) Percentage repairing cost against the current replacement value.
 - c) Urgency certificate for proposed repairing
 - d) Post expected repaired life of the equipments in years specifically.

- e) The fund for repairing shall be suggested by area. If not available in the area, the proposal may be processed with comments that no fund is available at area level and same may be certified by AFM of concerned area.
 - f) The proposal along with estimated amount shall be concurred in by AFM and recommended/approved by CGM of the respective area.
 - g) The rates of the items may be taken uniformly and if there is any variation, the same shall be indicated specifically with reasons of variation in rates.
6. After obtaining the administrative approval from competent authority, the proposal may be processed for other tender formalities as deemed fit at area level as per the contract manual for carrying out such contractual repair jobs, observing all required formalities as per rules and procedures.”

CENTRAL COALFIELDS LIMITED
(A Subsidiary of Coal India Limited)
Darbhangra House, Ranchi - 834 001

No.Dir(Tech/Opn)/23/04/91

Dated 17.01.2004

To
The CGM/General Manager,
Argada/Barka-Sayal/Hazaribagh/Dhori/Piparwar/NK/
B&K/Rajrappa/Rajhara/Kuju/Kathara/CCW/, Kathara/
CWS, Barkakana.

Sub: Procedures to be followed at Diesel Dispensing Units in respect of receipt, issue and consumption of diesel.

Dear Sir,

During an Investigation by the Vigilance Department of CCL, certain irregularities were observed in a Diesel Dispensing Unit of one of the Areas. In order to plug down those irregularities, the following procedure should be strictly followed in all the Diesel Dispensing Units of CCL:

1. A decantation committee should be constituted by the Project Officer for Diesel Dispensing Units. The Committee should consist of one executive from Excavation or E&M or Store discipline and one security personnel. This Committee shall be responsible for unloading of diesel tankers in the diesel tanks of the Diesel Dispensing Units.
2. Horizontal platform should be constructed at all Diesel Dispensing Units of areas, so as to measure the exact quantity of diesel in the tankers received from the suppliers.
3. The approved plan of the tanker should be checked by the Decantation Committee member before unloading the diesel so as to know the correct position from where the dip measurement is to be taken.
4. The chart provided by the Weight and Measure Department for each chamber of the tanker should be checked before the readings are taken. The dip reading should be recorded in the Dip Register maintained for the purpose in the Format enclosed as annexure-I and signed by the committee members.
5. The procedure laid down in the Store Manual concerning receipt and issue of diesel should be strictly followed.
6. Entry of incoming and outgoing tankers should be made in the Security Register kept at Security Check Gates.

7. At the opening and close of the diesel pump, dip reading of all the tanks should be taken and recorded in the register and signed by the person authorized for the purpose by the Depot Officer.
8. At the opening and close of the diesel pump, Flow meter reading should also be taken and recorded in the register and signed by the person authorized for the purpose by the Depot Officer.
9. The difference in the issue of diesel as per Flow Meter and dip reading should be examined, analysed and reviewed every day by an executive authorized for this purpose.
10. The requisition for issue of diesel should be handed over to the store personnel at the Diesel Dispensing Unit before issue of diesel. Under no circumstances, diesel should be issued without proper requisition.
11. Service Vans/Diesel Bouzers used for filling of field equipments should be placed under the user department. Diesel issued to such service Van/Diesel Bouzer shall be treated as Out of Book Stock.
12. Regular calibration of Dispensing Unit Pumps and metering units should be done as required under Statute/Store Manual.
13. In let pipes of underground storage tanks should be sealed.
14. The nozzles used for issue of diesel should be kept sealed under lock and key after issue hours.
15. Copy of the entries made in Dip Register maintained under Sl. No.(4) and (6) should be submitted daily to the Project Officer and Excavation in charge of the project.
16. Store staff posted at Diesel Dispensing Unit should be rotated every one year.
17. CGM/GM of the Area should constitute a committee which will conduct quarterly checks at Diesel Dispensing Units of the Area. A copy of the report of the committee should be sent to the undersigned.
18. Hour Meter shall be fitted in each and every HEMM and its operation should be ensured and all HEMMs' diesel tanks should have proper locks.
19. A Committee should be constituted by the Project Officer which will determine periodically the average hourly consumption of diesel in different types of HEMM and will submit the report to the Project Officer. A copy of this report should be; marked to the CGM/GM of the Area and Staff Officer(Excavation), who will take corrective measures as required. A copy of this report should be given to Chief General Manager (Excvn.),CCL, Ranchi also.
20. An Excavation Engineer should be authorized by the Project Officer who will examine and analyse the daily consumption of diesel by each HEMM based on the

quantity of diesel issued, working hours, trips made and compare it with average consumption as determined by the Committee constituted under clause (19) above.

21. Proper haul road gradient, washing and greasing of HEMM, maintaining HEMM in top Start Condition, proper tyre inflation etc should be ensured for bringing improvement in diesel consumption.
22. A Monthly report of receipts, issue, consumption etc. should be prepared and submitted to Staff Officer(Excavation) of the area, who shall work as Nodal Officer for this purpose.
23. The Nodal Officer should bring to the knowledge of the CGM/General Manager of the area of there is any major discrepancy in quantities.
24. To have a proper control over the specific diesel consumption, a check list given in enclosed Annexure-II should be enclosed with every pay order for HSD purchase. The check list shall be examined by the Nodal Officer [S.O. (Excvn.)] and only after his recommendation, the Pay order shall be issued by Finance Department of the Area. If the Nodal Officer feels that there is abnormally high consumption of diesel, he should bring it to the knowledge of the CGM/General Manager of the Area.

Yours faithfully,

Sd/-

(VK Singh)

Director (Tech) (Operations)

Encl: As above (2 nos. Format)

Copy to:

1. The CMD, CCL, Ranchi
2. The CGM(MM) , CCL,
3. The Chief Vigilance Officer, CCL, Ranchi Ranchi: with ref. to Note No.Vig./CVO/(Sectt)/FM/03/83 dated 12/29.12.2003.
4. The Chief General Manager(Excvn) , CCL, Ranchi
5. The Chief General Manager(Operations), CCL, Ranchi
6. All Depot Officers.

Annexure-I

HSD Issue statement with 1st Pay Order of every month

Project/Colliery

A. Details of Production and Diesel Factor :

Sl.no.	Description	Budget	Actual	Last year Actual
1	Coal Production in '000' tone			
2	Contractual Coal Production in '000' tonne			
3	OBR Production '000' litres			
4	HSD in Kilo liters			
5	HSD Factor in litres/cubic meter			

B. Details regarding H.S.D balance and purchase:

Sl No.	Description	HSD in Kilo liters	HSD value Rs. In '000'
1	Opening balance on 1 st day of the previous month		
2	Add. Purchase for last month		
3	Less total issued for last month		
4	Closing balance on last day of month		

C. Indenting of H.S.D from date..... To..... date

D. Details of issue for previous month:

Sl No.	Description	HSD in Kilo liters	HSD value Rs. In '000'
1	Production purpose- (Drill, Dozer, Shovel, Payloader, etc)		
2	Dept. transportation of coal & OBR(Dumpers)		
3	Service vehicles- (Truck, School Bus, Jeep, Van, etc)		
4	Others, if any (specify)		
Total Issued			

E. Details of last checking of pump & calibration carried out by oil company.....

Signature of Depot Officer

Signature of Project Officer

DIP REGISTER

Date-----

Colliery -----
Stores-----

Position of Daily Physical Measurement

Pump No.	Totaliser	Meter Reading	Dip	Factor	Litres
----------	-----------	---------------	-----	--------	--------

- 1.
- 2.
- 3.

-----	-----
Ground Balance(Physical)	----- Litres
Kardex Balance	----- Litres
Difference	-----

Dip was taken by me today at and physical balance of Litres found in Underground Storage Tanker(s).

i.
ii.
(Signatures)

II. Receipts of Tankers

- 1 Tanker no..... 1.Tanker refilled by Oil Comp. on----- at-----
- 2 Challan-cum-invoice.....
- 3 Dated 2. Tanker arrived on at
- 4 Qnty. as per challan 3. Tanker decanted on at
- 5 Quantity as per actual measurement
- 6 Difference
- 7 Oil Comp. intimated by letter no..... dt.

Decantation of Tanker

Dip as per challan	Dip	Factor	Litres
-----	-----	-----	-----
Actual Challan			
Difference	-----	-----	-----
			-----Shortage-----

III. **Group Balance** litres
 Received today litres
 Total Litres
 *Less Kardex Balance litres

Issued during the day Litres

*This portion should be filled up next day morning with reference to stores records.

Signature

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.DIR/OPNS/2010/11/1142

Dated 10.05.2010

To
The Area CGM/General Manager,
Barka-Saya/Argada/NK/Rajhara/Piparwar/
Rajrappa/Kuju/Hazaribagh/(B&K)/Dhori /Kathara/
BCW Kathara/CRS, Barkakana

Dear Sir,

Sub: Procedures to be followed at Diesel Dispensing Units in
respect of receipt, issue and consumption of diesel.

