

SEVENTH REPORT

COMMITTEE ON PETITIONS

(SEVENTEENTH LOK SABHA)

MINISTRY OF COAL

(Presented to Lok Sabha on 17.9.2020)



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CONTENTS

	PAGES
COMPOSITION OF THE COMMITTEE ON PETITIONS.....	(iii)
INTRODUCTION.....	(v)
REPORT	
Action Taken by the Government on the Recommendations made by the Committee on Petitions (Sixteenth Lok Sabha) in their Fifty-First Report on the Representation received from Shri Subhash Kumar Singh regarding payment of full contracted amount by the Bharat Coking Coal Limited (BCCL) to M/s. Sadbhav Annapurna (JV) without completion of the work.	1
ANNEXURE	
(i) Comparative statement of provisions of BCCL Tender (2012) and present provisions of Chapter 6 of Contract Management Manual (CMM)	23
(ii) Proposed Modifications in Contract Management Manual (CMM)	28
(iii) Corruption Risk Mitigation Policy of Coal India Limited	78
(iv) Chief Vigilance Officer, BCCL letter dated 4.2.2020	96
APPENDIX	
(i) Minutes of the 8th sitting of the Committee on Petitions held on 16.9.2020	98

COMPOSITION OF THE COMMITTEE ON PETITIONS

(2019-20)

Dr. Virendra Kumar - *Chairperson*

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3. Shri Sukhbir Singh Badal
4. Shri Harish Dwivedi
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SECRETARIAT

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| 4. Shri Harish Kumar Sethi | - | Executive Officer |

**SEVENTH REPORT OF THE COMMITTEE ON PETITIONS
(SEVENTEENTH LOK SABHA)**

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Seventh Report (Seventeenth Lok Sabha) of the Committee to the House on the Action Taken by the Government on the Recommendations made by the Committee on Petitions (Sixteenth Lok Sabha) in their Fifty-First Report on the Representation received from Shri Subhash Kumar Singh regarding payment of full contracted amount by the Bharat Coking Coal Limited (BCCL) to M/s. Sadbhav Annapurna (JV) without completion of the work

2. The Committee considered and adopted the draft Seventh Report at their sitting held on 16 September, 2020.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

16 September, 2020

25 Bhadrapada, 1942 (Saka)

**DR. VIRENDRA KUMAR,
Chairperson,
Committee on Petitions.**

REPORT

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (SIXTEENTH LOK SABHA) IN THEIR FIFTY-FIRST REPORT ON THE REPRESENTATION OF SHRI SUBHASH KUMAR SINGH REGARDING PAYMENT OF FULL CONTRACTED AMOUNT BY THE BHARAT COKING COAL LIMITED (BCCL) TO M/S. SADBHAV ANNAPURNA (JV) WITHOUT COMPLETION OF THE WORK.

The Committee on Petitions (Sixteenth Lok Sabha) presented their Fifty-First Report to Lok Sabha on 3.8.2018 on the representation received from Shri Subhash Kumar Singh regarding payment of full contracted amount by the Bharat Coking Coal Limited (BCCL) to M/s. Sadbhav Annapurna (JV) without completion of the work.

2. The Committee had made certain observations/recommendations in the matter and the Ministry of Coal were asked to implement the recommendations and requested to furnish their action taken replies thereon for further consideration of the Committee.

3. The Ministry of Coal *vide* their communications dated 13.5.2019, 13.2.2020 and 29.7.2020 have furnished their interim, final and then updated Action Taken Replies, respectively, in respect of all the observations/recommendations contained in the aforesaid Report. The recommendations made by the Committee and the replies furnished thereto by the Ministry of Coal have been detailed in the succeeding paragraphs.

4. In paras 41 and 42 of the Report, the Committee had observed/recommended as follows:-

"The Committee note from the submissions made by the Ministry of Coal that BCCL had awarded a Contract to M/s. Sadbhav Annapurna (JV) for removal of 380.84 LCM OB (Lakh Cubic Meter of Over Burden, including Jhama), removal of 16.5 LCM Dump Loose OB (Lakh Cubic Meter Dump Loose Over Burden) and extraction and transportation of 65.54 LMT (Lakh Metric Ton) coal from Khudia, Palasia, GP (Gopinathpur-Top), GP (Gopinathpur-Bottom), Brindabanpur (Top & Bottom) and Kalimati group of seams of Basantimata Dahibari Patch of Dahibari Colliery of Chanch Victoria Area, BCCL for a period of 48 months (w.e.f., 10.6.2013 to 9.6.2017) with the financial involvement of ₹ 4,71,78,08,000/- vide

Work Order dated 21.05.2013. M/s. Sadbhav Annapurna (JV) started the work with effect from 10.06.2013 and executed 74,12,780.786 M3 of In-situ OB (Cubic Meter of In-Situ Over Burden), 41,26,024.147 M3 (Cubic Meter) of dumped loose OB (Over Burden) and dispatched 8,43,396.600 Ton of coal up to January, 2015; amounting to a total value of ₹1,08,20,59,769.46. However, out of the total amount, after making deductions, viz., such as Income Tax, Security Deposit, Energy Charges, Penalty for non-achievement of target, etc., BCCL actually paid an amount of ₹98,20,36,219/- to the Contractor till January, 2015. In addition to this, an amount of ₹5,60,76,530/- was paid by the BCCL to the Contractor against the Diesel Escalation till January, 2015. Taking into account the above payments, the Committee observe that till January, 2015, BCCL had paid ₹1,03,81,12,749/- during period of initial 18 months to the Contractor, i.e., M/s. Sadbhav Annapurna (JV) which is around 22% of the total contracted amount of ₹4,71,78,08,000/- as per the Work Order dated 21.05.2013.

The Committee are constrained to take a very serious note of the fact that the release of payment of ₹ 1,03,81,12,749/- by the BCCL to the Contractor, which was approximately 22% of the total contracted amount within an initial period of just 18 months is not justifiable on the part of the BCCL without proper assessment of the work actually executed by the Contractor. The Committee, therefore, strongly recommend that before releasing the payment against the Bill(s) raised by the Contractors - whether presently engaged or to be engaged in future, proper assessment of the work actually executed by the Contractor(s) keeping in view the target and achievement, physical inspection of the site to check the actual progress/production in respect of extraction and transportation of coal, excavation and removal of OB, and removal of loose dump OB should be meticulously done in accordance with the established accounting procedures and vetted by internal Vigilance Apparatus. The Committee would like to be apprised of the steps taken in this regard within three months of the presentation of this Report."

5. The Ministry of Coal, in their interim Action Taken Replies, have submitted as follows:-

"The tender which was awarded to M/s. Sadbhav Annapurna (JV) was floated by BCCL in August 2012 when there were no uniform guidelines across Coal India Limited (CIL) and its subsidiaries for such works.

Subsequently, guidelines/rules were formulated and incorporated as Chapter 6 (i.e., Hiring of Equipment for Removal of Overburden and Extraction of Coal) of

Contract Management Manual (CMM) of Coal India Limited (CIL) with the approval of CIL Board in November, 2014.

The synopsis of difference between payment provisions of above said BCCL tender and provisions of Chapter 6 of CMM introduced in November 2014 are as follows:-

- (i) As per the provisions of contract between BCCL and Sadbhav Annapurna (JV), full value of payment due for coal produced/dispatched within contract quantity shall be paid on account bills subject to dispatch. As per chapter 6 of CMM, in case, coal extraction and transportation is more than OB extraction compared to agreed stripping ratio, full payment will be restricted for quantity of coal as per stripping ratio and subject to dispatch.
- (ii) As per the provisions of contract between BCCL and Sadbhav Annapurna (JV), 50% (fifty percent) of payment for OB removal in excess of commensurate quantity as per stripping ratio within contract quantity will be paid in on account bills. As per Chapter 6 of CMM, 50% of payment of OB removal in excess of commensurate quantity as per stripping ratio will be made within the contract quantity provided the so payable amount do not exceed security amount available with the department (covering Performance Security & Retention Money).

A comparative statement in tabular format of relevant provision of BCCL tender floated in 2012 and existing provision of Chapter 6 of CMM may be perused at **Annexure-I**.

- (iii) A Task Force/Committee was constituted in CIL to review/modify the existing provisions of Contract Management Manual of CIL encompassing the observations made in 47th and 51st Report of Parliamentary Committee on Petitions. The Task Force in respect of this query recommended inclusion/modification of a few other clauses related to payment in addition to the present stipulation of the Chapter 6 of CMM, which are given below:-
 - (a) Task Force has recommended to make it mandatory to measure the OB quantity through 3DTLS by CMPDIL/third party in the contract.

(b) The Task Force recommended the following clause for incorporation in Measurement and payment clause of Chapter 6 of CMM:

"(j) B. Release of payment after extraction/production of coal and transportation to surface coal dump by the contractor in those cases where the contractor is not responsible for non-dispatch of coal from surface coal dump and the payment is held up for more than 90 days, the following system is to be adopted provided the coal received at Surface Coal Dump after weighment:-

- (A) 80% payment for the coal produced and transported up to Surface Coal Dump after weighment to be considered for payment.
- (B) Balance payment for the above coal produced and transported up to surface coal dump as mentioned above will be released only after its dispatch.
- (C) Release of payment for the quantities of OB commensurate with 80% quantity of coal produced (as per current stripping ratio) and transported to dump shall also be released after measurement as prescribed in clause 5.
- (D) The payment as made under serial No. A and C above shall be treated as provisional payment and it shall be adjusted, as finalized as per clause 5(h) and 5(j) (i) above (Sl. No. 1 of **Annexure-II**).

For releasing such payments as at (j) B, approval of tender approving authority is required. In case Board of CIL/Subsidiary is the tender approving authority, with approval of CMD of CIL/Subsidiary.

The recommendations of Task Force have been agreed by Chairman, CIL and put to CIL Board for Approval. CVO, CIL has been requested vide letter dated 13.5.2019 furnish the status of implementation of the recommendations made by the Task Force."

6. Further, the Ministry of Coal, in their final Action Taken Replies, have submitted as follows:-

"The tender which was awarded to M/s. Sadbhav-Annapurna (JV) was floated by BCCL in August 2012 when there were no uniform guidelines across CIL & its subsidiaries for such works. Subsequently, guidelines/rules were formulated and incorporated as Chapter 6 (i.e. Hiring of Equipment for Removal of Overburden and Extraction of Coal) of Contract Management Manual (CMM) of Coal India Limited (CIL) with the approval of CIL Board in November 2014.

A Task Force/Committee was constituted in CIL to review/modify the existing provisions of CMM of CIL encompassing the observations made in 47th & 51st Reports of Parliamentary Committee on Petitions. The Task Force also recommended inclusion/modification of a few other clauses related to payment in addition to the present stipulation of the Chapter 6 of CMM, which were stated in detail in the interim reply.

The recommendations of the Task Force have been agreed by Chairman, CIL and put to CIL Board for Approval and the status of implementation was sought from CVO, CIL vide letter dated 13.05.2019.

In response, it has been intimated by Coal India Limited that the recommendations of Committee on Petitions have already been approved in principle for implementation across all subsidiaries of CIL by Chairman, CIL. However, while doing the same it was noticed that various rules and procedures in different departments need to be aligned afresh to effectively implement the recommendations of Committee on Petitions. Accordingly, a need was felt to completely revise the current CMM which was approved by CIL Board in 2006 and is presently in force. The work of revision which includes deliberation among different executive wings of CIL and its subsidiaries has been completed and the revised manual as put up to Audit Committee which in turn advised some more modifications. After incorporating their suggestions the revised manual will be placed before CIL Board for approval. This process is likely to be completed by March 2020 and would be ready for immediate implementation in all subsidiaries from the commencement of the new Financial Year."

7. In their updated Action Taken replies, the Ministry of Coal have submitted as follows:-

"CIL has stated that the modifications in CMM of CIL as per the recommendation of the Committee on Petitions has been approved by CIL Board in its 400th

meeting held on 12.3.2020 and has been circulated to all concerned vide letter dated 18.3.2020 to implemented the changes from immediate effect."

8. In paras 43 and 44 of the Report, the Committee had observed/recommended as follows:-

"The Committee further take note of the fact that the original Work Order dated 21.5.2013 was subsequently revised twice and the revised Work Orders dated 29.3.2014 and 24/26.11.2014 were issued midway by the BCCL due to deviation in the awarded quantum of work and extension of time. The revised Work Order dated 29.3.2014 after the first deviation had added some extra patch of work and had, thus, revised the already sanctioned contours of work with an extension of time for period of 9 months (w.e.f. 10.6.2017 to 9.3.2018) and with the financial involvement of ₹ 5,60,31,24,150/-. The subsequent revised Work Order dated 24/26.11.2014 after second deviation further added some extra patch of work and revised the sanctioned outline of work with an extension of time for a further period of 8 months (w.e.f. 10.3.2018 to 9.11.2018) again with the financial involvement of ₹ 6,38,21,10,400/-. Consequently, due to above mentioned deviations in the awarded quantum of work, the mutually agreed Work Schedule was also revised five times.

Since frequent revising of Contract and the Work Schedule with hefty additional financial implications to the same Contractor without any cogent reasons could be an indication of undue favoritism and causing loss to the exchequer, the Committee, recommend that any deviation in the execution of Contract after the initiation of the Contracted Work should be specifically mentioned in the Notice Inviting Tender and subsequent Revised Work Order(s) so that such situation, as in the instant case, could be avoided in future. Further, the changes or revision with respect to conditions/parameters subsequent to the deviation(s) of work should conform to the provisions mentioned in the Notice Inviting Tender and the Work Order and duly approved by the Competent Authority, i.e., the Board of the Company. Alternately, if some additional work of removal of Dump Loose OB and/or extraction and transportation of coal, etc., crops up midway, the BCCL should work out modalities to award the work to some other Contractor after adhering to the prescribed Standard Operating Procedures. The Committee would like to be apprised of the action taken by the Ministry in this regard."

9. The Ministry of Coal, in their interim and final Action Taken Replies, have submitted as follows:-

"The Task Force has reviewed the provision of Chapter 3 (Transportation Contract) and Chapter 6 of CMM (Hiring of Equipment for OB removal, Coal extraction and transportation,) with respect to Deviation/Variations in Quantities (Clause 5 of Conditions of Contract) and proposed the amendments at Sl.Nos.2 and 3 of Annexure - II.

Existing Provision:

- (i) The limit on extension of altered or additional work is not mentioned.
- (ii) Price fall clause will not be applicable.
- (iii) DOP not clearly specified.

Synopsis of Action Recommended:

- (i) The extension of altered or additional work shall not exceed 30% of original contract value or one-year time period whichever is earlier.
- (ii) Extension of Contract with additional quantity shall be done with imposition of Price Fall Clause (Only in Chapter 3 of CMM) i.e. "to accept to execute the work at the existing awarded rate or the awarded rate in the next tender whichever is lower".
- (iii) Delegation of Power (DOP) has been clearly specified in case of deviation.

10. In paras 45 and 46 of the Report, the Committee had observed/recommended as follows:-

"The Committee observe that M/s. Sadbhav Annapurna (JV) could not achieve the parameters and time schedule prescribed in the original Work Order dated 21.5.2013 for removal, extraction and transportation of Coal. As a matter of fact, up to 31.1.2015, the Contractor could only execute 60% of the target for which the BCCL had imposed a penalty of ₹ 24,52,000/-. However, the Committee are astonished to find that subsequent to the revision of the contracted work twice vide Work Orders dated 29.3.2014 and 24/26.11.2014 that too in favour of M/s. Sadbhav Annapurna (JV), the Contractor did not make any sincere efforts to recalibrate its operations as a result of which, as on 30.4.2016, a meagre 52% and 58% of the targets were achieved in respect of excavation/removal of OB and extraction/ transportation of coal respectively.