In continuation to this office letter No.Dir(Tech/Opn)/23/04/91 dated 17.01.2004 (copy enclosed for ready reference), on the above subject, it is to further inform that in some of the DDU, some deviations were noticed. It is, therefore, once again advised to implement the guidelines fully circulated vide above referred letter so that following violations are not repeated in future:-

1. Procedure lay down in the store manual concerning receipt and issue of diesel must be followed.
2. There must be entry in the security register in respect of incoming and outgoing tankers.
3. Difference in the issue of diesel as per flow meter and dip reading must be examined and reviewed every day by an authorized executive.
4. Diesel should not be issued without proper requisition.
5. Calibration of dispensing unit pump and metering units as required under statute/store manual must be done as per schedule.
6. Copy of the entries made in the dip register maintained must be submitted daily to Engineer Incharge as well as Project Officer.
7. Committee must be constituted in the areas, if not done earlier, to conduct quarterly check at the DDU and copy of quarterly check report must be sent to the undersigned by Area CGM/GM concerned.

8. A committee must be constituted by the Project Officer, who will determine periodically the average hourly consumption of diesel in different machines and the committee must submit report to the Project Officer with copies marked to Area CGM/GM, SO(ExcV)/SO(E&M), for corrective measures. A copy of the ATR in this regard must be submitted to CGM(ExcV).
9. An excavation engineer must be authorized by the Project Officer to examine and analyze daily consumption of diesel by each HEMM based on quantity of diesel issued, working hours, trips made and to compare with average consumption as determined by the committee constituted for the purpose.

You are advised to streamline the procedure, so that the guidelines circulated in this regard are strictly adhered to.

Encl: As above.

Yours faithfully,

Sd/-

(T.K. Nag)
Director(Tech/Opns)

Copy to:-

CMD, CCL, Ranchi.

CGM(MM)/CGM(Opns)/CGM(ExcV)/GM(E&M)/All Area Depot Officers.

c.c. to:-

Chief Vigilance Officer, CCL, Ranchi.

**INTERNAL CIRCULARS/
GUIDELINES**

OF

FINANCE DEPARTMENT

CCL

When good people in any country cease their vigilance and struggle,
then evil men prevail.

- Pearl S. Buck

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.DP/Sectt/23/08

Date:12.01.2007

CIRCULAR

Vide circular dated 01.04.1999 the FDs in their meeting had decided that executives of the rank of M2 and below would undertake travel by Rail only. In case of journey meant for training, seminars or conference workshop, they were advised to undertake by AC-II or below.

Accordingly, the matter was discussed in the 2006:21st FDs meeting held on 29.12.2006 wherein it was decided that the earlier restrictions imposed by the FDs in their meeting held on 11.06.1999 with regard to the journey by Air/Flight during official tour stands withdrawn and all such journey would henceforth be governed by the extant rules of Coal India Limited.

All are requested to kindly implement the above instruction with immediate effect.

Sd/-

(Ajay Kumar)
Director (Personnel)

Distribution:-

1. All CGMs/GMs of the Areas
2. All HODs at Ranchi/Kolkata
3. All SO(P) of Areas
4. All AFMs of Areas

Copy for kind information to:

All FDs, CCL.

**INTERNAL CIRCULARS/
GUIDELINES**

OF

MISCELLANEOUS

CCL

Corruption is like a ball of snow , once it's set a rolling it must increase.

- Charles Caleb Coltan

**COAL INDIA LIMITED
Chairman's Secretariat
10, Netaji Subhas Road
Kolkata - 700 001**

No.CIL:CH:MOC/1801/(1904)

Dated 20th April, 2004

To
The Chairman/Mg. Director,
BCCL/CCL/CMPDIL/ECL/MCL/NCL/SECL/WCL.

Dear Sir,

Enclosed, kindly find herewith a copy of letter No.Secy(Coal) /04 dated 20th April, 2004 received from Secretary (Coal) for your information and strict compliance.

It may kindly be noted that Secretary (Coal) has stated in his letter that any negligence in the concerned areas will be viewed seriously and appropriate disciplinary action will be taken against officers who fail to initiate action for procurement of goods and services well in time.

Please acknowledge receipt of this letter.

Sd/-
(Shashi Kumar)
Chairman

c.c.to: Director(T)/(F)/(P)/(M), CIL, Kolkata/CVO, CIL
c.c.to: CGM, NEC, Guwahati
c.c.to: TS to Chairman, CIL

Government of India
Ministry of Coal & Mines
Department of Coal
Shastri Bhawan
New Delhi - 110 001

SECRETARY

Telephone:3384884
FAX:3381678

No.Secy(Coal)/04

20th April, 2004

Dear Shri Shashi Kumar,

I have noticed that in a number of cases tenders for procurement of goods and services by CIL and its subsidiaries are not issued in time resulting in continuance of old contracts beyond the original date of agreement. This is extremely unhealthy practice. Since information about the requirements of goods and services is fail well known, action for tendering should be initiated well in time so that processing of tenders and issue of orders is completed well before expiry of previous contracts.

Please issue suitable instructions to all the subsidiaries and officers in CIL that any negligence in this area will be viewed seriously and appropriate disciplinary action will be taken against officers who fail to initiate action for procurement of goods and services well in time.

The receipt of this D.O. letter may be acknowledged by return mail.

With best wishes,

Yours sincerely,

Sd/-
(P.C. Parakh)

Shri Shashi Kumar,
Chairman (Actg.),
Coal India Limited,
10, Netaji Road,
Kolkata.

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.CMD/CCL/09/C-28/870-930

Dt.04.04.09

Circular

1. It has been communicated earlier and again it is reminded that no file or note-sheet should be held for more than 7 working days for offering any comment/observation by any Executive either at the HQ or in Area.
2. To offer any comment or observation from the Area, it is directed that the person concerned from the Area, in turn, should be called to the HQ to make their observation at HQ itself, or else, a team of Executives/Officers from the HQ should visit Area to collect such observation/clarification. This is only to avoid delay in transition and also to ensure dealing with the file promptly.
3. Files/note-sheet movement within the Departments should be restricted to minimum. As far as practicable, clarifications may be obtained by mutual discussion and recording it during discussion itself.

All Area CGMs/GMs and HODs of HQ are directed to strictly enforce the above instructions in their respective Areas/Departments.

The above guidelines are issued with the approval of Competent Authority.

Sd/-
(AK Choudhary)
GM/TS to CMD

Distribution:

1. All FDs - for kind information.
2. All Area CGMs/GMs.
3. All HODs of HQ.

**INTERNAL CIRCULARS/
GUIDELINES**

OF

PERSONNEL DEPARTMENT

CCL

"He who passively accepts evil is as much involved in it as he who helps to
perpetrate it. He who accepts evil without protesting against it is really
cooperating with it."

- Martin Luther King Jr.

CENTRAL COALFIELDS LIMITED
(A Subsidiary of Coal India Limited)
Darbhangha House, Ranchi - 834 001

No.PD/Estb/06/2536

Dated 24/27.6.2006

To

The CGMs/GMs & SO(P)s,

Piparwar/NK/Rajhara/Argada/Barka-Sayal/Kuju/CWS, Barkakana/

Hazaribagh/Rajrappa/Dhori/B&K/Kathara/CCWD Kathara.

The CMS, CCL, Ranchi/CMO, CH Naisarai/GM, Rescure Statin, Ramgarh Cantt/

GM(Sales & Marketing), CCL Office, 15, Park Street, Kolkata.

Dear Sir,

While examining recommendations of DPC for promotion to different non-executive posts it was found that the recording of proceedings are not illustrative and most of them do not incorporate the fundamental requirements, which are listed below:

1. Reference of office order in respect of constitution of DPC issued after obtaining approval of competent authority.
2. Name of its committee members.
3. Cadre scheme of concerned discipline/designation mentioning eligibility criteria/minimum qualifications (education & technical both), mode of promotion, etc.
4. Vacancy position as per relevant Manpower Budget.
5. Bio-data of all eligible candidates as per seniority on the date of DPC.
6. Reference of all notices fixing the dates of sitting of DPC.
7. The specific criteria fixed by the committee for promotion/selection against available vacancies.
8. Lists of all candidates, seniority-wise finally appeared in the DPC.
9. Reasons for non-appearance of candidates should also be recorded.
10. Final recommendations illustrating the points of Roster Register being utilised while recommending promotion of SC/ST candidates and if there are no eligible candidates

from SC/ST, the roster points to be carry forward/brought forward i.e., backlog vacancies must be specified.

11. A separate 200 point Roster Register should also be maintained designation-wise indicating positions as at point (10) above.
12. Total consolidated list of candidates finally recommended for promotion.
13. Candidates who were not considered for promotion, reasons for the same should clearly be recorded in the remarks column of enclosed sheet as well as in concerned noting sheet.
14. Finally DPC recommendation needs to be approved by the competent authority.

You are requested to ensure that all the DPCs are conducted and proceedings are recorded strictly adhering to the above requirements & guidelines.

Yours faithfully,

Sd/-

Dy. General Manager (P&IR)

Copy to: The Liaison Officers of SC-ST of all areas as above.

Copy for information:

1. Director (Pers.), CCL, Ranchi.
2. CVO, CCL, Ranchi.

**INTERNAL CIRCULARS/
GUIDELINES**

OF

PURCHASE DEPARTMENT

Corruption will always be with us. The question is how corruption and the risk of corruption are best addressed .

- Tim Smith.

Government of India
Ministry of Coal & Mines
Department of Coal
Shastri Bhawan
New Delhi-110 001

SECRETARY

Telephone:3384884
Fax:3381678

No.Secy(Coal)/04

6th May, 2004

Dear Shri Shashi Kumar,

During my visit to Talcher and Ib Valley coalfields, I have noticed that our utilization of HEMM is far from satisfactory. Both on account of availability and utilization, we are far below normally acceptable norms. I feel that the situation may not be far different in other mines of coal companies.

2. I also noticed that in spite of very well equipped central workshop at Talcher, a large number of shovels and dumpers at Ib Valley have been frequently under brake down. Many of the dumpers and shovels do not have their hour meters functional. I was told by the line managers that hour meters have remain dis-functional for several months for want of necessary cables. They have also informed that because of undue delay in procurement it has not been possible to get hour meters functional.

3. I am seriously concerned about such under utilization of expensive machinery by the industry and its adverse impact on productivity. This is symptomatic of unprofessional management and poor work culture, and needs to be paid serious and immediate attention.

4. It is requested that Senior Technical Officers at the Board level in subsidiaries as well as CIL should intensively tour operating areas and see that problems, if any, in proper utilizations of HEMM are carefully analyzed and HEMM is put to optimum use. I have a feeling that industry can easily achieve 20 to 25% growth by better utilization of existing HEMM. I would like this matter specially covered by you and CMDs of subsidiaries in monthly D.O. letter.

5. I also feel concerned that while productivity levels are reported to be high where work has been outsourced, the same are very low where work is being undertaken departmentally. I see no reason for such a situation. When our workers are better paid and looked after they should be highly motivated and more productive.

6. Please see that all necessary steps are taken for increasing productivity of man and machines in the Industry and new bench marks are set up for improved performance.

7. Please acknowledge the receipt of this D.O. letter.

With best wishes

Yours sincerely,

Sd/-

(P.C. Prakash)

Shri Shashi Kumar,
Chairman (Actg.),
Coal India Ltd,
10, Netaji Road,
KOLKATA.

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.DIR/OPNS/2008/Vig/11/202

Date 03.05.2008

To
The Area CGM/General Manager,
Barka-Sayal/Argada/NK/Rajahara/Piparwar/
Rajrappa/Kuju/Hazaribagh/(B&K)/Dhori/Kathara.

Dear Sir,

Sub: Guidelines regarding irregularities of common nature found
in the procurement of materials at Area Level.

Irregularities of common nature have been observed in procurement of materials at Area Level. You are advised to ensure implementation of the following guidelines with immediate effect.

1. While issuing supply orders it should be ensured that all other terms & conditions governed as per “Standard terms and conditions of CCL” containing in the booklet must be enclosed with the supply order.
2. While inviting tenders, mention of major items like Earnest Money clause, Security Deposit clause, Delivery period, Guarantee/Warranty period, Liquidated Damages clause, Risk Purchase clause, Validity Period of the offer, fall clause, Jurisdiction clause etc. as per provisions of clause 6.1 of Purchase Manual must be stipulated.
3. While making Single tender enquiries at Area level prior approval of concerned Director Technical, which is in clause 2.6 of Purchase Manual, must be obtained”.

You are advised to take appropriate steps for improvement of the existing system of procurement of materials at Area level and violations/shortcomings indicated above are rectified with immediate effect under intimation to the undersigned.

Yours faithfully,
Sd/-
(R.K. Saha)
Director(Tech)/Opns.

Copy to:

CGM(MM)/CGM(ExcV)/GM(E&M)/GM(WS), CCL, Ranchi.
GM/TS to CMD, CCL, Ranchi.

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.D(F)/CCL/F-4/2008/42

8 August 2008

To
The Chief General Manager(MM),
Central Coalfields Limited,
Darbhanga House,
RANCHI.

Sub: Guidelines of CTE, CVC regarding Agency Commission.

Dear Sir,

Please refer to letter No.CIL/C2D/263 dated 19 December 2007 of D(T), CIL providing guidelines of CTE, CVC for finalization of contracts with foreign principals involving Indian agents and payment of agency commission.

You are advised to confirm whether the said guidelines are being scrupulously followed in all procurement contracts involving Indian agents of foreign principals. Please also confirm whether the said guidelines have appropriately been reflected in the NIT as well. You are also being advised that in all procurement contracts involving Indian agents foreign principals, the TC recommendation must clearly mention whether the said guidelines of CVC have been complied with.

Yours faithfully,

Sd/-
(Dr A.K. Sarkar)
Director(Finance)

Copy to:

1. CMD, CCL, Ranchi
2. D(T/O), CCL, Ranchi
3. D(T/P&P), CCL, Ranchi
4. GM(Finance), CCL, Ranchi
5. CFM(HQ), CCL, Ranchi

CENTRAL COALFIELDS LIMITED
A Miniratna Category I Company
(A Subsidiary of Coal India Limited)
MATERIALS MANAGEMENT DEPARTMENT
DARBHANGA HOUSE:RANCHI-834 001 (Jharkhand) India

Ref.No.CGM(MM)/Purchase Procedure/10/45

Date 23.04.2010

OFFICE ORDER

In order to comply with certain provisions of CIL Purchase Manual as well as Vigilance observation, arising out of vigilance investigation, all concerned are advised to ensure implementation of the following aspects without exception:

- 1) In case the Supply Order is delivered to any party by hand on a particular date, it is to be ensured that such specific date of hand delivery of Supply Order, is communicated to the Consignee & Paying Authority for calculation & deduction of admissible amount of LD from Supplier's bill against late delivery of materials, if any.
- 2) Henceforth, a copy of Supply order in respect of some critical items viz.Engg. Wireropes, Beltings, OTR Tyres, etc. should invariably be endorsed to all the Areas also so that Users are made aware of the stipulated terms & conditions imposed on the Supplier which can be invoked, if required.

This will come into immediate effect.

Sd/-

(B.K. Singh)

Chief General Manager(MM)

Distribution:

- 1) GM(S&IC), Ranchi
- 2) CMM(P), Ranchi
- 3) All Dy CMMs, Ranchi/Dy CE(E&M), Kolkata
- 4) All Purchase Executives, Ranchi
- 5) Dy CMM(S), Central Stores, Barkakana/All SO(MM) of Areas
- 6) FM(P) , Ranchi

Copy for kind information: 1)DT(O)
2)CVO, Ranchi

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE:RANCHI

No.DIR/OPNS/2009/VIG/11/63-86

Dated 30.01.2009/12.02.2009

To

**The Area CGM/General Manager,
Barka-Saya/Argada/NK/Rajhara/Piparwar/
Rairappa/Kuju/Hazaribagh/(B&K)/Dhori/Kathara, BCW Kathara.
All HODs, CCL, Ranchi**

Sub: Time bound processing of procurement.

Dear Sir,

A. At times it has been observed that processing of tenders is inordinately delayed, resulting in time and cost overruns and also invite criticism from Trade Sector. Hence, it has become essential that tenders are finalized and contracts are awarded in a time bound manner within original validity of the tender and without seeking further extension of validity. Whereas a short validity period calls for prompt finalization by observing specific time-line for processing, a longer validity period has the disadvantage of vendors loading their offers in anticipation of validity increase in costs during the period. Therefore, it is important to fix the period of validity with utmost care.

B. You are advised to fix reasonable time for the bids to remain valid while issuing tender enquires, keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the competent authority. Any delay, which is not due to unforeseen circumstances, will be viewed seriously and prompt action should be initiated against those found responsible for non-performance.

C. Cases requiring extension of validity should be rare. Under the exceptional situations where the validity period is sought to be extended, it will be imperative to bring on record in real time, valid and logical grounds, justifying extension of the said validity.

Above mentioned instructions may please be noted for immediate compliance.

Yours faithfully,

Sd/-
(T.K. Nag)
Director(Tech/Opns)

**INTERNAL CIRCULARS/
GUIDELINES**

OF

SALES DEPARTMENT

CCL

"The only thing necessary for evil to triumph is for good men to do nothing"

- Edmund Burke

CENTRAL COALFIELDS LIMITED
(A Subsidiary of Coal India Limited)
Darbhanga House, Ranchi - 834 001

No.CCL:HQ:C-4:Sectt:09/0022-72

Dated October 20, 2009

To

The Chief General Manager/General Manager,

Argada/Barka-Sayal/B&K/BCW/Dhori/H.Bagh/Kathara/Kaju/NK/Piparwar/Rajhara/Rajrappa.

Dear Sir,

Sub: Guidelines for Road Sale

Enclosed please find the guidelines of road sale formulated for dispatches of coal by road from different sale points of CCL duly approved by FDs in their 2009:21st FDs meet held on 19.09.2009 for implementation by Sales & Marketing Division of CCL (HQ) and respective Areas. The above guidelines were formulated for dispatches of coal by road in compliance with the directives of CVC/Vig. Deptt. of CCL.

All CGM/GMs of Areas are requested to instruct the officials concerned to implement the above guideline for road sale with immediate effect.

Yours faithfully,

Sd/-

(VB Sahay)

General Manager(S&M)

Encl: As above.

Copy for kind information to:

The CMD, CCL

DIR (MRKTG), CIL, Kolkata

DIR (P), CCL

DT (O), CCL

CVO, CCL

CGM (SO), CIL, Kolkata,

Sri Anand Prakash, Under Secy to Govt of India, New Delhi.

cc: Dy CSM(CSC)/ Dy. CSM(FSA/LOA), CCL

SM(RS)/SM(E/A)/SM(CSC)/FM(CSC)/SOM(RS), CCL

ASM, Argada/Barka-Sayal/B&K/BCW/Dhori/H.Bagh/Kathara/Kaju/NK/
Piparwar/Rajhara/Rajrappa.

AFM, Argada/Barka-Sayal/B&K/BCW/Dhori/H.Bagh/Kathara/Kaju/NK/
Piparwar/Rajhara/Rajrappa.