In this connection, the Committee further recommend that the existing penalty provision(s) under Clause No. 6 of the Notice Inviting Tender as well as relevant provision(s) in other NITs to be floated by the subsidiaries of Coal India Limited including the BCCL in future, should be reviewed and made more lucid and stringent with respect to non-achievement of target by the Contractor. Further, there should also be an express provision in the NITs relating to forfeiture of earnest money/security deposit and also Blacklisting of the all such Contractors who fail to achieve the target as per the Tender Document due to which the Company incurs financial losses. The Committee would like to be apprised of the concrete action initiated by the Ministry of Coal, in this regard."

11. The Ministry of Coal, in their interim and final Action Taken Replies, have submitted as follows:-

"The Task Force has also proposed modifications in clauses 6.1 and 6.2 of CC/GTC to make the penalty provision in respect of defaulting contractor and non-achievement of target by contractor, stringent and unambiguous. The recommendations may be seen at Sl. Nos. 4, 5, 6 & 7 of Annexure - II.

Existing Provision:

- (i) Shortfall has to made up in the financial year (Chapter 6 of CMM).
- (ii) The withheld amount will be released when the shortfall is fully made up.
- (iii) It is not clear whether the target of month is to be reduced in proportion to the hindrances caused (as per clause 6.4 of CC/GTC) during month for calculation of penalty/withholding the amount on the account of shortfall.
- (iv) The method of making up of shortfall and conversion of withheld amount to penalty in last three months of contract is not clear.
- (v) If the contractor fails to start the work within stipulated period, the company will cancel the work after giving 15 days' notice to commence the work along with forfeiture of Earnest money. In addition, the department shall be at liberty to debar the selected bidder from participating in future Bids for at least 12 months.

Synopsis of Action Recommended:

- (i) Shortfall has to be made up in succeeding three months (This change is recommended in Chapter 6 of CMM in line with Chapter 3 of CMM).
- (ii) Once the shortfall is made up within specified period the so withheld amount will be released. However, when the shortfall is made up in part, the withheld amount proportionate to the shortfall made up will be released. If either full or part of shortfall is not made up within the succeeding three months, proportionate withheld amount shall be converted into penalty.
- (iii) For calculation of penalty, the target of month is to be reduced in proportion to the hindrances caused (as per clause 6.4 of CC/GTC) during month (page 16 of **Annexure - II**).
- (iv) The method of making up of shortfall and conversion of withheld amount to penalty in last three months of contract has been clearly specified in present recommendation.
- (v) If the contractor, without reasonable cause or valid reason, commits default in commencing the execution of the work within the aforesaid date, the company shall, without prejudice to any other right or remedy, be at liberty, by giving 15 days' notice in writing to the contractor to commence the work, failing which to forfeit the Earnest Money deposited by him. (Existing provision)

Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12 (twelve) months from the date of issue of such letter. In case of JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm. (Proposed modification)(Clause 7 of **Annexure - II**)"

12. In para 47 of the Report, the Committee had observed/recommended as follows:-

"The Committee observe from the submissions made by the Ministry of Coal that there were no glaring irregularities found in the case of payment made to M/s. Sadbhav Annapurna (JV) by the BCCL without completion of work. As per the Report of the CVO of BCCL, no irregularities were established except that of non-

deduction of penalty amount by the BCCL officials against whom minor penalty was imposed. However, the Committee are satisfied to note that when the connivance of some officials on the aspect of non-deduction of penalty amount from M/s. Sadbhav Annapurna (JV) was pointed out during the informal discussion with the representatives of the Ministry of Coal during the Study Visit of the Committee to Kolkata on 4.5.2017, the Minor Penalty against the delinquent officials were converted to Major Penalty Proceedings. However, in this regard, the Committee are of the considered opinion that the specific work areas in all the subsidiaries of Coal India Limited which are prone to corruption should be identified by the Ministry and an Institutional Mechanism with an impregnable fireball of stringent time-bound penalty should be put in place so that any element of corrupt practices by the officials are tackled in a mechanical manner."

13. The Ministry of Coal, in their interim Action Taken Replies, have submitted as follows:-

"The following work areas prone to corruption has been identified in the 'Corruption Risk Mitigation Policy of Coal India Limited' available in CIL Website:-

- (i) Recruitment
- (ii) Transfer and posting
- (iii) Procurement of all kinds of machinery including heavy equipment
- (iv) Award of various contracts including transportation contracts, removal of overburden and extraction of coal
- (v) Coal stock shortage, measurement of coal and OB
- (vi) Quality of coal
- (vii) Washeries and leasing of land, use of washery rejects
- (viii) Labour/DGR/ESM Contracts
- (ix) Payment of Bills of contractors
- (x) Pilferage and theft of coal
- (xi) Coal diversion/black marketing by coal consumers
- (xii) Joint Ventures and partnerships with other PSUs

The different mode of action to manage corruption risk are as under:-

- (i) Annual Action Plan of Anti-Corruption Measures
- (ii) Action on misconduct – During 2018, Major penalty imposed on 23 number of officials and Minor penalty on 11 number of officials.
- (iii) Action on criminal offence – Prosecution sanction against 3 number of officials given in 2018.

- (iv) *Surveillance Detection – 5004 number of CCTV and 8807 number of GPS has been installed so far.*
- (v) *Development of source for information*
- (vi) *Identification of sensitive posts & rotation of employees – 397 number of executives have been rotated during the year 2018.*
- (vii) *Preventive Action including System improvement studies and Identification of Good practices and implementation – 78 number of suggestions made and implemented during 2018.*
- (viii) *List of undesirable contact-men.*
- (ix) *Integrity Pact – adopted under the aegis of CVC and Transparency International for all contracts of CIL. The threshold value in respect of CMM tender is Rs.5 crores and above.*

*A copy of the Policy may be perused at **Annexure-III.**"*

14. In para 48 of the Report, the Committee had observed/recommended as follows:-

"The Committee also foresee that there could be many more cases relating to over/advance payments to the Contractors by the BCCL which should now be promptly investigated by some Independent Investigation Agency. In this regard, the Committee fully endorse the recommendations of the CVO, BCCL to inquire into all the matters related to over/advance payments to the Contractors in all the subsidiaries of CIL including M/s. Sadbhav Annapura (JV) and also to hand over the investigation to the Central Bureau of Investigation for detailed inquiry/investigation. The Committee would like the Ministry of Coal to take necessary action and apprise the Committee accordingly within three months of the presentation of this Report to the House."

15. The Ministry of Coal, in their interim Action Taken Replies, have submitted as follows:-

"All CVOs of the subsidiary companies have been requested to inquire into the irregularities highlighted in the Report in outsourcing contracts of their respective subsidiaries and intimate accordingly.

No such cases have been detected in WCL, CCL, MCL & NCL so far.

Three such cases have been detected in SECL for which preliminary investigation has been carried out by the Vigilance Division of SECL and detailed investigation by CBI is being arranged. The gist of the cases is tabulated below:-

Name of the Mine	W.O. ref. with date	Name of the Contractor	Excess amount as preliminary investigation by vigilance team (in Rs.)
Baroud OCM	SECL/GM/RGH/SO (P&P)/WO/374/16/ 1200 dated 19.07.2016	M/s. Bihar Construction and M/s. Asha Construction (JV), Korba	7,50,45,144. 41 without Tax and escalation
Baroud OCM	SECL/GM/RGH/SO(Min)/WO/406/17/11 dated 15.04.2017	M/s. Bihar Construction, Korba	2,52,76,139. 72 without Tax and escalation
Jampali OCM	SECL/GM/RGH/SO(Min)/WO/ 414/17/121 dated 01.06.2017	M/s. Bihar Construction and M/s. Asha Construction (JV), Korba	7,62,77,761. 38 without Tax and escalation

Further, CVO, Coal India Limited has stated that an Interim Report has been received from ECL stating that prima facie deviations were found in 16 cases so far and further verification is going on.

In view of the information provided by the Coal India Limited and its subsidiaries, CVO, Coal India Limited has been requested vide letter dated 13.5.2019 to furnish a complete report about the cases in SECL, BCCL and ECL to the Ministry."

16. Further, the Ministry of Coal, in their final Action Taken Replies, have submitted as follows:-

"It was stated in the interim reply dated 13.05.2019 that prima facie such cases were detected in SECL, ECL and BCCL. Accordingly, CVO, Coal India Limited was requested vide letter dated 13.05.2019 to furnish a complete Report about the cases in SECL, ECL and BCCL to the Ministry.

In this matter a Report has been received from CVO, Coal India Limited about the cases in SECL, ECL and BCCL. The status of the cases is as follows:-

- (i) The Vigilance Division of SECL has investigated two numbers of cases and advice of CVC was sought. In the case of Baroud OCP, CVC's advice has been received and disciplinary action has been initiated against nineteen (19) officials of SECL. In case of Jampali

OCP, CVC advice is awaited. Simultaneously, both the cases were referred to CBI for investigation.

- (ii) The Vigilance division of ECL has investigated fourteen (14) numbers of cases and prima facie no cases of over-payment and no vigilance angle has been observed.
- (iii) In BCCL, a committee conducted sample examination of six patches and concluded that the penalty/kept back amount is a continuous process and as per provision it may be returned when progressive target is achieved. Another committee examined another four (4) patches which were closed at that time and concluded that the kept back which was withheld considering hindrance was waived with the approval of BCCL Board since the contractor finally achieved the target of coal.
- (iv) It is further stated that the case of Sadbhav Annapurna (JV) was referred to CBI for investigation by CVO, BCCL however, the same has been returned by CBI, ACB, Dhanbad with following observation:-

"Perusal of your letter does not reveal any cognizable offence requiring CBI investigation by registering formal FIR. Over payment or advance payment made to a contractor by BCCL appears to be a mere violation of terms and conditions of the contract and this does not come under the jurisdiction of CBI as the matter is administrative in nature. It may be mentioned that as per CVC and CBI manual, CBI is supposed to entertain only those complaints which contain specific and definite allegations involving corruption or serious criminal misconduct against public servants etc. falling within the purview of CBI. Your reference does not fall under this category. Analysis of your letter and enclosed documents reveals that the amount of penalty withheld from the contractor's bill due to non achievement of target is liable to be paid back once shortfall is fully made up by the contractor. Hence, the same appears to be a contract dispute between BCCL and the concerned contractor. Further, it is not clear what offence has been committed by the said contractor and which public servant of BCCL has committed criminal misconduct or any other offence under the PC Act of IPC. Your complaint also does not mention the names and designation

of officer/officials responsible for the alleged irregularity. Roles played by individual public servants have not been mentioned in your complaint. It appears that the matter has been simply referred to CBI without any detailed investigation/enquiry by the Vigilance Department of BCCL on the basis of recommendation made by the Committee on Petitions of 16th Lok Sabha. It appears that the Committee has endorsed the recommendation of BCCL to enquire into all the matter related to over/advance payment to the contractor of all the subsidiaries of CIL on the basis of apprehension that there could be many more cases relating to over/advance payments to the contractors. It may be mentioned that CBI, ACB, Dhanbad is not having jurisdiction to conduct investigation/enquiry pertaining to all subsidiaries of Coal India Limited. CBI is ready to make compliance of recommendation of the said Committee of Lok Sabha if a detailed investigation or fact finding enquiry is made by BCCL disclosing specific allegations involving corruption and criminal misconduct against public servants and private person and subsequently referred as per procedure to the concerned CBI Branch having jurisdiction.

It is therefore requested that action as mentioned above may please be taken and if a criminal case worth CBI probe is made out, a formal complaint/FIR may be lodged with CBI specifying allegations and names of accused officer/officials of BCCL along with previous approval of the competent authority u/s 17A of the PC (Amendment) Act, 2018.

CVO, BCCL has stated that it was clearly mentioned by BCCL in their letter vide which the case was referred to CBI that Major Penalty charge sheet has been served to the identified officers as per the 1st stage advice received from CVC. It was also mentioned that the said file can be made provided if required.

CVO, BCCL has further stated that Departmental inquiry in the matter was conducted and IO found the charges as "Not Proved", Subsequently, the case has been referred to CVC for seeking 2nd stage advice for Minor penalty as opined by the Disciplinary Authority. As per vigilance investigation, no criminal offence has been identified. The letter from CVO, BCCL to Ministry of Coal may be perused at **Annexure-IV.**"

17. In para 49 of the Report, the Committee had observed/recommended as follows:-

"With a view to ensure accurate physical measurement of extraction, removal and transportation of coal by the Contractors devoid of manual intervention, the Committee recommend that the Ministry of Coal should persuade the Management of Coal India Limited to introduce modern technology such as, Unmanned Aerial Vehicle (UAV), 3D Terrestrial Laser Scanner (TLS), etc., in all its subsidiaries, viz., Bharat Coking Coal Limited, Western Coalfields, Central Coalfields, Eastern Coalfields, Northern Coalfields, Mahanadi Coalfields, etc., so that the payment to the Contractors is made strictly in accordance with scientific work measurement of extraction, removal and transportation of coal by them. The Committee would like to be apprised of the action taken by the Ministry of Coal in the matter."

18. The Ministry of Coal, in their interim and final Action Taken Replies, have submitted as follows:-

"The Task Force constituted to examine and revise the provisions of Contract Management Manual has proposed an additional clause to be added in Chapter 6 of CMM which reads as follows:-

The initial and final measurement of HOE patch shall be done by CMPDIL/third party by 3D TLS. For contract more than one year, annual measurement of OB shall be reconciled on basis of measurement by CMPDIL/third party done by 3D TLS (p.3 of Annexure-II).

The Task Force recommendation has been agreed by Chairman, Coal India Limited and put to CIL Board for Approval. CVO, Coal India Limited has been requested to furnish the status of implementation of the recommendations made by the Task Force."

OBSERVATIONS/RECOMMENDATIONS

Contract Management Manual (CMM) and its implementation in all the subsidiaries of Coal India Limited

19. The Committee on Petitions, while examining the representation of Shri Subhash Kumar Singh regarding payment of full contracted amount by the Bharat Coking Coal Limited (BCCL) to M/s. Sadbhav Annapurna (JV) without completion of the work, had noted that BCCL awarded a contract to M/s. Sadbhav Annapurna (JV) for removal of 380.84 LCM OB (Lakh Cubic Meter of Over Burden, including Jhama), removal of 16.5 LCM Dump Loose OB (Lakh Cubic Meter Dump Loose Over Burden) and extraction and transportation of 65.54 LMT (Lakh Metric Ton) coal from Khudia, Palasia, GP (Gopinathpur-Top), GP (Gopinathpur-Bottom), Brindabanpur (Top & Bottom) and Kalimati group of seams of Basantimata Dahibari Patch of Dahibari Colliery of Chanch Victoria Area, BCCL for a period of 48 months (w.e.f., 10.6.2013 to 9.6.2017) with the financial involvement of ₹ 4,71,78,08,000/- vide Work Order dated 21.05.2013. M/s. Sadbhav Annapurna (JV) started the work with effect from 10.06.2013 and executed 74,12,780.786 M3 of In-situ OB (Cubic Meter of In-Situ Over Burden), 41,26,024.147 M3 (Cubic Meter) of dumped loose OB (Over Burden) and dispatched 8,43,396.600 tons of coal up to January, 2015, amounting to a total value of ₹ 1,08,20,59,769.46. The Committee further noted that till January, 2015, BCCL had paid ₹ 1,03,81,12,749/- during the period of initial 18 months to the Contractor, i.e., M/s. Sadbhav Annapurna (JV) which is around 22% of the total contracted amount of ₹ 4,71,78,08,000/-.

20. The Committee took a serious note of the fact that the release of payment of ₹1,03,81,12,749/- by the BCCL to the Contractor, which was approximately 22% of the total contracted amount within an initial period of just 18 months is not

justifiable on the part of the BCCL without proper assessment of the work actually executed by the Contractor. The Committee had, therefore, recommended that before releasing the payment against the Bill(s) raised by the Contractors, whether presently engaged or to be engaged in future, proper assessment of the work actually executed by the Contractor(s), keeping in view the target and achievement, physical inspection of the site to check the actual progress/production in respect of extraction and transportation of coal, excavation and removal of OB, and removal of loose dump OB should be meticulously done in accordance with the established accounting procedures and vetted by internal Vigilance Apparatus.