GM(S&M)

Proposal seeking approval of draft guidelines formulated for road
Sale in compliance with directives of CVC/Vigilance Deptt.

The subject proposal was discussed in the 2009:21st FDs Meeting held on 19.09.2009 and the FDs took the following decision:

After detailed deliberation, the FDs approved the proposal in principle relating to the draft guidelines formulated for road sale in compliance with directives of CVC/Vigilance Deptt.

It, therefore, requested to kindly peruse the above and take necessary action under intimation to this office.

Sd/- 15.X.09
(C.V.N. Gangaram)
Company Secretary

Encl: Relevant file/Papers.

GM(S&M)

No. CS/FDs/2009:21/22/504

Dated:12.09.09

CENTRAL COALFIELDS LIMITED
DARBHANGA HOUSE, RANCHI

WORKING PROCEDURES TO BE FOLLOWED IN ROAD SALES

1) Offer of coal for Road Sale:

- (a) Every month CCL areas use to submit grade-wise monthly offer quantity in respect of the sale points under its command for booking in the next month. This is submitted to Hrqs Sales & Marketing department by the respective Area Sales departments.

Henceforth, Area will offer sale point wise monthly quantity by 10th of every month for booking in next month after receiving offer from Project Officer and duly signed by GM of the Area in the following prescribed format. Offer should be on realistic basis keeping in view the loadability of coal at each sale point. The format is as under which will be considered as mandatory for this purpose:-

Fig in '000' Te

Sl. No.	Name of sale point	Size & Grade of coal	Pending Order as on 1 st day of month	Expected Opening stock as on 1 st day of month	Production programme during the month	Total availability during the month	Expected Qty. to be dispatched by rail	Offered Qty to be sold by Road (Monthly Offer)	Remarks
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CGM/GM of the Area

Area Sales Manager

- (b) Submission of offer in the above format within 10th of every month will be primarily the responsibility of the Area Sales Manager.
- (c) In case, the offer of any colliery in a particular month becomes less than 90% of the offer of the previous month, specific reasons for lowering down the offer in the current month must be clearly mentioned in detail in the 'Remarks' column of the above format.

2) Allotment of coal:

As per the decision of FDs, vide reference no.CS/FDs/2006:11/17/299 dated 8/9/2006, GM(S&M) has been made the authority for making allocation of coal to various types of customers.

In line with the above, based on the offer received from areas, a committee constituted by GM(S&M) makes the allocation first to FSA(Core) customers and forward the balance of total offered quantity to System Department for further allocation to FSA customers as well as E-Auction customers (for bidding). Allocation to FSA customers (non-core) as well as E-Auction customers (for bidding) is done by Systems department through an approved allocation software having logics for customized changes, if necessary [duly approved by GM(S&M)].

The allocation as stated above generated by System is approved by GM(S&M) with some exceptional cases as per the practice in vogue. The same is notified and forwarded to CSC for implementation. 15 days time is given for deposition of coal value by the Customers. On the basis of above notice, CSC generates wise, consumer wise & grade/source wise detailed allocation for the month through the installed software in the coal net system.

However, any exceptional case regarding allocation should be done only with the prior approval of GM(S&M).

3) Processing for issuance of sale order:

In case of FSA Consumers:

- (a) Allocation notice after approval of GM(S&M) is received at CSC and then entered in the system by CSC Sales officials. Based on the notice, applications are received at CSC along with following documents.
 - a) Application in prescribed format duly signed by owner/authorized representative.
 - b) Bank draft along with debit advice towards coal value.
 - c) Copy of previous sale order.
 - d) Monthly return of coal lifted in previous month.
 - e) Copy of sales tax registration in case of 2% value.
 - f) Factory running affidavit.
- (b) After receiving the applications at CSC along with demand draft and debit advice, the financial Instruments are examined with the debit advice by CSC Finance and if the same are found in order, the applications are captured in the coal net system and then demand drafts are sent to bank for clearance whereas the applications are sent to dealing officers of Road Sale section for verification. On receipt of clearance from bank and scrutiny report of applications along with supporting documents from Road Sale Section, Sale orders are printed at CSC through coal net system only.
- (c) Coal value applications along with financial instruments should be accepted at CSC only upto 3.30PM of the declared "last day" of the month in respect of FSA Customers

.After, 3.30 PM of the declared last day of the month , no application with financial instruments will be accepted in any circumstances. FSA Customers are required to ensure that the entire requisite documents along with coal value application and bank draft are deposited at CSC within 3.30 pm of the last day every month. Incomplete applications will into be accepted at CSC.

- (d) In case, any Bank Draft/financial instrument/Debit Advice received at CSC from any FSA customer on the declared last working day of a particular months, is found incorrect/defective during verification process by Sales and/or Finance officials of CSC, the customer will be allowed to resubmit the corrected/rectified instruments/documents to CSC within 24 hours with due approval of GM(S&M).
- (e) Adjustment of unlifted coal value to the FSA consumers will be given at CSC through coal net system upto 04.30 PM of the declared last day of the month.
- f) Officials of Road Sales Section must ensure completion of examination/scrutiny of the documents within 48 hours frame keeping in view all the terms of the FSA so that CSC can issue the sale orders basis immediately on realization of financial instruments by our banker. CSC Sales officials must ensure that sale orders are issued on FIFO basis immediately as per terms of FSA.

In case of E-Auction consumers:

- (a) After each E-Auction, details of successful bidders are received through e-mail from service provider (MSTC or Metal junction) conducting the e-Auction. These details are then e-mailed by the nodal officer (e-auction) at Hqrs sales deptt. to our systems deptt for entering the successful bidders details into coal net system and for generating successful bidder wise coal value statement for that particular auction. On receipt EMD from the service provided through RTGS, our banker intimates CSC for realization of EMD into our account. CSC Finance realizes EMD to all the successful bidders account through the coal net system after registration of all the successful bidders including new customers is completed in the coal net system. Then, application of e-auctions buyers along with drafts and the following documents are received at CSC.CSC officials scrutinize all such applications before capturing the applications along with coal value in the system. A computerized copy of acknowledgement for deposition of coal value is handed over to the customer. On receipt of clearance of financial instruments from our bank, sale orders are printed. A consolidated area wise list of sale orders is prepared through coal net system at the end of each working day and handed over to the representative of the Area on next day and only then original sale orders are handed over to the authorized representative of the consumer after due verification. Maximum two working days

are extended on request of the consumer for deposition of sale order in the Area without changed of validity date.

b) Documents required to submit to CSC along with coal value applications by e-auction customers:

- i) Application in prescribed format duly signed by owner/authorized representative.
 - ii) Bank draft/Pay Order (single account or multiple account) along with debit advice towards coal value.
 - iii) Notarized copy of ID Card.
 - iv) Notarized copy of sale intimation letter.
 - v) Copy of sales tax registration in case of 2% value.
- (c) On receipt of the details of successful bidders through e-mail from the service provider (MSTC or Metal junction), Registration of new bidders in the coal net system must be completed within a shortest possible time so that EMD can be made run into the individual bidders account through the system immediately on receipt of RTGS intimation from our bank for realization of EMD.
- (d) Coal value applications along with financial instruments should be accepted at CSC only upto 3.30 PM of the declared last day in respect of a particular auction. After 03.30PM of the declared last day of any auction, no application with financial instruments can be accepted.
- (e) Coal value applications along with financial instruments received at CSC upto 03.30 PM of the declared last day in respect of a particular auction should be checked by CSC Sales & Finance officials and docketed on the same day.
- (f) In case, any Bank Draft/financial instrument/Debit Advice/any other document received at CSC from any e-auction customer on the declared last working day of a particular auction, is found incorrect/defective during verification process by CSC Officials, such customers will be allowed to resubmit the corrected/rectified instruments documents to CSCD within 24 Hours with due approval of GM (S&M).
- (g) Bank Draft financial instruments received and accepted at CSC must be sent to bank for realization immediately after capturing the applications in the Coal net system. Capturing of applications in the system must done only on FIFO basis taking into account the seniority of the application as per docketing number.

- (h) At the end of each working day, DEOs should handover the uncaptured drafts, if any, to the Sales Supervisor and the same must be captured, in the next morning on priority basis.
- (i) CSC Sales official must ensure that sale orders are issued immediately after realization of drafts/financial instruments by our banker. Printing of sale orders will be done as per the sequence of realizing draft from the banker. Area Confirmation copy will also be printed from the system at the end of each working day and will be handed over to the representative of the respective area. If Area representative does not collect the list on second working day from the date of printing the sale order, the Sale Order will be handed over to the customer on the third day. However, delivery of coal at area will be allowed only after receiving the Confirmation copy at area sales office and verified by the area sales office.
- (j) Before handing over of sale order to customer, the sale order must be checked & signed by the concerned dealing assistant of CSC before the same is signed by the authorized officers for this purpose.
- (k) The sale order should be submitted in area sales office by the customer within the prescribe date mentioned in the sale order itself. However, the submission date may be extended for two working days by CSC Incharge.

(4) Road Sale & Dispatches at Area level:

- (a) Buyer/consumer should submit original copy of sale order at Area Sales Office along with the affidavit with one passport size photograph regarding authorization for coal lifting and loadability of the trucks within the stipulated period mentioned in the sale order. They should also submit two sets of photocopies of the documents submitted. Only one lifter should be allowed by ASM for lifting of coal against a single sale order.
- (b) At Area Sales Office, sale order submitted by the buyers should be entered into the register maintained for different collieries separately. Entries in the register must be done on FIFO basis.
- (c) Based on the sale orders confirmation copy received from the Hqrs, sale order submitted by the buyer are to be checked / verified through computerized system before release of the same for dispatch and sent to the concerned colliery along; with enclosures within 48 hours. Original sale orders are to be kept at Area sales office for record. Attested copy of sale orders along with enclosures should be sent to colliery giving the reference number of sale order confirmation copy received from Hqrs.

- (d) Sale orders received at the colliery end should be entered in Coal Dispatch register serially on seniority basis.
- (e) Customer-wise & sale order wise 'Road sale Register' is to be maintained at colliery / weighbridge. All sale orders received at the Project/colliery are to be entered in the said 'Road Sale Register'. Particulars of sale order number, category of customer, quantity & size of coal to be lifted, basic price, sales tax percentage, C Form number if submitted, coal value paid, validity period etc. should be recorded in that 'Road Sale Register'. Thereafter, lifted quantity and balance quantity / amount is to be updated on day-to-day basis.
- (f) The allotment chart prepared by the concerned project officer and duly signed by committee constituted by concerned Area General Manager consisting of Area Sales Manager or his representative, Project Officer as its members on weekly / fortnightly basis and the same should be displayed on the notice board on respective colliery weighbridge at least one day before the commencement of loading. The allotment should be limited to coal availability and loadability in the colliery. The liquidation of coal as per allotment will be the sole responsibility of the Project Officer within the validity period.
- (g) Area Sales Manager should time inspect the weighbridges to ensure proper maintenance of dispatch register, loading & weighment register, Road Sale challan, road permit, weighment card / slip etc. The committee should ensure proper adherence of allotment chart by weighbridges. Maintenance of weighbridge will be the job of E&M Department of the project/Area.
- (h) Entry of empty trucks or weighment/loading will commence from 6 AM and continue upto 2 PM. Trucks reporting for tare weighment will carry loading slip issued by customer's authorized representative mentioning the customer's name, sale order details, quantity with size/grade, registration number of trucks quantity of coal to be carried. After checking the loading programme, the truck will be allowed for tare weighment.
- (i) After tare weighment the truck will proceed to colliery along with tare weighment slip duly signed by authorized weighbridge staff and security personal responsible for verifying the empty truck, after which the Coal Dispatch supervisor / Clerk will issue loading slip and thereafter the trucks will be allowed for loading. In case some of the trucks entered into the colliery premises as per the allotment in a day remains empty/partially loaded or get breakdown can be allowed to stay in the colliery premises

by the Project Officer. However, for such trucks a list is to be prepared by loading supervisor and validated by Project Officer under intimation to Area Sales Manager & GM of the area. Thereafter, the trucks will be handed over to security of the colliery for safe custody. However, in any case these trucks will not be allowed to stay in the colliery after closing of the next working day. On next day, loading of these trucks will get priority in loading. Under no circumstances these trucks will be permitted to stay in the colliery premises after closing of the second day except force-majeure / extraordinary conditions.

- (j) If any truck does not report for loading on the same day after tare weighment and leaves without intimating colliery/weighbridge, immediate action for blacklisting the truck must be taken by the Incharge of the sale point concerned. Under no circumstances trucks will be permitted to enter into colliery/sale point on the next day of tare weighment or any other subsequent days.
- (k) All loading activity at sale/loading point will be done from 6 AM to 6 PM. However, the final weighment of trucks and preparation of dispatch documents at Weighbridge may continue upto 8 PM.
- (l) After completion of loading in presence of the customer/his authorized representative, the Loading Inspector will sign the loading slip. The driver will then approach at Weighbridge Clerk for weighment of loaded truck. Weighbridge Clerk will note down the gross weight of the truck for recording into the 'Road Sale Register' on day-to-day basis without fail.
- (m) Once the loaded trucks are finally weighed, the gross weight shall be recorded in the party wise/sale order 'Road Sale Register' and thereafter the dispatch documents such as Road sale Bill cum Challan, Road permit, Gate Pass shall be prepared & issued under the signature of the authorized representative of the project officer and handed over to the authorized representative of the consumer. And their signature shall be obtained as acknowledgement. First copy of these documents will be given to customer, second copy for preparation of bill and third copy will be preserved at the colliery/sale point office for permanent record.
- (n) The truck driver will take the loaded truck along with gate pass and will go to security gate. Security guard will check the documents and release the truck after proper documentation.

- (o) The party wise/sale order wise 'Road Sale Register' maintained at the colliery/weighbridge must be updated and reconciled on day to day basis to avoid any excess lifting than the sale order quantity.
- (p) No lifting of coal should be allowed beyond the validity period of the individual sale orders.
- (q) Area management should not be allowed to divert Sale Orders relating to a specific colliery/sale point to any other colliery sale point of the area.
- (r) All road weighbridges should be under the administrative control of the dispatching project and not the area. This should be homogenously implemented and operated in all areas of CCL.

5. Refund/Adjustment of the unlifted coal value to the road sale customers after expiry of validity period for lifting and accountal of road sales accounts:

- a) Submission of 'Lifting cum Balance statement' in the prescribed format is to be done on monthly basis only in respect of all types of consumers including e-auction & FSA consumers.
- b) Sale order wise lifting details along with balance (Quantity and corresponding value) upto the last day of the month shall be prepared in the prescribed format and forwarded to the Area Sales Manager under the signature of project officer latest by 5th of the subsequent month mentioning therein reasons or failure to lift or to deliver i.e., party's fault or company fault in case of any short lifting or non-lifting, whatever the case may be. In case of force majeure or unavoidable circumstances beyond control of CCL, that should be specifically mentioned. The said Monthly statement must contain all the sale orders relating to the colliery/sale point either in running condition upto last day of the month or closed on any date from first to last date of the month concerned. Clear mentioning of "Running" or "Closed with date of closure" must be made in the statement against each of the sale order. All the pages of the report must be signed by all the concerned officials of the colliery/sale point. Piece meal & incomplete reports for a month cannot be entertained in any circumstances.
- c) Area sales office is to verify and compile the details and after due certification from the Area Sales Manager, Area Finance Manager and Area General Manager, the monthly report should be submitted to CSC, CCL, Ranchi on or before 15th of the next month. It will be the responsibility of Area Sales Manager to submit monthly 'Lifting cum Balance Certificate' to CSC, CCL, Ranchi within 15th of the next month. Area General

Manager is to required to sign the report in the cases where short lifting or non-lifting was due to the fault of CCL. The above lifting cum balance statement is to be submitted in both forms i.e., soft copy as well as hard copy in the loaded software for early input of the data in coal net system of Hqrs. If in any case, certification of monthly report is delayed at the level of Area Finance Manager by more than 2 days, it should be reported back to area GM & GM(S&M), CCL, Ranchi by the ASM.

- d) CSC after capturing & processing the inputs of lifting data will report back the rejected data, if any, within 22nd of every month to the Area Sales Manager with a copy to AFM. Area Sales in turn will take immediate action for submission of the corrected data file within 30th of every month under intimation to area finance. No changes in this working schedule will be entertained.
- e) After satisfactory capture of Lifting data and processing of Balance Statement in the coal net system, CSC is to arrange for sending refund pay order to Hqrs accounts section with due approval of GM(S&M) within 25th of the month. In case of rejected data file, the same will also be processed for refund within 3 to 4 days after receiving the corrected data file from area. However, since the working at CSC is completely on-line system based, in exceptional situations like receiving the monthly statements from all the areas at a time in the last day i.e., 15th of the month or in the event of continuous absence of more than one DEOs from CSC, this time limit for sending the pay order to Hqrs accounts section for making refund of unlifted coal value may be suitably relaxed by the Center Incharge (CSC) under intimation to GM(S&M).
- f) In case of FSA consumer there is a system of monthly adjustment of the balance amount hence no refund is to be processed for such cases. Adjustment of unlifted coal value to the FSA consumers will be given at CSC once in a month and that too upto 4.30 PM of the declared last day of the month for submission of coal value applications by FSA Customers.
- g) Regarding raising monthly branch accounts of road sales for accountal purpose, the officials dealing with branch accounts at Area Finance Office must prepare the monthly branch accounts only in close coordination with the Area Sales Officer and Associate Finance of area sales office. Monthly branch accounts should be raised duly verified from monthly lifting statement that has already been captured and accepted at CSC, CCL, Ranchi. In case of Rejected lifting data, branch account of that part should be raised by the officials of area finance only after getting confirmation from area sales office regarding submission of rectified data file to CSC. It will be the responsibility of the Dealing Officer of Area Finance Office for raising correct branch accounts in time as well as in close coordination with the Associate Finance of Area Sales office.

h) CSC will send a list of un closed sale order on alternate month to the Area for verification and return to the CSA after closing the said sale order for entering in CSC.

Sd/-
(J. Pandey)
Dy CSM, Bark-Sayal Area,

Sd/-
(AP TRIVEDI)
Dy CSM(CSC), HQ, Ranchi

Sd/-
(SK MARWAH)
Sales Manager, HQ

Sd/-
(VS MAHARAJ)
System Manager

Sd/-
(B. DUTTA)
Finance Manager (CSC)

Sd/-
(DK SINGH)
ASM, Hazaribagh

CASE STUDIES

Case Study -01

BRIEF OF ALLEGATION

Following allegations in the form of a complaint was lodged against various officials of Area and headquarters of the Company:

- 1) Illegal award of coal transportation from adjacent Projects to a Coal Washery at a higher cost only to favour an Ex-Servicemen Transport Company at the cost of Company's exchequer.
- 2) Release of payment for coal transportation against a long route, while, in fact the transportation was effected through a shorter route, etc., incurring intentional loss to the Company and corresponding gain to the ESM contractor.