21. In pursuance thereof, the Ministry of Coal, in their final Action Taken Replies, have submitted that the recommendations of the Committee on Petitions have already been accepted, in principle, for implementation across all the subsidiaries of Coal India Limited. However, while doing the same, it was noticed that various rules and procedures in different Departments need to be aligned afresh to effectively implement the recommendations of the Committee on Petitions. Accordingly, a need was felt to completely revise the current CMM which was approved by the Coal India Limited Board in 2006. The work of revision which includes deliberations amongst different executive wings of Coal India Limited and its subsidiaries has been completed and the revised manual as put up to the Audit Committee which, in turn, advised some more modifications. After incorporating their suggestions, the revised manual will be placed before the Coal India Limited Board for approval. The Ministry have further submitted that this process is likely to be completed by March 2020 and would be ready for immediate implementation in all subsidiaries from the commencement of the new Financial Year.

22. The Ministry of Coal, in their final Action Taken Replies, have appraised the Committee that the modifications in the Contract Management Manual (CMM) of CIL as per the recommendation of the Committee on Petitions has been approved by CIL Board in its 400th meeting held on 12.3.2020 and has been circulated to all concerned *vide* letter dated 18.3.2020 to implement the changes from immediate effect. The Committee appreciate the efforts of the Ministry of Coal/CIL notwithstanding the fact that the Ministry were not able to functionalise the amended CMM for giving tender(s) for undertaking various activities connected with the removal of Over Burden, Jhama, Dump Loose and extraction and transportation of coal from different areas leading to inordinate delay in implementing the relevant recommendation of the Committee by the Management of Coal India Limited in this regard. The Committee now trust that the provision of the amended Contract Management Manual would be implemented in all the subsidiaries of CIL from the commencement of the new Financial Year.

Disciplinary Proceedings against errant officials of Coal India Limited and of other entities

23. While observing that there were no glaring irregularities found in the case of payment made to M/s. Sadbhav Annapurna (JV) by the BCCL without completion of work and also as per the Report of the CVO of BCCL, no irregularities were established except that of non-deduction of penalty amount by the BCCL officials against whom minor penalty was imposed which was, later on, converted into 'Major Penalty Proceedings' against the delinquent officials. However, in this regard, the Committee were of the considered opinion that the specific work areas in all the subsidiaries of Coal India Limited which are prone to corruption should be identified by the Ministry and an Institutional Mechanism with an impregnable fireball of stringent time-bound penalty should be put in place so that any element

of corrupt practices by the officials are tackled in a mechanical manner. The Committee also fully endorsed the recommendations of the CVO, BCCL to inquire into all the matters related to over/advance payments to the Contractors in all the subsidiaries of CIL including M/s. Sadbhav Annapurna (JV) and also to hand over the investigation to the Central Bureau of Investigation for detailed inquiry/investigation.

24. The Ministry of Coal, in their Action Taken Replies, have informed that the following work areas prone to corruption has been identified in the 'Corruption Risk Mitigation Policy of Coal India Limited' available in CIL Website:-

- (i) Recruitment.
- (ii) Transfer and posting.
- (iii) Procurement of all kinds of machinery including heavy equipment.
- (iv) Award of various contracts including transportation contracts, removal of overburden and extraction of coal.
- (v) Coal stock shortage, measurement of coal and OB.
- (vi) Quality of coal.
- (vii) Washeries and leasing of land, use of washery rejects.
- (viii) Labour/DGR/ESM Contracts.
- (ix) Payment of Bills of Contractors.
- (x) Pilferage and theft of coal.
- (xi) Coal diversion/black marketing by coal consumers.
- (xii) Joint Ventures and partnerships with other PSUs.

25. The Ministry have further informed that all CVOs of the subsidiary companies were requested to inquire into the irregularities highlighted in the Report in outsourcing contracts of their respective subsidiaries but no such cases have been detected in WCL, CCL, MCL & NCL, so far. However, three such cases have been detected in SECL for which preliminary investigation has been carried out by the Vigilance Division of SECL and detailed investigation by CBI is being arranged.

26. Further, an Interim Report was received from ECL stating that *prima facie* deviations were found in 16 cases and further verification was going on. Apart from the aforesaid, the Ministry of Coal, in the final action taken replies, have also informed that a Report has been received from CVO, CIL about the cases in SECL, ECL and BCCL. The status of the cases is as follows:-

- (i) *The Vigilance Division of SECL has investigated two numbers of cases and advice of CVC was sought. In the case of Baroud OCP, CVC's advice has been received and disciplinary action has been initiated against nineteen (19) officials of SECL. In case of Jampali OCP, CVC advice is awaited. Simultaneously, both the cases were referred to CBI for investigation.*
- (ii) *The Vigilance division of ECL has investigated fourteen (14) numbers of cases and prima facie no cases of over-payment and no vigilance angle has been observed.*
- (iii) *In BCCL, a committee conducted sample examination of six patches and concluded that the penalty/kept back amount is a continuous process and as per provision, it may be returned when progressive target is achieved. Another committee examined another four (4) patches which were closed at that time and concluded that the kept back which was withheld considering hindrance was waived with the approval of BCCL Board since the contractor finally achieved the target of coal.*

- (iv) *The case of Sadbhav Annapurna (JV) was referred to CBI for investigation by CVO, BCCL however, the same has been returned by CBI, ACB, Dhanbad stating that CBI, ACB, Dhanbad is not having jurisdiction to conduct investigation/enquiry pertaining to all subsidiaries of Coal India Limited. CBI is ready to make compliance of recommendation of the said committee of Lok Sabha if a detailed investigation or fact finding enquiry is made by BCCL disclosing specific allegations involving corruption and criminal misconduct against public servants and private person and subsequently referred as per procedure to the concerned CBI Branch having jurisdiction. CVO, BCCL has further stated that Departmental inquiry in the matter was conducted and IO found the charges as "Not Proved", Subsequently, the case has been referred to CVC for seeking 2nd stage advice for Minor penalty as opined by the Disciplinary Authority. As per vigilance investigation, no criminal offence has been identified.*

27. The Committee are partially convinced with the action initiated, till date by the BCCL Authorities, primarily, to weed out the nexus between the Contractors and the various layers of decision making Authorities, which has resulted in substantial loss to the exchequer. Though it is a welcome step that, of late, BCCL has identified various work areas prone to corruption, but in the considered view of the Committee, overstay of official(s) at a particular office/work area often give rise to developing some sort of 'interest groups', which further leads to 'rent-seeking behaviour' and finally end up in giving financial and other favour(s) to some of the favourite business entities at the cost of exchequer. The Committee, therefore, suggest that in the work areas which are prone to corruption, 'overstay of officials at a particular office/ work area' should also be included and efforts be made to formulate 'Standing Orders' to the effect that the decision making officials are mandatorily re-shuffled after a maximum period of three years. The Committee, would also like to appreciate the role and vigilant functioning of the CVO and other officers in the hierarchy of Vigilance of Coal India Limited in initiating a justice-

driven investigation to contain the organised pilferage from the exchequer. The Committee hope that the contribution of all such officers should form part of the 'success story' not only within the BCCL but also other entities, as well.

NEW DELHI;

DR. VIRENDRA KUMAR,
Chairperson,
Committee on Petitions.

16 September, 2020
25 Bhadrapada, 1942 (Saka)

Sl.No.	Provisions of Sadhbhav Tender	Present Provision of Chapter 6 of CMM
	<p data-bbox="432 304 786 338">12. Measurement of O.B. and Coal :</p> <p data-bbox="432 376 914 555">The measurement of O.B. and Coal shall be done by the surveyor along with the agency in accordance with survey measurement as prescribed in the code for uniform system of maintenance, control and verification of coal stock in all mines of CIL, as described below:</p> <p data-bbox="432 584 735 613">Initial surveying and leveling:-</p> <p data-bbox="432 613 914 1048">a) Before an area is taken up for opencast mining, masonry pillars are constructed at 30 Meter intervals. The pillars are so constructed that when they are joined in one direction, a series of parallel lines is formed in the general direction of the proposed face/ faces. The lines formed by pillars joined in another direction will be at right angle to the first set of lines. The ground levels at the pillars and at 15 meter intervals will be taken. In case of a working quarry, pillars will be constructed on the solid ground in the virgin area of the quarry. The levels will however, be taken in the working area as well as in the virgin area. Each pillar will be numbered and the number engraved in it.</p> <p data-bbox="432 1077 914 1592">b) In case of working opencast mines where masonry pillars as indicated in (a) above were not constructed, a base line should be laid with masonry pillars constructed at 30 Meter intervals. Another line should be laid at right angle to this base line on which also masonry pillars should be constructed at 10 Meter intervals. These two lines should become the reference lines which should be utilized for making quarry sections at 15 Meter intervals parallel to both the reference lines. The first set of section should be made based upon surveying and leveling conducted by the Area surveyors which would give initial profile of the opencast. Thereafter, every month surveying should be carried out for making the new profiles of the opencast in order to arrive at the quantity or correct excavation of coal and overburden.</p> <p data-bbox="432 1621 914 1762">c) In case of opencast mine being worked on developed workings either in single section or multisections, offset survey should be carried out to assess the quantity of coal locked in pillars/ stocks and partings. This will form the</p>	<p data-bbox="938 277 1278 331">5. Measurements and Payments :</p> <p data-bbox="938 360 1246 389">Measurement of O.B and Coal :</p> <p data-bbox="938 418 1358 763">Before an area is taken up for working, the pre-level survey shall be taken up jointly as described hereafter on the base plan. The contractor shall sign the base plan with respect of which subsequent survey volumes will be determined. Contractors are required to furnish their proposed work completion schedule indicating month-wise progress keeping in view the total quantum of work. The schedule so given should be agreed by Engineer-in-Charge.</p> <p data-bbox="938 792 1358 1196">The initial and final joint survey measurement of the works, coal and Over Burden (O.B) shall be carried out by Area authority in association with Hd. Qtr. Survey Team, CMPDIL / other subsidiary team and representative of agency. All interim monthly measurement of O.B. and Coal shall be done on insitu basis by Unit Surveyor along with the representative of agency in accordance with survey measurement as prescribed in the code for uniform system of maintenance, control and verification of coal stock in all mines of CIL.</p> <p data-bbox="938 1225 1358 1426">Mode of interim quarterly / half-yearly measurement is to be carried out by Area Surveyor, Unit Surveyor, representative of Head Quarter and representative of the agency. Association of CMPDIL / other subsidiaries may also be sought at the discretion of the CMD of the company.</p> <p data-bbox="938 1456 1182 1485">Surveying and leveling:-</p> <p data-bbox="938 1514 1358 1693">a) Initial surveying and leveling shall be carried out as per "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL". The subsidiary shall incorporate such mode in the bid document.</p>



<p>basis of calculation of extracted quantity of coal when the pillars/ stooks and partings are mined out by opencast method.</p> <p>The running on account bill will be raised every month or stipulated in the workorder/ contract agreement and payment will be made within 30 (thirty) days from the date of passing of the bill by the executing authority.</p> <p>13.1 If the surface is too much undulated, the intervals of measurement may be suitably reduced from 15 Meter.</p> <p>13.2 <u>Maintenance of records</u>: -The plan of the quarry will be drawn on cartridge paper on 1:500 scale and the ground level will be recorded at 15 Meter intervals. The intervals may be further reduced, if found necessary. The number of each pillar will be recorded on the plan.</p> <p>13.3 <u>Subsequent Surveying and Leveling</u> :- The levels of the overburden at 15 Meter intervals at the exact spots, where initial levels were taken, will be taken in the working area at the end of each month. The dates of all such measurements and also the date of initial measurement will be recorder on the plan along with the reduced level of each point. If the entries are too numerous and difficult to accommodate on the plan, a register may be maintained for recording the levels with dates.</p> <p>13.4 When coal seam is exposed, the levels of top of the seam will be taken before the coal is extracted. Similarly, the levels of floor will be taken before the area is back filled or allowed to get drowned.</p> <p>13.5 In the excavated portion also, the levels of the points along the grid where there are abrupt changes in the levels should also be taken.</p> <p>13.6 A Bench Mark and a base line will be maintained at suitable places away from the quarry on firm undisturbed ground. The levels and positions of the pillars should be rechecked in reference to the bench mark and base line every six months.</p> <p>13.7 <u>Measurement of Overburden Removal</u> :-</p>	<p>b) Subsequent Surveying and Leveling: This will be carried out as per "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL".</p> <p>The dates of all such measurements and also the date of initial measurement will be recorded on the plan along with the reduced level of each point. If the entries are too numerous and difficult to accommodate on the plan, a register may be maintained for recording the levels with dates.</p> <p>c) When coal seam is exposed, the levels of top of the seam will be taken before the coal is extracted by Area Surveyor. Similarly, the levels of floor will be taken before the area is back filled or allowed to get drowned by CMPDIL / other subsidiary team.</p> <p>d) In the excavated portion also, the levels of the points along the grid where there are abrupt changes in the levels should also be taken.</p> <p>e) A Bench Mark and a base line will be maintained at suitable places away from the quarry on firm undisturbed ground. The levels and positions of the pillars should be rechecked in reference to the bench mark and base line every six months by Area Office Surveyor.</p> <p>f) <u>Measurement of Overburden Removal</u> : Any standard in Situ method for measurement of quantity of overburden removed can be adopted. But, once a method is adopted it will not be changed. Payment will be made of the quantities as measured.</p> <p>g) <u>Measurement of Coal Removal</u> : In Situ volumetric measurement of coal production can be found out in the same manner prescribed in "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL".</p>
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Any standard method for measurement of quantity of overburden removed can be adopted. But, once a method is adopted it will not be changed. Either of the two methods as described at sl. No. 14 & 15 at page-3 of 'Code for uniform system of maintenance, control and verification of Coal Stock in all mines of CIL shall be adopted.

13.8. Measurement of Coal Removal: -

Volumetric measurement of coal production can be found out in the same manner as in the case of OBR. In this case the levels from top of the seam up to the floor of the seam will be considered.

14. Regulations in payment for coal

The volumetric quantities of coal shall be calculated in accordance with prescribed guidelines in above para No.13.8. The same shall be converted in tonne and shall be reconciled with the quantity dispatched as per weighment of Railway/Truck receipts. Payment will be made on the lesser of the quantities as determined by the above modes.

15. A) Payment will be released on quantity of coal despatched outside the leasehold limits of the quarry and quantity of overburden removed for the above purpose as calculated on the basis of current stripping ratio as per mutually agreed 'Work Schedule' (time and progress chart) drawn by the Area Authority and duly approved by CMD, BCCL. Payment of coal and OB shall be regulated in the following manner :-

a) On account payment for removal of OB (as per average monthly quantity in work schedule) will be admissible to the extent of 50% (fifty percent) of the quantity of OB disposed off by the contractor till the time coal is exposed for extraction subject to fulfillment of OB removal schedule.

b) Full value of payment due for coal produced/dispached within contract quantity shall be paid in on account bills.

c) Full value of payment for OB actually removed or OB commensurate to coal produced (as per current stripping ratio).

h) Regulations in payment for Coal: The volumetric quantities of coal shall be calculated in accordance with prescribed guidelines in above para. The same shall be converted in ton and shall be reconciled with the quantity dispatched as per weighment of Railway / Truck receipts. Payment will be made on the lesser of the quantities as determined by the above modes.

The conversion factor / specific gravity for the specified seam of coal will be worked out and shall form the basis of conversion. In reconciliation, if the quantity of coal delivered by the contractor at the destination is found to be less than the quantity measured at the place of work, the contractor shall be liable to pay penalty for the variation in quantity upto 2% (two percent) at the rate of prevailing sale price of the said grade of coal and pay a penalty at double the aforesaid sale price for the quantity beyond / exceeding the variation of 2% (two percent).

i) The running on account bill will be raised every month or stipulated in the work order/ contract agreement and payment will be made within 30(thirty) days from the date of passing of the bill by the executing authority.

j) Payment will be released on quantity of coal despatched outside the leasehold limits of the quarry and quantity of overburden removed for the above purpose as per steps mentioned below:

i) Current stripping ratio as mutually agreed, as per NIT/ agreed work schedule shall form the basis of release of payment in respect of overburden and coal.

ii) On Account payment for removal of OB will be admissible to the contractor to the extent of 50% (fifty percent) of the quantity of OB disposed of by the contractor till the initial coal seam is exposed for extraction.