OUTCOME OF INVESTIGATION

Investigation by Vigilance Department revealed following grave irregularities as having been committed by the various officials of the concerned Washery, Area and Company's headquarter, which are described below:

- a. Company Headquarter took a decision to award the work of raw coal transportation from an adjacent collieries to one of the Washeries situated at a distance of about 16 to 18 Kms. range to a civilian contractors no sooner than the existing transportation contract being executed by an Ex-Servicemen Transport Company expired. To implement the aforesaid decision, Company headquarter had issued necessary directives to the Area and also to the Washery Project in advance, say about four months before the expiry of running contract by Ex-Servicemen Transport Company to the following effect:

“To process the estimate for coal transportation to Washery Project from the said adjacent Projects facilitating the headquarters to float NIT, finalize bids received in response to NIT and to award the work to eligible party”.

- b. The Area authorities did not take timely action to send the estimates on receipt of aforesaid advice of the Company headquarters. The estimate for transportation of coal was sent to Company headquarters after considerable delay. The said delayed estimate, as sent by the Project/Area, was not immediately processed by the then Transport Department (now known as Contract Management Cell); instead they raised number of queries thereon. The delayed submission of the queries by the Project/Area to headquarters culminated into such a situation that the contract period of running coal transportation contract by the Ex-Servicemen Transport Company expired. In effect, owing to non-award of fresh transportation contract, as envisaged earlier, there was then a threat of not getting raw coal for washing at the concerned Washery.
- c. In the aforesaid situation, the Area authorities issued letter of intent to the Ex-Servicemen Transport Company (the earlier transporter) to continue coal transportation to the Washery Project for one more year from the very next date of expiry of its earlier contract with applicability of the previous rates of transportation. Simultaneously, the Area

General Manager also entered an agreement with the Ex-Servicemen Transport Company even though the Area Authorities were not delegated powers to enter into an extended contract involving more than one crore rupees. Such an arbitrary action was taken by the Area authorities despite being aware of the fact that the per ton rate of transportation for the same distance slab finalized by the Headquarters in favour of civilian contractor under Comprehensive Tender was much less when compared to the per ton rate of transportation cost paid / being paid against arbitrarily extended period of contract in favour of Ex-Servicemen Transport Company in the subject case. The per ton transportation cost came down further when fresh tenders were finalized and work was awarded to eligible civilian party during the intervening period of extended contract in favour of ESM company for one more year. In this view of the matter, the Headquarters terminated the extended period of contract in half way to pave way for civilian contractor to take up the work on the basis of work award. Such arbitrarily extended period of contract at a higher rate of transportation resulted in financial loss to the Company. Further, the action of Headquarters management in termination of the contract dragged the Company to litigation by means of lodging a writ petition against the Company by the ESM Company for breach of contract.

- d. To further bring advantage to the ESM Company during the extended period of contract, the Project Officers of the Washery on their part, failed to restore the weigh bridge that was located very near to the unloading point even though the components required for its restoration were procured by Washery even four months before the extended period of contract. The said failure resulted in the coal laden ESM trucks to cover an extra distance of 2 Kms. more to reach to another weigh bridge at a far off distance for weighment and to return to the unloading site. Such inaction / failure of the Project caused financial loss to the Company.
- e. Even though the coal was transported through a shorter route from the adjacent Collieries, the Project officials accepted bills for payment at the rates applicable for longer route and thereby caused unauthorized payment.

PUNITIVE ACTIONS

- a. Since some of the executives involved were of M-2 level Officers, the entire case was referred to the CVC seeking their advice. All the responsible officials were proceeded with major penalty proceedings as per CVC's advice.
- b. The charges leveled against responsible officials were established beyond doubt at the enquiry and major penalty was awarded to the concerned executives who were in employment at that point of time.
- c. The HOD of transportation Department at the Headquarters, even though retired from service, was awarded a penalty of 'deemed dismissal' by the Chairman, CIL.

Case Study -02

BRIEF OF ALLEGATION

On source information, the Vigilance Department took up an investigation into irregularities committed in the matter of award of contract for preparation of CCL's Tableau for its display on the occasion of Republic Day Parade.

OUTCOME OF INVESTIGATION

Investigation revealed the following irregularities as having been committed by the Head of Public Relations Department of the Company:

1. While issuing Notice inviting Tenders, he failed to call quotations from reputed and experienced agencies. Instead, he called offers from non-proven and new firms without obtaining any competent approval for inclusion of those firms. The Civil Engg. Manual and Purchase manuals of the Company stipulate calling tender only from reputed and registered suppliers. Further, as per provisions contained in the said manuals if new firms are to be included for calling tenders, competent approval to this is required to be obtained.
2. While finalizing the TCR, he in the capacity of technical member, failed to consider the last awarded rate for the similar work executed in the previous year. Further, he recommended the award of work to L-1 party without deciding the reasonability of rate quoted by L-1 bidder.
3. He did not associate other members of the Tender Committee while holding further negotiations with the L-1 party. Therefore the so-called negotiation proved to be an empty formality.
4. With a view to extend undue favour to the said L-1 Party, he projected a false and misleading information to higher authorities inasmuch as he projected an inflated figure of last year's expenditure.
5. The aforesaid irregularities resulted into issuance of work order to the L-1 party of his choice.

PUNITIVE ACTIONS

Appropriate punitive actions were taken against the officials responsible for the above irregularities.

Case Study -03

Irregularities in tendering proceedings pertaining to purchase of Parking Brake Conversion Kit by the MM Department, CCL

In course of Investigation into a complaint alleging irregularities in tender proceedings pertaining to purchase of Parking Brake conversion kit, several procedural lapses/irregularities were observed. Salient points of the case are as under:

1. The subject procurement was proposed for the conversion of drum type brakes of Dumpers by caliper type parking brakes as per the direction of Safety Department of Coal India Limited. The above direction was issued in view of the fact that conventional drum type brakes were found less reliable by the user department. Accordingly the subject NIT was issued for the purpose. After observing the various formalities, the supply order was issued to one of the participating Firms.
2. On perusal of records connected with the case during the course of investigation, it was observed that certain obvious lapses/ irregularities were committed while dealing the subject tender. They were:-

2.1 Acceptance of the offer of one of the firm even when it was not fulfilling the eligibility criteria

- a. It is seen that the said firm was not fulfilling the eligibility criteria but still the firm was declared qualified by the technical scrutiny committee as well as the TC.
- b. In support of the prove, the said firm had submitted one order copy of one of the Areas of a Subsidiary Company of CIL issued to it for supplying Parking Brake Kit. From the above submitted supply order itself it was evident that the Parking Brake Kit covered under it was different from that covered under the subject NIT. In the said supply order submitted by the said Firm, the parking brake kit to be supplied comprised of 33 items whereas the instant NIT was floated for a kit comprising of 22 items only. Even the dealing officers of the case had above doubts in their mind and accordingly they had sought clarifications from the said firm in this regard on two occasions in course of tender proceedings. But the said firm kept on submitting the same order copy each time it was asked to clarify on the above said shortcoming.
- c. Later on it was also proved during the course of investigation that the above order copy of the said Area of Subsidiary Company was for **Drum /Shoe type**, whereas the instant tender was for replacement of drum/shoe type brakes with **caliper type brakes**.
- d. It is evident from the above that in spite of the fact that the above said firm had submitted order copies for supply of **Drum /Shoe type** brakes against the NIT for replacement of drum/shoe type brakes with **caliper type brakes** and even when no satisfactory clarifications were furnished by the said firm in response to the said letters issued to it seeking clarifications, the offer submitted by the said firm was declared technically qualified.

2.2 Deficient work order, which was not carrying any time limit for submission of security deposit

- a. As per clause-6.5 (b) Purchase Manual, security deposit clause was to be incorporated in the tender and two weeks time limit was required to be given in the order to the successful bidder to deposit the security deposit. Although, the above provision of SD was incorporated, but the deadline of 15 days was not incorporated in the subject supply order. Taking undue advantage of the above lapse, the said firm did not submit the required amount of security deposit within the stipulated time.
- b. It is seen that after a lapse of almost 4 months, a letter was issued to the said firm vide which delivery period was extended and the said firm was also requested for submission of the said security deposit. But the said firm neither submitted the security deposit nor supplied the tendered items and finally the subject supply order was cancelled.
- c. After issuance of supply order, non-supply of awarded items by the L-1 bidder is an absolute irresponsible act, which negates the very purpose of the tender and also nullifies all the precious efforts and time spent by the Company's officials in finalization of concerned tender. The provision of Security deposit is primarily incorporated in the supply orders to penalize such type of erring firms and also to compensate the indirect losses incurred by the Company in finalizing the concerned tender process. In the subject case the errant firm could not be suitably penalized and the indirect losses, as said above, could not be compensated because the errant firm had not deposited the required security deposit within the stipulated time.
- d. Had the above said provision of NIT regarding 15 days time limit for submission of Security deposit been incorporated in the supply order and even then the said firm had not deposited the Security deposit, at least the action for cancellation of the subject supply order could have been taken after the expiry of 15 days from the issuance of subject supply order. This would have surely saved the unnecessarily spent time and efforts of the Company's officials in dealing the subject contract, which would have otherwise been utilized in some other productive works.

2.3 In the given case, a change was made in the existing standard eligibility criteria, which had the approval of CMD. One of the important aspect of the standard eligibility criteria *that the bidders should submit documentary proof like copies of executed rate contract (s) or firm order of CIL/Subsidiaries of CIL/PSUs consisting of not less than 25% of the total tendered quantity* was not incorporated in the modified eligibility criteria provided in the subject NIT. Since the existing standard eligibility criteria had the approval of CMD, the said change in it should have been got approved by CMD. But in the subject case proposal for the said change in the eligibility criteria was not got approved by the CMD.

2.4 Punitive Actions:

Appropriate punitive actions were taken against the officials responsible for the above irregularities.

Case Study -04

Excerpts of the investigation report into a complaint regarding false reporting of coal output and thereafter booking the over-reported quantity in the name of manual loaders in an OCP.

1. The subject investigation was an outcome of a complaint forwarded to CCL Vigilance by the CVC for conducting an investigation into the subject complaint. The salient points contained in the aforesaid complaint were as under:
 - An OCP of a CCL mine has a manual section, where coal is manually loaded in the trucks on daily basis in two shifts.
 - In the two shifts, about 50 trips of coal are falsely shown as manually loaded by the shift supervisors in collusion with other officials of the Project.
 - In lieu of each false trip, certain amount was falsely paid to the crew in the name of which said false trip is booked.
 - Amount thus generated by false booking of trips is distributed among all the officials of the Project, who are involved in this malpractice.

Thus the main allegation of the subject complaint was that the manually loaded trips at the said OCP are over reported and subsequently these over-reported trips are falsely booked in the name of Loading Dangals for payments.

2. The allegation made in the subject complaint that manually loaded trips at the said OCP are over reported and subsequently these over-reported trips are falsely booked in the name of Loading Dangals for payments, could not be substantiated. However certain serious lacunae were detected in the prevailing system of coal mining, maintenance of related records, billing of manually loaded quantity etc. at the said OCP, which provides scopes for manipulations in the recording and report of manually loaded trucks. These lacunae are:-

2.1 Non-weighment of manually loaded trucks:

- a. It is seen that the manually loaded trucks are not weighed before dumping the coal loaded in it. Although the loaders are paid on the basis of cubic feet of coal they load on a pre-measured truck but still it needs to be ensured by reliable means that whether the truck was loaded fully or not. Only reliable method to ensure the loading of manually loaded trucks up to their rated capacity is to weigh it. Moreover the weighment of manually loaded trucks is also required for calculating the amount to be paid to the contractor for transportation of manually loaded quantity.
- b. In view of the above it was recommended that all the coal loaded contractual trucks (whether loaded manually or contractually) should be weighed so as to ensure that :
 - Manually loaded trucks are filled up to its rated capacity.

- Payment of contractually transported quantity is made on the basis of actual weightment and not as per the approximately derived weight.

2.2 Not measuring the excavated section of manual mine separately.

- a. It was seen from the available records that no separate monthly measurement of manually excavated section of the said was conducted. Although not mandatory, but the exclusive measurement of manually excavated section should have been conducted to cross-check the volume of manually loaded coal reported during the month.
- b. In view of the above it was recommended that:
 - A separate section should exclusively be developed in the quarry for manual loading.
 - Manually loaded trips should be cross checked at the end of the month by measuring the volume of coal excavated from the manual section.

2.3 Same contractor for transporting coal from manual and CPL section

- a. The works of contractual transportation of coal from both manual and contractual Pay loader Section (CPL Section) have been awarded to same contractor. As the exit route from both sections are same, chances of booking mechanically loaded truck as manually loaded by the Manual Pit Munshi in connivance with contractual Munshi can not be ruled out because once the trucks get out of their sections it was very difficult for mid check point or CISF check post to distinguish between manually loaded trucks and mechanically loaded trucks.
- b. In view of the above it was recommended that:
 - The above said two transport contractors should be awarded to two different contractors.
 - Pool of contractual trucks for the two sections should be different and trucks from one section should not be allowed to move into the other section.

CISF personnel should be deputed at the exit point of manual section itself so as to identify and record only manually loaded trips in the record book.

2.4 Manual loading of coal: A loss making option of Mining at the said OCP

- Viability of continuing the system of manual loading of coal at the said OCP had been assessed by the finance department of the project. The finance department of the project had concluded that company would have saved substantial amount of money during the above referred period if the manually loaded quantity of coal was loaded by contractual payloaders. Apart from the reduction in expenditure, non-deployment of about 300 persons in congested mine workings would have enhanced the safety status of mine also.
- a. In view of the above, it was suggested that:
 - If possible, it was better to give fall back wages to loaders, than to deploy them on Manual loading of coal.

- If possible these idle loaders should be given option for VRS, conversion on TR jobs, transfer to other Projects/Areas/company for their gainful deployment.

3. **Recommendations**

In order to overcome the above mentioned lacunae and for ensuring a foolproof system of manual mining with minimum scope for manipulation, following remedial measures were suggested:-

- First and foremost remedy is to discontinue the system of manual mining in the said OCP, if possible. This will not only result in saving of valuable revenue but also improve the safety standard in the mine.
 - If manual loading is to continue, it should only be allowed in a separately developed section in the mine, where manually loaded volume of coal could be cross checked at the end of the month by measuring the manually excavated volume of coal in situ.
 - Manual loading of coal should strictly be restricted from dawn to dusk only, when there is proper visibility in the mine. This will not only ensure proper supervision of work resulting into full/proper loading of trucks but also ensure safety of loaders.
 - All the coal loaded contractual trucks (whether loaded manually or contractually) should be weighed so as to ensure that Manually loaded trucks are filled up to its rated capacity and payment of contractually transported quantity is made on the basis of actual weighment and not as per the approximately derived weight.
 - The two transport contracts (transportation of coal from manual section & from CPL section) should be awarded to two different parties.
 - Pool of contractual trucks for the two sections should be different and trucks from one section should not be allowed to move into the other section.
 - CISF personnel should be deputed at the exit point of manual section itself so as to identify and record only manually loaded trips in the record book.
 - All the statutory/non-statutory personnel deputed to supervise the manual loading of coal should strictly be rotated on yearly basis.
4. The above recommendations were agreed by the CVC and in turn the same were forwarded to the appropriate authority for needful action.

Case Study -05

Sub: Purchase of gum boots in an improper manner

1. It was alleged that poor quality gum boots were purchased in an improper manner at one of the Regional stores of CCL were made in one of the complaints received in CCL Vigilance:
2. A detailed investigation into the above allegation revealed the following lapses/irregularities on part of the dealing officials:-

Purchase of non-DGMS approved type/non-ISS certified Gum Boots

- 2.1 The procured Gum Boots were neither ISI/BIS marked nor did it carry any DGMS approval, which was essential as Gum Boots were to be used in Mines. But still the SO (Safety) had passed the above gumboots for use in mines during inspection of the same.

Deficient indent:

- 2.2 The indent raised for the procurement of said Gum boots were grossly deficient. Gum boot is a safety item and therefore need to be DGMS approved type/ISS certified, if intended to be used in the mine. But in the indent raised for the procurement of Gum Boots, no reference was made for the procurement of DGMS approved Gumboots, although it was mentioned in the indent that the supply of Gumboots was must for safety purpose and to avoid any unwanted incident etc.

Purchase of centralized item from the Area

- 2.3 It was confirmed by CGM (MM) that the gumboot is a centralized item and therefore should have been purchased from the CCL (HQ). But in the instant case the said gumboots were purchased at the Area level itself without obtaining competent approval for the same. The following deviations were observed:-
 - a. First of all it was incorrectly written in the proposal note sheet by the dealing Purchase Officer that Gum-Boots were de-centralized item
 - b. No competent approval was obtained for the purchase of centralized items at Area level
 - c. In total, 560 pairs of gum-boots were available in the central store on the date on which the proposal of gum-boots was moved for tendering. Surprisingly the above available stock of Gum-Boots in the Central Store was not verified, in spite of the fact that:-
 - Initiation of action for procurement of Gum Boots indented by the concerned Area in its annual MB and allocation of 225 pairs if gumboots against the indented quantity in the MB were communicated to the concerned regional store.

- Last two procurements of gumboots were made by the concerned regional store from central store.
- At the foot note of the MB format submitted by the concerned Area it was already mentioned that in case of centralized items stock from central store should also be obtained.
- Miner's Safety Canvas shoes, which was also a part of the above said MB, must have been collected from central store as per the allocation communicated .

Issuance of deficient Limited Tender Enquiries (LTEs)

2.4 In the annual MBs submitted by the concerned Area for 2007-08 & 2008-09, the specification of gum-boot was written as Rubber Knee Boot (gum boot) ISS No.5557/1969. Thus the specification of gum-boots was known to the dealing officer, but the same was not mentioned in the LTE for ensuring better quality procurement.