<p>whichever is less shall be paid in on account bills.</p> <p>d) <u>50% (fifty percent) of payment for OB removal in excess of commensurate quantity within contract quantity will be paid in on account bills.</u> <u>Above stipulation for progressive payment is to ensure compliance of targets as per work schedule (time and progress chart) approved by CMD, BCCL. However, actual quantity executed as certified in the joint measurement shall be paid in the final bill after reconciliation.</u></p> <p>B) <u>Release of payment after extraction/production of coal and transportation to surface dump by the contractor in those cases where the contractor is not responsible for nondispatch of coal from surface dump the following system is to be adopted:</u></p> <p>i) <u>80% payment for the coal produced and transported up to Dump to be considered for payment.</u></p> <p>ii) <u>Balance 20% payment from the above coal produced and transported will be released only after despatch of the total coal considered at Sl.No. (i).</u></p> <p>iii) <u>The volumetric quantity of coal produced/transported and dumped at Surface Dump as per BOQ shall be calculated in accordance with the prescribed guidelines of the yellow book and same shall be converted into tonne for considering the above payment.</u></p> <p>iv) <u>Final payment for coal will be regulated in accordance with clause of work order issued to the Agency for the work.</u></p> <p>v) <u>Release of payment for the quantities of OB commensurate with 80% quantity of coal produced (as per current stripping ratio) and transported to dump.</u> <u>For releasing such payments as at 'B', approval of CMD, BCCL will be required with information to Board. Area will only process such proposals where the contractor is not responsible for non-despatch of coal.</u></p>	<p>iii) <u>Subsequent payment on removal of OB within contract quantity will be restricted on the basis of agreed stripping ratio i.e. payment will be linked to extraction of coal. However, if OB removal and coal removal is as per agreed stripping ratio, full payment on removal of OB shall be made subject to dispatch of coal as indicated above. However, 50% of payment of OB removal in excess of commensurate quantity as per stripping ratio will be made within the contract quantity provided the so payable amount do not exceed security amount available with the department (covering Performance Security & Retention Money).</u></p> <p>iv) <u>Full value of payment due to coal dispatched within the contract quantity shall be released in 'On Account' bills when the coal extracted matches stipulated stripping ratio.</u></p> <p>v) <u>In case, coal extraction is more and OB removal is less than the stripping ratio, full payment on OB removal will be made.</u></p> <p><u>In case, coal extraction and transportation is more than OB extraction compared to agreed stripping ratio, full payment will be restricted for quantity of coal, based on stripping ratio, corresponding to the actual OB removed.</u></p> <p><u>However, for the portion of coal quantity for which payments could not be released due to restriction of the stripping ratio may be released to the extent of 80% of the payable amount provided the extra coal extracted / transported is dispatched by company and executing authority is satisfied about the stability of mining operation undertaken.</u></p> <p>vi) <u>The above stipulation for progressive payment is to ensure compliance of targets as per the mile stone indicated in the schedule of progress. However, actual.</u></p>
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		<p>quantity executed (Coal & OB) as certified in the final joint measurement shall be paid after re-conciliation in the final bill irrespective of stripping ratio mentioned in agreed work schedule / Bid.</p> <p>vii) In case of variation in available stripping ratio compared to agreed stripping ratio, the same can be modified based on actuals during the course of contract subject to approval of competent authority.</p> <p>NOTE:</p> <p>1) The above mode of release of payment shall be applicable where Hiring Works involve both removal of OB and extraction of coal.</p> <p>In case only coal extraction or only OB removal is in the scope of work, no such restriction shall be applicable i.e. extraction of coal / removal of OB will be made based on in situ measurement. However in case of extraction of coal release of payment shall be subject to dispatch. Mining shall be as per acceptable geometry including bench width and height, statutory provisions and standard industry practice.</p> <p>2) Subsidiaries may also decide its own regulation towards mode of payment for items executed (duly approved) depending on locational and geo mining site consideration. However, such mode shall be elaborated in the bid document.</p> <p>3) The provisions made above are general in nature and can be modified depending on local considerations with the approval of subsidiary.</p>
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Proposed Modifications in Contract Management Manual

Annexure-II

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
1	Clause 5 of SPECIAL NOTES AND ADDITIONAL TERMS & CONDITIONS FOR HIRING CONTRACT EXCAVATION, REMOVAL OF OVERBURDEN, EXTRACTION OF COAL AND TRANSPORTATION Chapter 6 of CMM, Page 88- 91	<p>5. Measurements and Payments:</p> <p>Measurement of O.B and Coal:</p> <p>Before an area is taken up for working, the pre-level survey shall be taken up jointly as described hereafter on the base plan. The contractor shall sign the base plan with respect of which subsequent survey volumes will be determined. Contractors are required to furnish their proposed work completion schedule indicating month-wise progress keeping in view the total quantum of work. The schedule so given should be agreed by Engineer-in-Charge.</p> <p>The Initial and final joint survey measurement of the works, coal and Over Burden (O.B) shall be carried out by Area authority in association with Hd. Qtr. Survey Team, CMPDIL / other subsidiary team and representative of agency. All interim monthly measurement of O.B. and Coal shall be done on insitu basis by Unit Surveyor along with the representative of agency in accordance with survey measurement as prescribed in the code for uniform system of maintenance, control and verification of coal stock in all mines of CIL.</p> <p>Mode of interim quarterly / half-yearly measurement is to be carried out by Area Surveyor, Unit Surveyor, representative of Head Quarter and representative of the agency. Association of CMPDIL / other subsidiaries may also be sought at the discretion of the CMD of the company.</p>	<p>5. Measurements and Payments:</p> <p>Measurement of O.B and Coal:</p> <p>Before an area is taken up for working, the pre-level survey shall be taken up jointly as described hereafter on the base plan. The contractor shall sign the base plan with respect of which subsequent survey volumes will be determined. Contractors are required to furnish their proposed work completion schedule indicating month-wise progress keeping in view the total quantum of work. The schedule so given should be agreed by Engineer-in-Charge.</p> <p>The initial and final joint survey measurement of the works, coal and Over Burden (O.B) shall be carried out by Area authority in association with Hd. Qtr. Survey Team, CMPDIL / other subsidiary team and representative of agency. All interim monthly measurement of O.B. and Coal shall be done on insitu basis by Unit Surveyor along with the representative of agency in accordance with survey measurement as prescribed in the code for uniform system of maintenance, control and verification of coal stock in all mines of CIL.</p> <p>Mode of interim quarterly / half-yearly measurement is to be carried out by Area Surveyor, Unit Surveyor, representative of Head Quarter and representative of the</p>	<p>A provision should be added to pay the quantity of coal which could not be dispatched due to factor beyond control of the contractor.</p>

28

Annexure-II

~~SECRET~~

29

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>Surveying and leveling:-</p> <p>a) Initial surveying and leveling shall be carried out as per "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL". The subsidiary shall incorporate such mode in the bid document.</p> <p>b) Subsequent Surveying and Leveling: This will be carried out as per "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL".</p> <p>The dates of all such measurements and also the date of initial measurement will be recorded on the plan along with the reduced level of each point. If the entries are too numerous and difficult to accommodate on the plan, a register may be maintained for recording the levels with dates.</p> <p>c) When coal seam is exposed, the levels of top of the seam will be taken before the coal is extracted by Area Surveyor. Similarly, the levels of floor will be taken before the area is back filled or allowed to get drowned by CMPDIL / other subsidiary team.</p> <p>d) In the excavated portion also, the levels of the points along the grid where there are abrupt changes in the levels should also be taken.</p> <p>e) A Bench Mark and a base line will be maintained at suitable places away from the quarry on firm undisturbed ground. The levels and positions of the pillars should be rechecked in reference to the bench mark and base line every six months by Area Office Surveyor.</p>	<p>agency. Association of CMPDIL / other subsidiaries may also be sought with the approval of CMD of the company.</p> <p>Surveying and leveling:-</p> <p>a) Initial surveying and leveling shall be carried out as per "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL". The subsidiary shall incorporate such mode in the bid document.</p> <p>b) Subsequent Surveying and Leveling: This will be carried out as per "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL".</p> <p>The dates of all such measurements and also the date of initial measurement will be recorded on the plan along with the reduced level of each point. If the entries are too numerous and difficult to accommodate on the plan, a register may be maintained for recording the levels with dates.</p> <p>c) When coal seam is exposed, the levels of top of the seam will be taken before the coal is extracted by Area Surveyor. Similarly, the levels of floor will be taken before the area is back filled or allowed to get drowned by CMPDIL / other subsidiary team.</p> <p>d) In the excavated portion also, the levels of the points along the grid where there are abrupt changes in the levels should also be taken.</p>	

30

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>f) Measurement of Overburden Removal: Any standard in Situ method for measurement of quantity of overburden removed can be adopted. <u>But, once a method is adopted it will not be changed. Payment will be made of the quantities as measured.</u></p> <p>g) Measurement of Coal Removal: In Situ volumetric measurement of coal production can be found out in the same manner prescribed in "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL".</p> <p>h) Regulations in payment for Coal: The volumetric quantities of coal shall be calculated in accordance with prescribed guidelines in above para. The same shall be converted in ton and shall be reconciled with the quantity dispatched as per weighment of Railway / Truck receipts. Payment will be made on the lesser of the quantities as determined by the above modes. The conversion factor / specific gravity for the specified seam of coal will be worked out and shall form the basis of conversion. In reconciliation, if the quantity of coal delivered by the contractor at the destination is found to be less than the quantity measured at the place of work, the contractor shall be liable to pay penalty for the variation in quantity upto 2% (two percent) at the rate of prevailing sale price of the said grade of coal and pay a penalty at double the aforesaid sale price for the quantity beyond / exceeding the variation of 2% (two percent).</p> <p>i) The running on account bill will be raised every month or stipulated in the work order/ contract agreement and</p>	<p>e) A Bench Mark and a base line will be maintained at suitable places away from the quarry on firm undisturbed ground. The levels and positions of the pillars should be rechecked in reference to the bench mark and base line every six months by Area Office Surveyor.</p> <p>f) Measurement of Overburden Removal: Any standard in Situ method for measurement of quantity of overburden removed can be adopted. The modern system of survey measurement such as Electronic Total Station (ETS) and 3D Terrestrial Laser Scanner (3DTLS) shall be used in measurement. CIL/ Subsidiary can also adopt any new technology/gadget etc. as approved by CIL or Subsidiary for measurement of quantity of overburden.</p> <p>The Initial and final measurement of HOE patch shall be done by CMPDIL/third party by 3DTLS. For contract more than one year, annual measurement of OB shall be reconciled on basis of measurement by CMPDIL/third party done by 3DTLS.</p> <p>g) Measurement of Coal Removal: In Situ volumetric measurement of coal production can be found out in the same manner prescribed in "New Code of Uniform System of Maintenance, Control and Verification of Coal Stock in all mine of CIL".</p> <p>h) Regulations in payment for Coal: The volumetric quantities of coal shall be calculated in accordance with prescribed guidelines in above para. The same shall be converted in ton and shall be reconciled with the quantity dispatched as per weighment of Railway / Truck receipts.</p>	

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		<p>payment will be made within 30(thirty) days from the date of passing of the bill by the executing authority.</p> <p>j) Payment will be released on quantity of coal dispatched outside the leasehold limits of the quarry and quantity of overburden removed for the above purpose as per steps mentioned below:</p> <p>i) Current stripping ratio as mutually agreed, as per NIT/ agreed work schedule shall form the basis of release of payment in respect of overburden and coal.</p> <p>ii) On Account payment for removal of OB will be admissible to the contractor to the extent of 50% (fifty percent) of the quantity of OB disposed of by the contractor till the initial coal seam is exposed for extraction.</p> <p>iii) Subsequent payment on removal of OB within contract quantity will be restricted on the basis of agreed stripping ratio i.e. payment will be linked to extraction of coal. However, if OB removal and coal removal is as per agreed stripping ratio, full payment on removal of OB shall be made subject to dispatch of coal as indicated above. However, 50% of payment of OB removal in excess of commensurate quantity as per stripping ratio will be made within the contract quantity <u>provided the so payable amount do not exceed security amount available with the department (covering Performance Security & Retention Money).</u></p> <p>iv) Full value of payment due to coal dispatched within the contract quantity shall be released in 'On Account' bills when the coal extracted matches stipulated stripping ratio.</p> <p>v) In case, coal extraction is more and OB removal is less than the stripping ratio, full payment on OB removal will be made. In case, coal extraction and transportation is more than OB extraction compared to agreed stripping ratio, full payment will be restricted for quantity of coal, based on stripping ratio, corresponding to the actual OB removed.</p>	<p>Payment will be made on the lesser of the quantities as determined by the above modes.</p> <p>The conversion factor / specific gravity for the specified seam of coal will be worked out and shall form the basis of conversion.</p> <p>In reconciliation, if the quantity of coal delivered by the contractor at the destination is found to be less than the quantity measured at the place of work, the contractor shall be liable to pay penalty for the variation in quantity upto 2% (two percent) at the rate of prevailing sale price of the said grade of coal and pay a penalty at double the aforesaid sale price for the quantity beyond / exceeding the variation of 2% (two percent).</p> <p>i) The running on account bill will be raised every month or stipulated in the work order/ contract agreement and payment will be made within 30(thirty) days from the date of passing of the bill by the executing authority.</p> <p>j) Payment will be released on quantity of coal dispatched outside the leasehold limits of the quarry and quantity of overburden removed for the above purpose as per steps mentioned below:</p> <p>i) Current stripping ratio as mutually agreed, as per NIT/ agreed work schedule shall form the basis of release of payment in respect of overburden and coal.</p> <p>ii) On Account payment for removal of OB will be admissible to the contractor to the extent of 50% (fifty percent) of the quantity of OB disposed of by the contractor till the initial coal seam is exposed for extraction.</p> <p>iii) Subsequent payment on removal of OB within contract quantity will be restricted on the basis of agreed stripping ratio i.e. payment will be linked to extraction of coal. However, if OB removal and coal removal is as per</p>	

6

32

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>However, for the portion of coal quantity for which payments could not be released due to restriction of the stripping ratio may be released to the extent of 80% of the payable amount provided the extra coal extracted / transported is dispatched by company and executing authority is satisfied about the stability of mining operation undertaken.</p> <p>vi) The above stipulation for progressive payment is to ensure compliance of targets as per the mile stone indicated in the schedule of progress. However, actual quantity executed (Coal & OB) as certified in the final joint measurement shall be paid after re-conciliation in the final bill irrespective of stripping ratio mentioned in agreed work schedule / Bid.</p> <p>vii) In case of variation in available stripping ratio compared to agreed stripping ratio, the same can be modified based on actuals during the course of contract subject to <u>approval of competent authority.</u></p> <p>NOTE: 1) The above mode of release of payment shall be applicable where Hiring Works involve both removal of OB and extraction of coal. In case only coal extraction or only OB removal is in the scope of work, no such restriction shall be applicable i.e. extraction of coal / removal of OB will be made based on in situ measurement. However in case of extraction of coal release of payment shall be subject to dispatch. Mining shall be as per acceptable geometry including bench width and height, statutory provisions and standard industry practice. 2) Subsidiaries may also decide its own regulation towards mode of payment for items executed (duly approved) depending on locational and geo mining site consideration.</p>	<p>agreed stripping ratio, full payment on removal of OB shall be made subject to dispatch of coal as indicated above. However, 50% of payment of OB removal in excess of commensurate quantity as per stripping ratio will be made within the contract quantity provided the so payable amount do not exceed security amount available with the department (covering Performance Security & Retention Money).</p> <p>iv) Full value of payment due to coal dispatched within the contract quantity shall be released in 'On Account' bills when the coal extracted matches stipulated stripping ratio.</p> <p>v) In case, coal extraction is more and OB removal is less than the stripping ratio, full payment on OB removal will be made.</p> <p>In case, coal extraction and transportation is more than OB extraction compared to agreed stripping ratio, full payment will be restricted for quantity of coal, based on stripping ratio, corresponding to the actual OB removed. However, for the portion of coal quantity for which payments could not be released due to restriction of the stripping ratio may be released to the extent of 80% of the payable amount provided the extra coal extracted / transported is dispatched by company and executing authority is satisfied about the stability of mining operation undertaken.</p> <p>vi) The above stipulation for progressive payment is to ensure compliance of targets as per the mile stone indicated in the schedule of progress. However, actual quantity executed (Coal & OB) as certified in the final joint measurement shall be paid after re-conciliation in the final bill irrespective of stripping ratio mentioned in agreed work schedule / Bid.</p>	

39

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>However, such mode shall be elaborated in the bid document.</p> <p>3) The provisions made above are general in nature and can be modified depending on local considerations with the approval of subsidiary.</p>	<p>vii) In case of variation in available stripping ratio compared to agreed stripping ratio, the same can be modified based on actuals during the course of contract subject to approval of competent authority.</p> <p>The payment withheld for OB quantity (ref clause (ii) and (iii) above) will be released considering the progressive achievement as per the work schedule/ revised work schedule as applicable.</p> <p>(j) B. Release of payment after extraction/production of coal and transportation to surface coal dump by the contractor in those cases where the contractor is not responsible for non-dispatch of coal from surface coal dump and the payment is held up for more than 90 days, the following system is to be adopted provided the coal received at Surface Coal Dump after weighing:</p> <p>i) 80% payment for the coal produced and transported up to Surface Coal Dump after weighing to be considered for payment.</p> <p>ii) Balance payment for the above coal produced and transported up to surface coal dump as mentioned at Sl .No. (i), will be released only after its dispatch.</p> <p>iii) Release of payment for the quantities of OB commensurate with 80% quantity of coal produced (as per current stripping ratio) and transported to dump shall also be released after measurement as prescribed in clause 5.</p>	

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
			<p>iv) The payment as made under serial No. i and iii above shall be treated as provisional payment and it shall be adjusted, as finalized as per clause 5(h) and 5(j)(A) above.</p> <p>For releasing such payments as at (j)B, approval of tender approving authority is required. In case Board of CIL/Subsidiary is the tender approving authority, with approval of CMD of CIL/Subsidiary.</p>	
2	<p>Clause 5 of Conditions of Contract, Chapter 3 of CMM, Page 46-48 and Modifications in Chapter 3 of CMM, Page 55-56</p>	<p>5.DEVIATIONS/ VARIATIONS IN QUANTITIES:</p> <p>Extent and Pricing: The quantities given in the 'Schedule of Quantities' are provisional and are meant to indicate the extent of the work and to provide a uniform basis for tendering and any variation either by addition or omission shall not vitiate the contract.</p> <p>5.1 The company through its Engineer-in-charge or his representative shall, without radically changing the original scope and nature of the contracted work, have power to make any alterations in or additions to or substitution of the original and instructions that may appear to be necessary or advisable during the progress of the work. The contractor shall be bound to carry out the works in accordance with the instructions given to him in writing by Engineer-in-charge or his representative on behalf of the company.</p> <p>Such altered or additional work, which shall form part of the original contract, shall be carried out by the contractor on the same conditions in all respects on which they agree to do the main works and at the same rate/rates as are specified in the contract.</p>	<p>5. DEVIATIONS/ VARIATIONS IN QUANTITIES:</p> <p>Extent and Pricing: The quantities given in the 'Schedule of Quantities' are provisional and are meant to indicate the extent of the work and to provide a uniform basis for tendering and any variation either by addition or omission shall not vitiate the contract.</p> <p>5.1 The company through its Engineer-in-charge or his representative shall, without radically changing the original scope and nature of the contracted work, have power to make any alterations in or additions to or substitution of the original and instructions that may appear to be necessary or advisable during the progress of the work. The contractor shall be bound to carry out the works in accordance with the instructions given to him in writing by Engineer-in-charge or his representative on behalf of the company.</p> <p>Such altered or additional work, which shall form part of the original contract, shall be carried out by the contractor on the same conditions in all respects on which they agree to do the main works. Such Extension</p>	

34

35

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>5.2 If the additional or altered work includes any class of work for which no rate/rates is/are specified in the contract, rates for such items shall be determined by the Engineer-in-charge as follows:</p> <p>a. the rate shall be derived from the rate/rates for similar or near similar class of work as is/are specified in the contract/tender, failing which</p> <p>b. the rates shall be derived from the company's prescribed schedule of rates based on which the estimate for tendering has been prepared plus or minus the percentage by which the tendered amount for the whole work quoted by the contractor is above or below the estimated amount as per the tender documents, failing which</p> <p>c. the rate shall be derived from contractor's rate claimed for such class of work supported by analysis of the rate/rates claimed by the contractor. The rate to be determined by the Engineer-in-charge as may be considered reasonable taking into account percentage of profit and overhead not exceeding ten percent or on the basis of market rates, if any, prevailing at the time when work was done.</p> <p>In the case of composite tenders, where two or more schedule of quantities for similar item description may form part of the contract, the applicable rate shall be taken from the schedule of quantities of that particular part in which the deviation is involved, failing that at the lowest applicable rate for the similar item of work in the other schedule of quantities.</p> <p>However, the Engineer-in-charge shall be at liberty to cancel the instruction by notice in writing and to arrange to carry out the work in such manner as he /she considers advisable</p>	<p><u>of Contract with additional quantity shall be done with imposition of Price Fall Clause i.e. "to accept to execute the work at the existing awarded rate or the awarded rate in the next tender whichever is lower". A consent letter from the contractor shall be required in such extensions. In such cases the extension of altered or additional work shall not exceed 30% of original contract value or one year time period whichever is earlier.</u></p> <p>5.2 If the additional or altered work includes any class of work for which no rate/rates is/are specified in the contract, rates for such items shall be determined by the Engineer-in-charge as follows:</p> <p>a. the rate shall be derived from the rate/rates for similar or near similar class of work as is/are specified in the contract/tender, failing which</p> <p>b. the rates shall be derived from the company's prescribed schedule of rates based on which the estimate for tendering has been prepared plus or minus the percentage by which the tendered amount for the whole work quoted by the contractor is above or below the estimated amount as per the tender documents, failing which</p> <p>c. the rate shall be derived from contractor's rate claimed for such class of work supported by analysis of the rate/rates claimed by the contractor. The rate to be determined by the Engineer-in-charge as may be considered reasonable taking into account percentage of profit and overhead not exceeding ten percent or on the basis of market rates, if any, prevailing at the time when work was done.</p>	

36

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>under the circumstances. The contractor shall under no circumstances suspend the work on the plea of non-settlement of rates.</p> <p>5.3 Alterations in the quantities shall not be considered as a change in the conditions of the contract nor invalidate any of the provision thereof provided that a revised work order for the item/items involved is issued. Such alterations shall need appropriate approval.</p> <p>5.4 The time for completion of the originally contracted work shall be extended by the company in the proportion that the additional work (in value) bears to the original contracted work (in value) as may be assessed and certified by the Engineer-in-charge.</p> <p>The validity of the Bank Guarantee, if submitted by the contractor, in lieu of performance security / security deposit shall be extended in pursuant to Clause Nos. 4.3 & 4.4 taking into consideration the period of extension.</p> <p>5.5 The company through its Engineer-in-charge or his representative, on behalf of the company, shall have power to omit any part of the work for any reason and the contractor shall be bound to carry out the work in accordance with the instruction given by the Engineer-in-charge. No claim for extra charges/damages shall be made by the contractor on these grounds.</p> <p>5.6 In the event of any deviation being ordered which in the opinion of the contractor changes radically the original scope and nature of the contract, the contractor shall under no circumstances suspend the work, either original or altered or</p>	<p>In the case of composite tenders, where two or more schedule of quantities for similar item description may form part of the contract, the applicable rate shall be taken from the schedule of quantities of that particular part in which the deviation is involved, failing that at the lowest applicable rate for the similar item of work in the other schedule of quantities.</p> <p>However, the Engineer-in-charge shall be at liberty to cancel the instruction by notice in writing and to arrange to carry out the work in such manner as he /she considers advisable under the circumstances. The contractor shall under no circumstances suspend the work on the plea of non-settlement of rates.</p> <p>5.3 Alterations in the quantities shall not be considered as a change in the conditions of the contract nor invalidate any of the provision thereof provided that a revised work order for the item/items involved is issued. Such alterations shall need appropriate approval, as below:</p> <p><u>i) A deviation up to 10% of the original awarded value of the work calculated from the original tendered quantities and the contract value, requires approval of Tender Approving Authority; in case Board is the approving authority, then approval of CMD shall be taken.</u></p> <p><u>ii) More than 10% deviation from original awarded value should require approval of next higher authority but total amount should be within the delegated power of the next higher authority; in case where Board is approving authority, the approval of the same Board shall be required.</u></p>	



37

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>substituted, and the dispute/disagreement as to the nature of deviation or the rate/rates to be paid thereof shall be resolved separately with the company.</p> <p>5.7 The re-appropriation/re-allocation of the quantities may be done with the approval of Engineer-in-charge within the stipulated contract period and contract value with the approval of the approving authority of the contract. In case the approving authority is Board, then with the approval of the CMD of the subsidiary company.</p>	<p>5.4 The time for completion of the originally contracted work shall be extended by the company in the proportion that the additional work (in value) bears to the original contracted work (in value) as may be assessed and certified by the Engineer-in-charge.</p> <p>The validity of the Bank Guarantee, if submitted by the contractor, in lieu of performance security / security deposit shall be extended in pursuant to Clause Nos. 4.3 & 4.4 taking into consideration the period of extension.</p> <p>5.5 The company through its Engineer-in-charge or his representative, on behalf of the company, shall have power to omit any part of the work for any reason and the contractor shall be bound to carry out the work in accordance with the instruction given by the Engineer-in-charge. No claim for extra charges/damages shall be made by the contractor on these grounds.</p> <p>5.6 In the event of any deviation being ordered which in the opinion of the contractor changes radically the original scope and nature of the contract, the contractor shall under no circumstances suspend the work, either original or altered or substituted, and the dispute/disagreement as to the nature of deviation or the rate/rates to be paid thereof shall be resolved separately with the company.</p> <p>5.7 The re-appropriation/re-allocation of the quantities may be done with the approval of Engineer-in-charge within the stipulated contract period and contract value with the approval of the approving authority of the</p>	

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			contract. In case the approving authority is Board, then with the approval of the CMD of the subsidiary company.	
3	Clause 5 of GTC, Chapter 6 of CMM, Page 54	<p>5. DEVIATIONS/VARIATIONS IN QUANTITIES:</p> <p>Extent and Pricing: The quantities given in the 'Schedule of Quantities' are provisional and are meant to indicate the extent of the work and to provide a uniform basis for bidding and any variation either by addition or omission shall not vitiate the contract.</p> <p>5.1 The company through its Engineer-in-charge or his representative shall, without radically changing the original scope and nature of the contracted work, have power to make any alterations in or additions to or substitution of the original and instructions that may appear to be necessary or advisable during the progress of the work. The contractor shall be bound to carry out the work in accordance with the instructions given to him in writing by Engineer-in-charge or his representative on behalf of the company.</p> <p>Such altered or additional work, which shall form part of the original contract, shall be carried out by the contractor on the same conditions in all respects on which they agree to do the main works and at the same rate/rates as are specified in the contract.</p> <p>5.2 If the additional or altered work includes any class of work for which no rate/rates is/are specified in the contract, rates for such items shall be determined by the Engineer-in-charge as follows:</p>	<p>5. DEVIATIONS/VARIATIONS IN QUANTITIES:</p> <p>Extent and Pricing: The quantities given in the 'Schedule of Quantities' are provisional and are meant to indicate the extent of the work and to provide a uniform basis for bidding and any variation either by addition or omission shall not vitiate the contract.</p> <p>5.1 The company through its Engineer-in-charge or his representative shall, without radically changing the original scope and nature of the contracted work, have power to make any alterations in or additions to or substitution of the original and instructions that may appear to be necessary or advisable during the progress of the work. The contractor shall be bound to carry out the work in accordance with the instructions given to him in writing by Engineer-in-charge or his representative on behalf of the company.</p> <p>Such altered or additional work, which shall form part of the original contract, shall be carried out by the contractor on the same conditions in all respects on which they agree to do the main works and at the same rate/rates as are specified in the contract. <u>A consent letter from the contractor shall be required in such extensions. In such cases the extension of altered or additional work shall not exceed 30% of original contract value or one year time period whichever is earlier.</u></p>	

38

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39

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>a. the rate shall be derived from the rate/rates for similar or near similar class of work as is/are specified in the contract, failing which</p> <p>b. the rates shall be derived from the company's prescribed schedule of rates based on which the estimate for tendered work has been prepared plus or minus the percentage by which the tendered amount for the whole work quoted by the contractor is above or below the estimated amount as per the Bid documents, failing which</p> <p>c. the rate shall be derived from contractor's rate claimed for such class of work supported by analysis of the rate/rates claimed by the contractor. The rate to be determined by the Engineer-in-charge as may be considered reasonable taking into account percentage of profit and overhead not exceeding fifteen percent or on the basis of market rates, if any, prevailing at the time when work was done.</p> <p>In the case of composite tenders, where two or more schedule of quantities for similar item description may form part of the contract, the applicable rate shall be taken from the schedule of quantities of that particular part in which the deviation is involved, failing that at the lowest applicable rate for the similar item of work in the other schedule of quantities.</p> <p>However, the Engineer-in-charge shall be at liberty to cancel the instruction by notice in writing and to arrange to carry out the work in such manner as he /she considers advisable under the circumstances. The contractor shall</p>	<p><u>In case of difficulty in handing over the site indicated in tender document or in continuing the work as per the agreed time and progress chart in allocated site, the Company shall have the right to allocate an alternative and/or supplementary site similar to the original site in terms of geological formations and the same range of leads in the same mine to achieve the quantity limited to daily target. No sooner the adequate hindrance free space at original site is available the work should be restored in the original site. In such cases no extension of contract with additional quantity shall be done.</u></p> <p><u>"Note (Not part of tender document):</u> <u>The shifting of place of work should not allow / accrue any extra benefit to the Contractor. Such change of site to be approved by CMD of Subsidiary Company with intimation to the Board."</u></p> <p>5.2 If the additional or altered work includes any class of work for which no rate/rates is/are specified in the contract, rates for such items shall be determined by the Engineer-in-charge as follows:</p> <p>a. the rate shall be derived from the rate/rates for similar or near similar class of work as is/are specified in the contract, failing which</p> <p>b. the rates shall be derived from the company's prescribed schedule of rates based on which the estimate for tendered work has been prepared plus or minus the percentage by which the tendered amount for the whole work quoted by the contractor is above or</p>	