Acceptance of deficient quotations by Tender Committee:

2.5 TC had accepted the bids submitted in the subject case even when the participating bidders did not fulfill the following terms and conditions contained in the LTE:-

1. Except one of the participating bidders, none of them indicated the make of the items to be supplied by them, as per clause-5 of the LTE.
2. They did not indicate the relevant ISS/BSS/vide/DIN number in respect of the item to be supplied by them, which was necessary to get a confirmation from the bidders that the condition laid out at Clause would be complied at the time of delivery of material.
3. Clarifications were obtained from the concerned officials, which were not found reasonable after analysis of the same. The entire case file along with facts of the case was placed before DA for appropriate decision. All the responsible officials were suitably penalized as per the decision of DA.
4. Apart from the above, following remedial measures were also suggested to avoid any such occurrence in future:
 - A clear cut list of centralized and decentralized items should be circulated among the areas. It should also be specified that in which circumstances and in what manner the centralized items should be purchased at Area level.
 - At present Gum-Boots fall under the category of DGMS approved items. They can now be purchased from the DGMS approved firms by anybody. Therefore gum-boots can be dropped from the list of centralized items. It would be better to review the list of centralized/decentralized items at regular intervals.
 - Central store should circulate a list of inventories to all regional stores and CCL (HQ) on monthly basis.

Case Study -06

Lapses in conduction of DPC proceedings

One employee of CCL was awarded six months Rigorous Imprisonment u/s 147 IPC, Six months Rigorous Imprisonment u/s 323, six months Rigorous Imprisonment u/s 504 IPC and further awarded 15 days simple Imprisonment u/s 341 IPC and the same was brought to the notice of CMD, CCL. Subsequently through GM (P&IR) it was endorsed to SO (P&A) of the concerned Area. S.O (P&A) of the Area, on receipt of the complaint through Headquarter, Ranchi, sent the same to the Project Officer of the Project, where the employee so convicted was posted, asking him to get the matter enquired and send an ATR.

As per clause 26.8 of Standing Orders applicable to CCL, conviction **in any court of law for any criminal offence involving moral turpitude** amounts to misconduct.

Hon'ble Court, while passing the judgment, granted the above said convicted employee Bail to enable him to appeal in the higher courts. Employee concerned did not inform the Management about his conviction. However, when Area sought clarification on the above issue, he submitted a copy of the above said judgment to the Project Officer.

Project Officer, Personnel Manager of the unit and SO (P), of the Area discussed the matter among themselves and arrived at a consensus that the Area Management is not liable to proceed further to take disciplinary action as no formal order is received from the Hon'ble court by the Area Management with regard to conviction of the employee and as the employee concerned had not been arrested even for a single day after his conviction and further that he had been granted bail on the same day.

Meanwhile, one DPC proceeding was going on at Area level wherein the employee so convicted was also one of the aspirants. He, explaining his stand on the issue of conviction, produced proof of Bail granted to him. Area Management accepted his plea and instead of initiating disciplinary proceedings as per the above mentioned clause of Standing order went ahead with the DPC proceedings. The candidature of the said employee was eventually accepted by the DPC and he got promotion.

In course of Investigation, it was established that stand of Management in the above issue was not proper and the convicted employee was not eligible for promotion till he was exonerated/acquitted of the charges. DPC was eventually cancelled and all three executives, Staff Officer of the Area concerned, Project Officer and Personnel Manager were suitably penalized for their lapses.

Case Study -07

Obtaining re-imburement on the basis of fake declaration

One employee of CCL was nominated for attending a training program to be held at Mumbai. He was released to attend the said training program. He attended the said program and after returning from Mumbai submitted his TA/DA Bill wherein he claimed to have travelled /undertaken the journey to Mumbai in 2nd Class A/C by ticket quoting a ticket no.. He claimed the TA/DA which included the fare against 2nd class AC ticket. As he was entitled to travel in 1st class only, Area Accounts Office of the area concerned, while checking the said bills, passed Rs.1367/- only being the fare for 1st class.

The verification of records maintained at Office of the Asstt. Commercial Manager (Resv), South Eastern Railway, revealed that the said employee had undertaken the journey from Hatia to Mumbai in Sleeper Class only. His reservation status in the sleeper class was also certified by the railway. It was also revealed by the railway Authorities that that the ticket no.(which quoted), did not tally with the records available with the office of the Asstt. Commercial Manager (Resv), South Eastern Railway.

Thus a case of false declaration was established. The employee concerned was suitably penalized after observing the prescribed procedures.

Case Study -08

Lapses in processing of bank loan applications of the employees and deduction of monthly installments from their salaries against the loans granted to them by the Banks

One complaint was received in the Vigilance Department CCL that a racket, consisting of Officers and employees of one of the Collieries of CCL, Officers and employees of Computer Section of the Area, and Officers of one of the leading Banks and some outsider (mediators) was functioning at the said Area and certain amount was being deducted from the salary of four employees against loans, which were actually not granted to these employees from the said Bank .

On investigation, it was revealed that amount were deducted from the salary of four employees of the said colliery against some loan granted by the Bank .Loan applications of these employees appeared to have been forwarded by the Personnel Executive of the said colliery to the Bank Authorities based on which loans were granted from the said Bank .It was also observed that although the said Loans were disbursed in the month of January and request for deduction was made by the bank vide a letter addressed to the Personnel Executive in the unit, but the deductions started even before the loans were granted. It had also been observed that the deductions were stopped by unit collieries.

It was further revealed that any deduction from the salary of any employee was possible only with the involvement of either Dealing Assistants posted at the Colliery Level or the persons assigned with the duty of entering the data submitted through input documents. However, the data entered in the computer and their printouts did not bear the signature of the data entry operator. Moreover, whatever printout had been given by the data entry operator, the same was to be thoroughly scrutinized by the Dealing Assistants before sending the same for the audit and payment by the Area Accounts. It was also observed that there was no system of preserving the input documents at Computer Centre, of the Area.

As per the guide line issued by GM (P&IR) vide no. 1674 Dated 13.3.2003, **CCL was not to involve in any kind of loan and in no case recovery was to be made either from the salary or the terminal dues of Employees against loans granted from any Bank.**

In the subject case, amounts were deducted from the salaries of the respective employees pertaining to the months of January, February and March and deposited to the said Bank against loan granted from the said Bank, which was against the above said guideline of the company.

Loans were granted on the basis of undertaking from drawing and disbursing officer (DDO), who was one of the personnel executive of the Area. Though the loan application appeared to have been forwarded by the Personnel Executive, the same had been received by the said Bank directly through the concerned employee or his mediator and not through dispatch section of the Colliery.

The verification of Borrower to be submitted by the Employer was also a confidential document and it was to be transmitted to the Bank without passing through the hands of the applicant but this system was not followed in the subject case. One outsider (resident of the area concerned) mediated and negotiated with the Bank Officials to get the loan granted.

Loan Manager, in a letter addressed to the personnel executive of the concerned Colliery, intimated that the loan was sanctioned to four employees of the project/colliery and requested the project to deduct the monthly installment per month and get the same remitted to the Bank. The said letter was also not sent through official dispatch rather it was handed over to either the borrower himself or the mediator who mediated/negotiated the whole process of getting the loans granted.

The signatures on the borrower verification and also the undertaking though appeared to be signed by the personnel executive, but on verification it appeared that signatures of the said personnel executive did not match with his signatures on other official documents.

Manager of the said Bank, in all his official letters used the designation Sr. Personnel Manager, but there was no such designation as Sr. P.M. Thus it was revealed that the loan granting authority had never officially communicated with the project officials and Bank had got no authenticated signatures of the Officials forwarding the loan applications or giving the undertaking for deduction of the monthly installments. The Bank Official was, perhaps, completely relying upon the credibility of the mediator in the subject loans.

Recovery against the said loans from the salary of the employees had been made and irregularity on the part of officials established .The concerned personnel executive was suitably penalized.

Because of involvement of an outsider and requirement of help of writing experts to prove the nexus of Colliery officials, subject file/case was forwarded to CBI for further investigation.

For verification of the dubious role of the Bank Manager, the subject case was also sent to CVO of the concerned Bank for verification at their end.

Case Study -09

A complaint was received in Vigilance Department CCL that one of the employees of a Colliery of CCL fraudulently got appointment in place of an ex-employee of CCL by projecting himself as son of the said ex-employee though actually he was son-in-law of the said employee.

It was revealed that the said employee and his wife both were employees of the said colliery. They had a son whose name was recorded in the S/Sheets of both the employees.

One Voluntary Retirement Scheme dated 2nd Jan 1978 was in vogue in the year 1978 and 1979. As per the said scheme the conditions of eligibility for Voluntary Retirement was as under:

They should have a son, if there is no son, a son-in-law or if there is no son-in-law, son of real brother who has completed his 18th year and is not more than 25 years of age.

The said employee with a view to reap the advantage of the said VR scheme opted for VRS in the year 1978 and one person was offered employment on the pretext that he was son of the said employee.

One year later , in the year 1979, wife of the said employee who retired under VRS in 1978 also opted to retire under the said VR scheme and one more employment was offered to another person having the same name as that of the person employed earlier in 1978 in place of the wife of the said employee.

Thus two persons having the same person as their Father came into employment. Their permanent address was also identical. One was appointed under the VR Scheme in place of the Male employee in the year 1978 and another appointed under the same VR Scheme in the year 1979 in place of the female employee (wife of the employee retired in the year 1978).Both these dependants were subsequently posted in two different Areas of CCL.

On investigation it was established that the person employed in place of the Male employee/ husband was actually Son-in law of the said employee. He projected himself as son of the said employee and succeeded in getting employment. As the said employee already had a son therefore Son-in law was not entitled for employment under the said scheme but fraudulently projecting himself as the actual son of the said employee he managed to get employment.

Said dependant was served with charge sheet and in the regular enquiry also charges of fraudulent appointment were conclusively proved and consequently he has been terminated.