40

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>under no circumstances suspend the work on the plea of non-settlement of rates.</p> <p>5.3 Alterations in the quantities shall not be considered as a change in the conditions of the contract nor invalidate any of the provision thereof provided that a revised work order for the item/items involved is issued. Such alterations shall need appropriate approval.</p> <p>5.4 The time for completion of the originally contracted work shall be extended by the company in the proportion that the additional work (in value) bears to the original contracted work (in value) as may be assessed and certified by the Engineer-in-charge.</p> <p>The validity of the Bank Guarantee, if submitted by the contractor, in lieu of performance security / security deposit shall be extended in pursuant to Clause Nos. 4.2 & 4.3 taking into consideration the period of extension.</p> <p>5.5 The company through its Engineer-in-charge or his representative, on behalf of the company, shall have power to omit any part of the work for any reason and the contractor shall be bound to carry out the work in accordance with the instruction given by the Engineer-in-charge. No claim for extra charges/damages shall be made by the contractor on these grounds.</p> <p>5.6 In the event of any deviation being ordered which in the opinion of the contractor changes radically the original scope and nature of the contract, the contractor shall under no circumstances suspend the work, either original or altered or substituted, and the</p>	<p>below the estimated amount as per the Bid documents, failing which</p> <p>c. the rate shall be derived from contractor's rate claimed for such class of work supported by analysis of the rate/rates claimed by the contractor. The rate to be determined by the Engineer-in-charge as may be considered reasonable taking into account percentage of profit and overhead not exceeding fifteen percent or on the basis of market rates, if any, prevailing at the time when work was done.</p> <p>In the case of composite tenders, where two or more schedule of quantities for similar item description may form part of the contract, the applicable rate shall be taken from the schedule of quantities of that particular part in which the deviation is involved, failing that at the lowest applicable rate for the similar item of work in the other schedule of quantities.</p> <p>However, the Engineer-in-charge shall be at liberty to cancel the instruction by notice in writing and to arrange to carry out the work in such manner as he /she considers advisable under the circumstances. The contractor shall under no circumstances suspend the work on the plea of non-settlement of rates.</p> <p>5.3 Alterations in the quantities shall not be considered as a change in the conditions of the contract nor invalidate any of the provision thereof provided that a revised work order for the item/items involved is issued. Such alterations shall need appropriate approval, as below:</p>	

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		dispute/disagreement as to the nature of deviation or the rate/rates to be paid thereof shall be resolved separately with the company.	<p>i) <u>A deviation up to 10% of the original awarded value of the work calculated from the original tendered quantities and the contract value, requires approval of Tender Approving Authority. In case Board is the approving authority, then approval of CMD shall be taken.</u></p> <p>ii) <u>More than 10% deviation from original awarded value should require approval of next higher authority but total amount should be within the delegated power of the next higher authority. In case where Board of is approving authority, the approval of the same Board shall be required.</u></p> <p>5.4 The time for completion of the originally contracted work shall be extended by the company in the proportion that the additional work (in value) bears to the original contracted work (in value) as may be assessed and certified by the Engineer-in-charge.</p> <p>The validity of the Bank Guarantee, if submitted by the contractor, in lieu of performance security / security deposit shall be extended in pursuant to Clause Nos. 4.2 & 4.3 taking into consideration the period of extension.</p> <p>5.5 The company through its Engineer-in-charge or his representative, on behalf of the company, shall have power to omit any part of the work for any reason and the contractor shall be bound to carry out the work in accordance with the instruction given by the Engineer-in-charge. No claim for extra charges/damages shall be made by the contractor on these grounds.</p>	

41

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42

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
			<p>5.6 In the event of any deviation being ordered which in the opinion of the contractor changes radically the original scope and nature of the contract, the contractor shall under no circumstances suspend the work, either original or altered or substituted, and the dispute/disagreement as to the nature of deviation or the rate/rates to be paid thereof shall be resolved separately with the company.</p> <p><u>5.7 The re-appropriation/re-allocation of the quantities may be done with the approval of Engineer-in-charge within the stipulated contract period and contract value with the approval of the approving authority of the contract. In case the approving authority is Board, then with the approval of the CMD of the subsidiary company.</u></p>	
4	Clause 6.2 of CC, Chapter 3 of CMM, Page 48	<p>6.2 In the event of the contractor's failure to comply with the required progress in terms of the agreed time and progress chart or to complete the work and clear the site on or before the date of completion of contract or extended date of completion, he shall without prejudice to any other right or remedy available under the law to the company on account of such breach, shall become liable to pay for <u>penalty</u> as under:</p> <p>a) If the average daily progress of work during the calendar months is less than the stipulated rate indicated in the detailed tender notice, penalty as detailed below will be levied.</p> <p>i) If the average daily progress of work executed during the calendar month is more than 80% and less than 100% of stipulated rate of progress, penalty equal to 10% of the contract value of the short fall in work shall be levied.</p>	<p>6.2 In the event of the contractor's failure to comply with the required progress in terms of the agreed time and progress chart or to complete the work and clear the site on or before the date of completion of contract or extended date of completion, he shall without prejudice to any other right or remedy available under the law to the company on account of such breach, shall become liable to pay for <u>penalty</u> as under:</p> <p>a) If the average daily progress of work during the calendar months is less than the stipulated rate indicated in the detailed tender notice, penalty as detailed below will be levied.</p> <p>i) If the average daily progress of work executed during the calendar month is more than 80% and less than 100% of <u>Adjusted Quantity</u>, penalty equal to 10% of the contract value of the short fall in work shall be withheld.</p>	To obtain desired output in time bound manner.

43

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>ii) If the average daily progress of work executed during the calendar month is less than 80% of stipulated rate, penalty equal to 20% of contract value of the short fall in work shall be levied.</p> <p>iii) <u>The aggregate of the penalties so levied shall not exceed 10% of the total contract value. Penalties will be calculated every month and withheld. The contractor shall be allowed to make up the shortfall in the succeeding three months within the stipulated time of completion. Once the shortfall is fully made up the so withheld penalty will be released.</u></p>	<p>ii) If the average daily progress of work executed during the calendar month is less than 80% of <u>Adjusted Quantity</u>, penalty equal to 20% of contract value of the short fall in work shall be <u>withheld</u>.</p> <p>iii) <u>The aggregate of the penalties so levied shall not exceed 10% of the total Contract Value for the entire contracted work. Amount for shortfall will be calculated every month and withheld. The contractor shall be allowed to make up the shortfall in the succeeding three months within the stipulated time of completion. Once the shortfall is made up within specified period the so withheld amount will be released. However, when the shortfall is made up in part, the withheld amount proportionate to the shortfall made up will be released. If either full or part of shortfall is not made up within the succeeding three months, proportionate withheld amount shall be converted into penalty.</u></p> <p><u>However, for last three months of the contract period (including extension if any) withheld amount with respect to shortfall quantity shall be converted to penalty after the following:</u></p> <p><u>a). For the first month, the shortfall shall be allowed to make up within succeeding two month.</u></p> <p><u>b). For the second month, the shortfall shall be allowed to make up within succeeding month.</u></p> <p><u>c). For the last month, the shortfall of that month shall be converted into penalty.</u></p> <p><u>NOTE: For calculation of penalty, the Adjusted Quantity for the month is the mutually agreed quantity as per time and progress chart (work schedule), reduced in</u></p>	

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
			<p><u>proportion to the hindrances caused (as per clause 6.4 of CC/GTC) during the month. The Adjusted Quantity shall be decided with the approval of Area General Manager.</u></p>	
5	Clause 6.2 of CC, Chapter 6 of CMM, Page 55	<p>6.2 In the event of the contractor's failure to comply with the required progress in terms of the agreed time and progress chart or to complete the work and clear the site on or before the date of completion of contract or extended date of completion, he shall without prejudice to any other right or remedy available under the law to the company on account of such breach, shall become liable to pay for liquidated damage as under:</p> <p>a) If the progress of work during the calendar month is less than the stipulated quantity indicated in the agreed work schedule/tender notice (quantity-wise), penalty as detailed below will be levied.</p> <p>i) If the progress of work executed during the calendar month is less than 100% and more than 80% of agreed work schedule (quantity-wise), amount with held shall be equal to 10% of the contract value of the short fall in work.</p> <p>ii) If the progress of work executed during the calendar month is upto 80% of agreed work schedule (quantity-wise), amount withheld shall be equal to 20% of contract value of the short fall in work.</p> <p><u>Amount for shortfall in quantity will be calculated every month and withheld. The contractor shall be allowed to make up the shortfall within the financial year. Once the shortfall is fully made up within the financial year the withheld amount will be released. However, if shortfall is not made up within the financial year, withheld amount shall be converted into penalty.</u></p>	<p>6.2 In the event of the contractor's failure to comply with the required progress in terms of the agreed time and progress chart or to complete the work and clear the site on or before the date of completion of contract or extended date of completion, he shall without prejudice to any other right or remedy available under the law to the company on account of such breach, shall become liable to pay for <u>penalty</u> as under:</p> <p>a) If the progress of work during the calendar month is less than the <u>adjusted quantity</u>, penalty as detailed below will be <u>withheld</u>.</p> <p>i) If the progress of work executed during the calendar month is less than 100% and more than 80% of <u>adjusted quantity</u>, amount with held shall be equal to 10% of the contract value of the short fall in work.</p> <p>ii) If the progress of work executed during the calendar month is upto 80% of <u>adjusted quantity</u>, amount withheld shall be equal to 20% of contract value of the short fall in work.</p> <p>iii) The aggregate of the penalties so levied shall not exceed 10% of the total contract value, for the entire contracted work.</p> <p><u>Amount for shortfall will be calculated every month and withheld. The contractor shall be allowed to make up the shortfall within succeeding three months. Once the shortfall is made up within specified period the so withheld amount will be released. However, when the shortfall is made up in part, the withheld amount proportionate to the shortfall made up will be released.</u></p>	To obtain desired output in time bound manner.

hh

45

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>Where contract closes before completion of financial year, shortfall is to be made up within the contract period only.</p> <p>iii) The aggregate of the penalties so levied shall not exceed -</p> <p>a) 10% of the annualized contract value in a year for contracts of duration more than 1 year and</p> <p>b) 10% of the total contract value / revised contract value, whichever is less, for the entire contracted work.</p>	<p><u>If either full or part of shortfall is not made up within three succeeding months, proportionate withheld amount shall be converted into penalty.</u></p> <p><u>However, for last three months of the contract period (including extension if any) withheld amount with respect to shortfall quantity shall be converted to penalty after the following:</u></p> <p>a). <u>For the first month, the shortfall shall be allowed to make up within succeeding two month.</u></p> <p>b). <u>For the second month, the shortfall shall be allowed to make up within succeeding month.</u></p> <p>c). <u>For the last month, the shortfall of that month shall be converted into penalty.</u></p> <p><u>NOTE: For calculation of penalty, the Adjusted Quantity for the month is the mutually agreed quantity as per time and progress chart (work schedule), reduced in proportion to the hindrances caused (as per clause 6.4 of CC/GTC) during the month. The Adjusted Quantity shall be decided with the approval of Area General Manager.</u></p>	
6	Clause 6.1 of CC, Chapter 6 of CMM	<p>6.1 If the contractor, without reasonable cause or valid reason, commits default in commencing the execution of the work within the aforesaid date, the company shall, without prejudice to any other right or remedy, be at liberty, by giving 15 days' notice in writing to the contractor to commence the work, failing which to forfeit the Earnest Money deposited by him.</p> <p><u>In addition, the department shall be at liberty to debar the selected bidder from participating in future Bids for at least 12 months.</u></p>	<p>6.1 If the contractor, without reasonable cause or valid reason, commits default in commencing the execution of the work within the aforesaid date, the company shall, without prejudice to any other right or remedy, be at liberty, by giving 15 days' notice in writing to the contractor to commence the work, failing which to forfeit the Earnest Money deposited by him.</p> <p><u>Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12 (twelve) months from the date of issue of such letter. In case of</u></p>	For better clarity and application of clause

9h

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
			<p><u>JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u></p> <p><u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."</u></p>	
7	Clause 6.1 of CC, Chapter 3 of CMM	6.1 If the contractor, without reasonable cause of valid reason, commits default in commencing the execution of the work within the aforesaid date, the company shall, without prejudice to any other right or remedy, be at liberty, by giving 15 days notice in writing to the contractor to commence the work, failing which to forfeit the Earnest Money deposited by him.	<p>6.1 If the contractor, without reasonable cause of valid reason, commits default in commencing the execution of the work within the aforesaid date, the company shall, without prejudice to any other right or remedy, be at liberty, by giving 15 days notice in writing to the contractor to commence the work, failing which to forfeit the Earnest Money deposited by him.</p> <p><u>Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12(twelve) months from the date of issue of such letter. In case of JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u></p> <p><u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of</u></p>	

47

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
			CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."	
8	30.2 of ITB, Modifications in Chapter 3 (Transportation) of CMM, Page 36	<p>30.2 Performance Security (first part of security deposit) should be <u>5% of annualized value of contract amount</u> and should be submitted <u>within 28 days of issue of LOA</u> by the successful bidder in any of the form given below:</p> <ul style="list-style-type: none"> - A Bank Guarantee in the form given in the bid document from any scheduled Bank. The BG issued by outstation bank shall be operative at its local branch..... or branch at..... - Govt. Securities, FDR (Scheduled Bank) or any other form of deposit Stipulated by the owner. - Demand Draft drawn in favour of on any Scheduled Bank payable at its Branch at..... <p>The Earnest Money/Bid Security deposited returned to the contractor after submission of performance security. The Earnest Money/Bid Security deposited may be adjusted against the security deposit (Performance Security) at Bidder's choice.</p> <p>If performance security is provided by the successful bidders in the form of bank guarantee it shall be issued either –</p> <ul style="list-style-type: none"> (a) at Bidder's option by a Scheduled Bank or (b) by a foreign bank located in India and acceptable to the employer. 	<p>30.2 Performance Security (first part of security deposit) should be <u>5% of annualized value of contract amount or contract amount, whichever is less</u> and should be submitted <u>within 42 days of issue of LOA</u> by the successful bidder in any of the form given below:</p> <ul style="list-style-type: none"> - A Bank Guarantee in the form given in the bid document from any scheduled Bank. The BG issued by outstation bank shall be operative at its local branch..... or branch at..... - Govt. Securities, FDR (Scheduled Bank) or any other form of deposit Stipulated by the owner. - Demand Draft drawn in favour of on any Scheduled Bank payable at its Branch at..... <p>The Earnest Money/Bid Security deposited returned to the contractor after submission of performance security. The Earnest Money/Bid Security deposited may be adjusted against the security deposit (Performance Security) at Bidder's choice.</p> <p>If performance security is provided by the successful bidders in the form of bank guarantee it shall be issued either –</p> <ul style="list-style-type: none"> (a) at Bidder's option by a Scheduled Bank or (b) by a foreign bank located in India and acceptable to the employer. 	<p>For better clarity and application of the clause.</p> <p>The consortium word is proposed to be deleted by previous Task Force.</p>

8h

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>c) the validity of the Bank Guarantee shall be for a period of one year or ninety days beyond the period of contract or extended period of contract (if any), whichever is more.</p> <p><u>Failure of the successful bidder to comply with the requirement as above shall constitute sufficient ground for cancellation of the award of work and forfeiture of the bid security.</u></p> <p><u>Additionally the company reserves the right to debar such defaulting contractor from participating in future bids for a minimum period of 12(twelve) months.</u></p>	<p>c) the validity of the Bank Guarantee shall be for a period of one year or ninety days beyond the period of contract or extended period of contract (if any), whichever is more.</p> <p><u>In case the successful bidder fails to submit the Performance Security and Additional Performance Security, if any within the stipulated time then the award of work shall be cancelled with forfeiture of the bid security/earnest money.</u></p> <p><u>Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12(twelve) months from the date of Issue of such letter. In case of JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u></p> <p><u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."</u></p>	
9	<p>Clause 4.2 of CC, Modifications in Chapter 3 (Transportation) of CMM, Page 51</p>	<p>4.2 Performance Security (first part of security deposit) should be 5% of annualized value of contract amount and should be submitted <u>within 28 days of issue of LOA</u> by the successful bidder in any of the form given below</p> <p>- A Bank Guarantee in the form given in the bid document from any scheduled Bank. BG issued by outstation bank shall</p>	<p>4.2 Performance Security (first part of security deposit) should be 5% of <u>annualized value of contract amount or contract amount, whichever is lower</u> and should be submitted <u>within 42 days of issue of LOA</u> by the successful bidder in any of the form given below</p>	<p>For better clarity and application of the clause.</p>

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>be operative at its local branch at.....or its Branch at</p> <p>- Govt. Securities, FDR (Scheduled Bank) or any other form of deposit stipulated by the owner.</p> <p>- Demand Draft drawn in favour of on any Scheduled Bank payable at its Branch at.....</p> <p>The Earnest Money/Bid Security deposited returned to the contractor <u>after submission of performance security</u>. The Earnest Money/Bid Security deposited may be adjusted against the security deposit (Performance Security) at bidder's option.</p>	<p>- A Bank Guarantee in the form given in the bid document from any scheduled Bank. BG issued by outstation bank shall be operative at its local branch at.....or Its Branch at</p> <p>- Govt. Securities, FDR (Scheduled Bank) or any other form of deposit stipulated by the owner.</p> <p>- Demand Draft drawn in favour of on any Scheduled Bank payable at its Branch at.....</p> <p>The Earnest Money/Bid Security deposited returned to the contractor <u>after submission of performance security</u>. The Earnest Money/Bid Security deposited may be adjusted against the security deposit (Performance Security) at bidder's option.</p>	
10	Clause 4.2 of CC, Modifications in Chapter 3 (Transportation) of CMM, Page 52-53	<p>4.3 If performance security is provided by the successful bidders in the form of bank guarantee it shall be issued either –</p> <p>(a) at Bidder's option by a Scheduled Bank or</p> <p>(b) by a foreign bank located in India and acceptable to the employer.</p> <p>The validity of the Bank Guarantee shall be for a period of one year or ninety days beyond the period of contract or extended period of contract (if any), whichever is more.</p> <p>Failure of the successful bidder to comply with the requirement as above shall constitute sufficient ground for cancellation of the award of work and forfeiture of the bid security.</p>	<p>4.3 If performance security is provided by the successful bidders in the form of bank guarantee it shall be issued either –</p> <p>(a) at Bidder's option by a Scheduled Bank or</p> <p>(b) by a foreign bank located in India and acceptable to the employer.</p> <p>The validity of the Bank Guarantee shall be for a period of one year or ninety days beyond the period of contract or extended period of contract (if any), whichever is more.</p> <p><u>In case the successful bidder fails to submit the Performance Security and Additional Performance Security, if any within the stipulated time then the award of work shall be cancelled with forfeiture of the bid security/earnest money.</u></p>	

49

50

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>Additionally the company reserves the right to debar such defaulting contractor from participating in future bids for a minimum period of 12(twelve) months.</p>	<p><u>Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12(twelve) months from the date of issue of such letter.</u></p> <p><u>In case of JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u></p> <p><u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."</u></p>	
11	<p>Clause 26.6 of ITB, Modifications in Chapter 3 of CMM, Page 33</p>	<p>26.6 If the Bid of the successful Bidder is seriously unbalanced in relation to the Company's estimate of the cost of work to be performed under the contract, the Employer may require the Bidder to produce detailed price analysis for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the methods and schedule proposed.</p> <p>After evaluation of the price analysis, the company may require that the amount of the performance security/security deposit is increased at the expense of the successful bidder to a level sufficient to protect the company against financial loss in the event of default on the part of the successful bidder under the contract.</p> <p>Such additional performance security shall be applicable if the bid price is below 15% of the estimated cost put to</p>	<p>26.6 If the Bid of the successful Bidder is seriously unbalanced in relation to the Company's estimate of the cost of work to be performed under the contract, the Employer may require the Bidder to produce detailed price analysis for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the methods and schedule proposed.</p> <p>After evaluation of the price analysis, the company may require that the amount of the performance security/security deposit is increased at the expense of the successful bidder to a level sufficient to protect the company against financial loss in the event of default on the part of the successful bidder under the contract.</p> <p>Such additional performance security shall be applicable if the bid price is below 15% of the estimated cost put to</p>	<p>For better clarity and application of the clause.</p>

51

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>tender. The amount of such additional performance security shall be the difference between 85% of the estimated cost put to tender and quoted price.</p> <p><u>Such additional performance security shall be furnished by bidder along with normal performance security as per Cl. No. 4 of GTC. Failure to submit such additional performance security may result into termination of the contract.</u></p>	<p>tender. The amount of such additional performance security shall be the difference between 85% of the estimated cost put to tender and quoted price.</p> <p><u>Additional performance security (APS) shall be furnished within 42 days of issuance of LOA by the successful bidder. Failure to submit such additional performance security shall result into cancellation of the contract with forfeiture of earnest money.</u></p> <p><u>Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12(twelve) months from the date of issue of such letter. In case of JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u></p> <p><u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."</u></p>	
12	<p>Clause 4.6 of GTC/CC, Modifications in Chapter 3 of CMM, Page 54-55</p>	<p>4.6 Additional performance security:</p> <p>Additional performance security shall be applicable if the bid price is below 15% of the estimated cost put to tender. The amount of such additional performance security shall be the difference between 85% of the estimated cost put to tender and quoted price.</p>	<p>4.6 Additional performance security:</p> <p>Additional performance security shall be applicable if the bid price is below 15% of the estimated cost put to tender. The amount of such additional performance security shall be the difference between 85% of the estimated cost put to tender and quoted price.</p>	<p>For better clarity and application of the clause.</p>

178293/2019/VIGILANCE

17772/2019/VIGILANCE

52

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p><u>Additional performance security shall be furnished by bidder along with normal performance security. Failure to submit such additional performance security may result into termination of the contract.</u></p> <p>This additional performance security will not carry any interest and shall be released in the following manner:</p> <ul style="list-style-type: none"> i) 30% of Additional performance security will be released after 60% of the total work is completed. ii) 50% of Additional performance security will be released after 80% of the total work is completed. iii) 100% of Additional performance security will be released after total work is completed. <p>Additional performance security may be furnished in any of the forms as applicable for performance security.</p>	<p><u>Additional performance security (APS) shall be furnished within 42 days of issuance of LOA by the successful bidder. Failure to submit such additional performance security shall result into cancellation of the contract with forfeiture of earnest money.</u></p> <p>Additional performance security may be furnished in any of the forms as applicable for performance security.</p> <p><u>The validity of the Bank Guarantee if APS submitted in the form of BG shall be for a period of one year or ninety days beyond the period of contract /extended contract period (if any), whichever is more.</u></p> <p>This additional performance security will not carry any interest and shall be released in the following manner:</p> <ul style="list-style-type: none"> i) 30% of Additional performance security will be released after 60% of the total work is completed. ii) 50% of Additional performance security will be released after 80% of the total work is completed. iii) 100% of Additional performance security will be released after total work is completed. 	
13	Clause 4.2 of CC, Chapter 6 of CMM, Page 51	<p>4.2 Performance Security (first part of security deposit) should be <u>5% of annualized value of contract amount</u> and should be submitted within 28 days of issue of LOA by the successful bidder in any of the form given below:</p> <ul style="list-style-type: none"> - A Bank Guarantee in the form given in the bid document from any scheduled Bank. The BG issued by outstation bank 	<p>4.2 Performance Security (first part of security deposit) should be <u>5% of annualized value of contract amount or contract amount, whichever is less</u> and should be submitted <u>within 42 days of issue of LOA</u> by the successful bidder in any of the form given below:</p> <ul style="list-style-type: none"> - A Bank Guarantee in the form given in the bid document from any scheduled Bank. The BG issued by 	For better clarity and application of the clause.

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>shall be operative at its local branch at or branch at.....</p> <p>- Govt. Securities, FDR (Scheduled Bank) or any other form of deposit Stipulated by the owner and duly pledged in favour of owner.</p> <p>- Demand Draft drawn in favour of on any Scheduled Bank payable at its Branchat..... The Earnest Money/Bid Security deposited shall be returned to the contractor after the bidder has furnished requisite performance security. The Earnest Money/Bid Security deposited may be adjusted against the security deposit (Performance Security) on bidder's acceptance.</p> <p>If performance security is provided by the successful bidder in the form of bank guarantee it shall be Issued either – (a) at Bidder's option by a Scheduled Bank or (b) by a foreign bank located in India and acceptable to the employer.</p> <p>the validity of the Bank Guarantee shall be for a period of one year or ninety days beyond the period of contract or extended period of contract (if any), whichever is more.</p> <p><u>Failure of the successful bidder to comply with the requirement as above shall constitute sufficient ground for cancellation of the award of work and forfeiture of the bid security.</u></p>	<p>outstation bank shall be operative at its local branch at or branch at.....</p> <p>- Govt. Securities, FDR (Scheduled Bank) or any other form of deposit Stipulated by the owner and duly pledged in favour of owner.</p> <p>- Demand Draft drawn in favour of on any Scheduled Bank payable at its Branchat.....</p> <p>The Earnest Money/Bid Security deposited shall be returned to the contractor after the bidder has furnished requisite performance security. The Earnest Money/Bid Security deposited may be adjusted against the security deposit (Performance Security) on bidder's acceptance.</p> <p>If performance security is provided by the successful bidder in the form of bank guarantee it shall be Issued either – (a) at Bidder's option by a Scheduled Bank or (b) by a foreign bank located in India and acceptable to the employer.</p> <p><u>In case the successful bidder fails to submit the Performance Security and Additional Performance Security, if any within the stipulated time then the award of work shall be cancelled with forfeiture of the bid security/earnest money.</u></p> <p><u>Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12(twelve) months from the date of issue of such letter. In case of</u></p>	

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		Additionally the company reserves the right to debar such defaulting bidder from participating in future bids for a minimum period of 12(twelve) months.	<p><u>JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u></p> <p><u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."</u></p>	
14	Clause 26.5 of ITB, Chapter 6 of CMM, Page 38	<p>26.6 If the Bid of the successful Bidder is seriously unbalanced in relation to the Company's estimate of the cost of work to be performed under the contract, the Employer may require the Bidder to produce detailed price analysis for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the methods and schedule proposed.</p> <p>After evaluation of the price analysis, the company may require that the amount of the performance security/security deposit is increased at the expense of the successful bidder to a level sufficient to protect the company against financial loss in the event of default on the part of the successful bidder under the contract.</p> <p>Such additional performance security shall be applicable if the bid price is below 15% of the estimated cost put to tender. The amount of such additional performance security shall be the difference between 85% of the estimated cost put to tender and quoted price.</p>	<p>26.6 If the Bid of the successful Bidder is seriously unbalanced in relation to the Company's estimate of the cost of work to be performed under the contract, the Employer may require the Bidder to produce detailed price analysis for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the methods and schedule proposed.</p> <p>After evaluation of the price analysis, the company may require that the amount of the performance security/security deposit is increased at the expense of the successful bidder to a level sufficient to protect the company against financial loss in the event of default on the part of the successful bidder under the contract.</p> <p><u>Such additional performance security shall be applicable if the bid price is below 15% of the estimated cost put to tender. The amount of such additional performance security shall be the difference between 85% of the estimated cost put to tender and quoted price.</u></p>	

178293/2019/VIGILANCE
 17772/2019/VIGILANCE

55

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p><u>Such additional performance security shall be furnished by bidder along with normal performance security as per Cl. No. 4 of GTC. Failure to submit such additional performance security may result into termination of the contract.</u></p>	<p><u>Additional performance security (APS) shall be furnished within 42 days of issuance of LOA by the successful bidder. Failure to submit such additional performance security shall result into cancellation of the contract with forfeiture of earnest money.</u></p> <p><u>Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12(twelve) months from the date of issue of such letter. In case of JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u> <u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."</u></p>	
15	Clause 4.5 of CC, Chapter 6 of CMM, Page 52-53	<p>4.5 Additional performance security:</p> <p><u>Additional performance security shall be applicable if the bid price is below 15% of the estimated cost put to tender. The amount of such additional performance security shall be the difference between 85% of the estimated cost put to tender and quoted price.</u></p> <p><u>Additional performance security shall be furnished by bidder along with normal performance security. Failure to submit such additional performance security may result into termination of the contract.</u></p>	<p>4.5 Additional performance security:</p> <p><u>Additional performance security shall be applicable if the bid price is below 15% of the estimated cost put to tender. The amount of such additional performance security shall be the difference between 85% of the estimated cost put to tender and quoted price.</u></p> <p><u>Additional performance security (APS) shall be furnished within 42 days of issuance of LOA by the successful bidder. Failure to submit such additional performance security shall result into cancellation of the contract with forfeiture of earnest money.</u></p>	Task Force 1

56

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>This additional performance security will not carry any interest and shall be released in the following manner:</p> <ul style="list-style-type: none"> i) 30% of Additional performance security will be released after 60% of the total work is completed. ii) 50% of Additional performance security will be released after 80% of the total work is completed. iii) 100% of Additional performance security will be released after total work is completed. <p>Additional performance security may be furnished in any of the forms as applicable for performance security.</p>	<p>Additional performance security may be furnished in any of the forms as applicable for performance security.</p> <p><u>The validity of the Bank Guarantee if APS submitted in the form of BG shall be for a period of one year or ninety days beyond the period of contract /extended contract period (if any), whichever is more.</u></p> <p>This additional performance security will not carry any interest and shall be released in the following manner:</p> <ul style="list-style-type: none"> i) 30% of Additional performance security will be released after 60% of the total work is completed. ii) 50% of Additional performance security will be released after 80% of the total work is completed. iii) 100% of Additional performance security will be released after total work is completed. 	
16	30 of ITB, Modifications in Chapter 2 (Turnkey) of CMM, Page 25	<p>30. PERFORMANCE SECURITY/ SECURITY DEPOSIT/PERFORMANCE GUARANTEE</p> <p>30.1 Security Deposit shall consist of two parts;</p> <ul style="list-style-type: none"> a) Performance Security to be submitted at award of work and b) Retention Money to be recovered from running bills. <p>The security deposit shall bear no interest.</p> <p>30.1.1 Performance Security should be <u>5%</u> of contract amount and should be submitted by the successful bidder within 30 days of issue of LOA in any of the form given below</p>	<p>30. PERFORMANCE SECURITY/ SECURITY DEPOSIT/PERFORMANCE GUARANTEE</p> <p>30.1 Security Deposit shall consist of two parts;</p> <ul style="list-style-type: none"> a) Performance Security to be submitted at award of work and b) Retention Money to be recovered from running bills. <p>The security deposit shall bear no interest.</p> <p>30.1.1 Performance Security should be <u>5%</u> of contract amount and should be submitted by the successful bidder <u>within 42 days</u> of issue of LOA in any of the form</p>	For operational ease (Task Force 1)

57

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>after which bid security/earnest money will be refunded to the contractor.</p> <ul style="list-style-type: none"> - a Bank Guarantee in the form given in the bid document from any schedule bank acceptable to the owner. Bank guarantee issued by out station bank shall be operative at their local branch ator their branch at - Govt. Securities, FDR or any other form of deposit stipulated by the owner and duly pledged in favour of owner. - Demand Draft drawn in favour of Coalfields Ltd on any Scheduled Bank payable at its Branch at..... <p>The Earnest Money/ Bid Security deposited shall be discharged when the Bidder has signed the Agreement and furnished the required Performance Security/ 1st part of security deposit. The bid security deposited may be adjusted against the Performance security (1st part of security deposit) at bidder's option.</p> <p>30.1.2 If performance security is provided by the successful bidder in the form of bank guarantee it shall be issued either -</p> <ul style="list-style-type: none"> (a) at Bidder's option by a Scheduled Bank as per provisions of cl.30.1.1. The BG shall contain complete postal address, telephone number, fax number and email address of both out station bank issuing the BG as well as its local operating branch. (b) by a foreign bank located in India and acceptable to the employer. 	<p>given below after which bid security/earnest money will be refunded to the contractor.</p> <ul style="list-style-type: none"> - a Bank Guarantee in the form given in the bid document from any schedule bank acceptable to the owner. Bank guarantee issued by out station bank shall be operative at their local branch ator their branch at - Govt. Securities, FDR or any other form of deposit stipulated by the owner and duly pledged in favour of owner. - Demand Draft drawn in favour of Coalfields Ltd on any Scheduled Bank payable at its Branch at..... <p>The Earnest Money/ Bid Security deposited shall be discharged when the Bidder has signed the Agreement and furnished the required Performance Security/ 1st part of security deposit. The bid security deposited may be adjusted against the Performance security (1st part of security deposit) at bidder's option.</p> <p>30.1.2 If performance security is provided by the successful bidder in the form of bank guarantee it shall be issued either -</p> <ul style="list-style-type: none"> (a) at Bidder's option by a Scheduled Bank as per provisions of cl.30.1.1. The BG shall contain complete postal address, telephone number, fax number and email address of both out station bank issuing the BG as well as its local operating branch. (b) by a foreign bank located in India and acceptable to the employer. 	

58

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>30.1.3 Retention Money should be deducted at 5% from running bills. Total of performance security and Retention Money should not exceed 10% of contract amount.</p> <p>Retention Money may be released against equivalent Bank Guarantee only for values above Rs.25.0 lacs.</p> <p>30.2 The Guarantee amount shall be payable to the Employer without any condition whatsoever.</p> <p>30.3 Performance Security/Retention Money shall be converted into Performance Guarantee on successful completion of work in accordance with contract and upon satisfactory trial operations.</p> <p><u>Performance security/ Retention Money/ security deposit submitted in the form of BG shall be valid for 90 days after the end of Guarantee period.</u></p> <p>30.4 The Performance Guarantee shall cover additionally the following guarantees to the Employer: (a) The successful bidder guarantees the successful and satisfactory operation of the equipment furnished and erected under the contract, as per the specifications and documents, (b) The successful bidder further guarantees that the equipment provided and installed by him shall be free from all defects in design, material and workmanship and shall upon written notice from the employer fully remedy free of expenses to the Employer such defects as developed under the normal use of the said equipment</p>	<p>30.1.3 Retention Money should be deducted at 5% from running bills. Total of performance security and Retention Money should not exceed 10% of contract amount.</p> <p>Retention Money may be released against equivalent Bank Guarantee only for values above Rs.25.0 lacs.</p> <p>30.2 The Guarantee amount shall be payable to the Employer without any condition whatsoever.</p> <p>30.3 Performance Security/Retention Money shall be converted into Performance Guarantee on successful completion of work in accordance with contract and upon satisfactory trial operations.</p> <p><u>Performance security/ Retention Money/ security deposit submitted in the form of BG which shall be valid for 90 days after the end date of scheduled completion and to be extended for minimum period of 1(One) year in one instance till 90 days after completion of Defect Liability period.</u></p> <p>30.4 The Performance Guarantee shall cover additionally the following guarantees to the Employer: (a) The successful bidder guarantees the successful and satisfactory operation of the equipment furnished and erected under the contract, as per the specifications and documents, (b) The successful bidder further guarantees that the equipment provided and installed by him shall be free from all defects in design, material and workmanship and shall upon written notice from the employer fully</p>	

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>within the period of guarantee specified in the relevant clause of the Conditions of Contract.</p> <p>30.5 The Contract Performance Guarantee is intended to secure the performance of the entire Contract. However it is not construed as limiting the damages under clause entitled 'Equipment Performance Guarantee' in section Technical Conditions of Contract and damages stipulated in the other clauses in the bidding documents.</p> <p>30.6 All Bank Guarantees are to be submitted in the format prescribed by the company in the bid document. Bank Guarantee shall be irrevocable and it shall be from any Scheduled Bank acceptable to the owner. The BG issued by outstation bank shall be operative at its local branch at.....or branch at.....</p> <p>30.7 The Company shall be at liberty to deduct/appropriate from the Contract Performance Guarantee/Security Deposit such sums as are due and payable by the contractor to the company as may be determined in terms of the contract, and the amount appropriated from the Contract Performance Guarantee/Security Deposit shall have to be restored by Contractor subsequently.</p> <p>30.8 The Contract Performance Guarantee will be returned to the Contractor without any interest at the end of the Guarantee Period as per provisions of the contract. Any defect/defects in the work, if detected during guarantee period shall be rectified to the satisfaction of the Engineer-in-Charge within the said guarantee period</p>	<p>remedy free of expenses to the Employer such defects as developed under the normal use of the said equipment within the period of guarantee specified in the relevant clause of the Conditions of Contract.</p> <p>30.5 The Contract Performance Guarantee is intended to secure the performance of the entire Contract. However it is not construed as limiting the damages under clause entitled 'Equipment Performance Guarantee' in section Technical Conditions of Contract and damages stipulated in the other clauses in the bidding documents.</p> <p>30.6 All Bank Guarantees are to be submitted in the format prescribed by the company in the bid document. Bank Guarantee shall be irrevocable and it shall be from any Scheduled Bank acceptable to the owner. The BG issued by outstation bank shall be operative at its local branch at.....or branch at.....</p> <p>30.7 The Company shall be at liberty, to deduct/appropriate from the Contract Performance Guarantee/Security Deposit such sums as are due and payable by the contractor to the company as may be determined in terms of the contract, and the amount appropriated from the Contract Performance Guarantee/Security Deposit shall have to be restored by Contractor subsequently.</p> <p>30.8 The Contract Performance Guarantee will be returned to the Contractor without any interest at the end of the Guarantee Period as per provisions of the contract. Any defect/defects in the work, if detected</p>	

59

178293/2019/VIGILANCE

17772/2019/VIGILANCE

33

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>or its due extension till completion of the rectification works as required.</p> <p><u>30.9 Failure of the successful Bidder to comply with the requirements of Sub-Clause 30.1 shall constitute sufficient grounds for cancellation of the award and forfeiture of the Bid Security.</u></p> <p><u>In addition to the above penal measures, the bidder will not be allowed to participate in the re-tendering process. The bidder may also be debarred from participating in future tenders in the subsidiary for a minimum period of 12 Months.</u></p>	<p>during guarantee period shall be rectified to the satisfaction of the Engineer-in-Charge within the said guarantee period or its due extension till completion of the rectification works as required.</p> <p><u>30.9 In case the successful bidder fails to submit the Performance security within the stipulated time then the award of work shall be cancelled with forfeiture of the bid security/ earnest money.</u></p> <p><u>Additionally, the company shall debar such defaulting contractor from participating in future tenders in concerned Subsidiary/CIL HQ for a period of 12(twelve) months from the date of issue of such letter. In case of JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u></p> <p><u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."</u></p>	
17	Clause 3 of General Terms and Conditions of Contract, Modifications in Chapter 2 (Turnkey) of CMM, Page 44	<p>Clause No. 3 - CONTRACT PERFORMANCE GUARANTEE/SECURITY DEPOSIT.</p> <p>3.1 Security Deposit shall consist of two parts:</p> <p>a) Performance Security to be submitted at award of work and</p> <p>b) Retention Money to be recovered from running bills. The security deposit shall bear no interest.</p>	<p>Clause No. 3 - CONTRACT PERFORMANCE GUARANTEE/SECURITY DEPOSIT.</p> <p>3.1 Security Deposit shall consist of two parts:</p> <p>a) Performance Security to be submitted at award of work and b) Retention Money to be recovered from running bills. The security deposit shall bear no interest.</p>	Task Force 1

69

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>3.1.1 Performance Security should be <u>5%</u> of contract amount and should be submitted by the successful bidder within 30 days of issue of LOA in any of the form given below after which bid security/earnest money will be refunded to the contractor.</p> <ul style="list-style-type: none"> - a Bank Guarantee in the form given in the bid document from any schedule bank acceptable to the owner. Bank guarantee issued by out station bank shall be operative at their local branch at or at their branch at - Govt. Securities, FDR or any other form of deposit stipulated by the owner and duly pledged in favour of owner. - Demand Draft drawn in favour of Coalfields Ltd on any Scheduled Bank payable at its Branch at..... <p>The Earnest Money/ Bid Security deposited shall be discharged when the Bidder has signed the Agreement and furnished the required Performance Security/ 1st part of security deposit.</p> <p>The bid security deposited may be adjusted against the Performance security (1st part of security deposit) at bidder's option.</p> <p>3.1.2 If performance security is provided by the successful bidder in the form of bank guarantee it shall be issued either</p> <p>(a) at Bidder's option by a Scheduled Bank as per provisions of cl.3.1.1. The BG shall contain complete postal address, telephone number, fax number and email address of both out station bank issuing the BG as well as its local operating branch.</p> <p>(b) by a foreign bank located in India and acceptable to the employer.</p>	<p>3.1.1 Performance Security should be <u>5%</u> of contract amount and should be submitted by the successful bidder <u>within 42 days of issue of LOA</u> in any of the form given below after which bid security/earnest money will be refunded to the contractor.</p> <ul style="list-style-type: none"> - a Bank Guarantee in the form given in the bid document from any schedule bank acceptable to the owner. Bank guarantee issued by out station bank shall be operative at their local branch at or at their branch at - Govt. Securities, FDR or any other form of deposit stipulated by the owner and duly pledged in favour of owner. - Demand Draft drawn in favour of Coalfields Ltd on any Scheduled Bank payable at its Branch at..... <p>The Earnest Money/ Bid Security deposited shall be discharged when the Bidder has signed the Agreement and furnished the required Performance Security/ 1st part of security deposit.</p> <p>The bid security deposited may be adjusted against the Performance security (1st part of security deposit) at bidder's option.</p> <p><u>In case the successful bidder fails to submit the Performance Security within the stipulated time then the award of work shall be cancelled with forfeiture of the bid security/earnest money.</u></p> <p><u>In addition to the above penal measures, the bidder shall not be allowed to participate in the re-tendering process. The company shall also debar such defaulting contractor from participating in future tenders in concerned</u></p>	

61

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p><u>Failure of the successful bidder to comply with the requirement as above shall constitute sufficient ground for cancellation of the award of work and forfeiture of the bid security/ earnest money.</u></p> <p><u>In addition to the above penal measures, the bidder will not be allowed to participate in the re-tendering process. The bidder may also be debarred from participating in future tenders in the subsidiary for a minimum period of 12 Months.</u></p> <p>3.1.3 Retention Money should be deducted at 5% from running bills. Total of performance security and Retention Money should not exceed 10% of contract amount or lesser sum indicated in the bid document.</p> <p>Retention Money may be released against equivalent Bank Guarantee only for values above Rs.25.0 lakhs.</p> <p>3.2 The Guarantee amount shall be payable to the Employer without any condition whatsoever.</p> <p>3.3 Performance Security/Retention Money shall be converted into Performance Guarantee on successful completion of work in accordance with contract and upon satisfactory trial operations.</p> <p><u>Performance security/ Retention Money /security deposit submitted in the form of BG shall be valid for 90 days after the end of Guarantee period.</u></p> <p>3.4 The Performance Guarantee shall cover additionally the following guarantees to the Employer:</p>	<p><u>Subsidiary/CIL HQ for a period of 12(twelve) months from the date of issue of such letter. In case of JV/Partnership firm, the debarment shall also be applicable to all individual partners of JV/Partnership firm.</u></p> <p><u>"Note (Not part of tender document):</u></p> <p><u>In the above case, approval of Tender accepting authority shall be taken. In case Board/CMD of CIL/Subsidiary is tender accepting authority, then the approval of CMD of CIL/Subsidiary is to be obtained."</u></p> <p>3.1.2 If performance security is provided by the successful bidder in the form of bank guarantee it shall be issued either -</p> <p>(a) at Bidder's option by a Scheduled Bank as per provisions of cl.3.1.1. The BG shall contain complete postal address, telephone number, fax number and email address of both out station bank issuing the BG as well as its local operating branch.</p> <p>(b) by a foreign bank located in India and acceptable to the employer.</p> <p>3.1.3 Retention Money should be deducted at 5% from running bills. Total of performance security and Retention Money should not exceed 10% of contract amount or lesser sum indicated in the bid document.</p> <p>Retention Money may be released against equivalent Bank Guarantee only for values above Rs.25.0 lakhs.</p> <p>3.2 The Guarantee amount shall be payable to the Employer without any condition whatsoever.</p>	

62

63

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>(a) The successful bidder guarantees the successful and satisfactory operation of the equipment furnished and erected under the contract, as per the specifications and documents,</p> <p>(b) The successful bidder further guarantees that the equipment provided and installed by him shall be free from all defects in design, material and workmanship and shall upon written notice from the employer fully remedy free of expenses to the Employer such defects as developed under the normal use of the said equipment within the period of guarantee specified in the relevant clause of the Conditions of Contract.</p> <p>3.5 The Contract Performance Guarantee is intended to secure the performance of the entire Contract. However it is not construed as limiting the damages under clause entitled 'Equipment Performance Guarantee' in section Technical Conditions of Contract and damages stipulated in the other clauses in the bidding documents.</p> <p>3.6 All Bank Guarantees are to be submitted in the format prescribed by the company in the bid document. Bank Guarantee shall be irrevocable and it shall be from any Scheduled Bank acceptable to the owner. The BG issued by outstation bank shall be operative at its local branch at.....or branch at.....</p> <p>3.7 The Company shall be at liberty to deduct/appropriate from the Contract Performance Guarantee/Security Deposit such sums as are due and payable by the contractor to the company as may be determined in terms of the contract, and the amount appropriated from the Contract Performance</p>	<p>3.3 Performance Security/Retention Money shall be converted into Performance Guarantee on successful completion of work in accordance with contract and upon satisfactory trial operations.</p> <p><u>Performance security/ Retention Money/ security deposit submitted in the form of BG which shall be valid for 90 days after the end date of scheduled completion and to be extended for minimum period of 1(One) year in one instance till 90 days after completion of Defect Liability period.</u></p> <p>3.4 The Performance Guarantee shall cover additionally the following guarantees to the Employer: (a) The successful bidder guarantees the successful and satisfactory operation of the equipment furnished and erected under the contract, as per the specifications and documents, (b) The successful bidder further guarantees that the equipment provided and installed by him shall be free from all defects in design, material and workmanship and shall upon written notice from the employer fully remedy free of expenses to the Employer such defects as developed under the normal use of the said equipment within the period of guarantee specified in the relevant clause of the Conditions of Contract.</p> <p>3.5 The Contract Performance Guarantee is intended to secure the performance of the entire Contract. However it is not construed as limiting the damages under clause entitled 'Equipment Performance Guarantee' in section Technical Conditions of Contract</p>	

64

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>Guarantee/Security Deposit shall have to be restored by Contractor subsequently.</p> <p>3.8 The Contract Performance Guarantee will be returned to the Contractor without any interest at the end of the Guarantee Period as per provisions of the contract. Any defect/defects in the work, if detected during guarantee period shall be rectified to the satisfaction of the Engineer-in-Charge within the said guarantee period or its due extension till completion of the rectification works as required.</p> <p><u>3.9 Failure of the successful Bidder to comply with the requirements of Sub-Clause 3.1 shall constitute sufficient grounds for cancellation of the award and forfeiture of the Bid Security.</u> <u>In addition to the above penal measures, the bidder will not be allowed to participate in the re-tendering process. The bidder may also be debarred from participating in future tenders in the subsidiary for a minimum period of 12 Months.</u></p>	<p>and damages stipulated in the other clauses in the bidding documents.</p> <p>3.6 All Bank Guarantees are to be submitted in the format prescribed by the company in the bid document. Bank Guarantee shall be irrevocable and it shall be from any Scheduled Bank acceptable to the owner. The BG issued by outstation bank shall be operative at its local branch at.....or branch at.....</p> <p>3.7 The Company shall be at liberty to deduct/appropriate from the Contract Performance Guarantee/Security Deposit such sums as are due and payable by the contractor to the company as may be determined in terms of the contract, and the amount appropriated from the Contract Performance Guarantee/Security Deposit shall have to be restored by Contractor subsequently.</p> <p>3.8 The Contract Performance Guarantee will be returned to the Contractor without any interest at the end of the Guarantee Period as per provisions of the contract. Any defect/defects in the work, if detected during guarantee period shall be rectified to the satisfaction of the Engineer-in-Charge within the said guarantee period or its due extension till completion of the rectification works as required.</p>	
18	Clause 9.4 of CC/GTC, Chapter 3 of CMM, Page 52	9.4 Foreclosure of contract in full or in part - If at any time after acceptance of the tender, the company decides to abandon or reduce the scope of the work for any reason whatsoever the company, through its Engineer-in-charge, shall give notice in writing to that effect to the contractor. In the event of abandonment/reduction in the	9.4 Foreclosure of contract in full or in part - If at any time after acceptance of the tender, the company <u>may decide</u> to abandon or reduce the scope of the work in <u>following circumstances</u> :	For better clarity

17/07/2019

178293/2019/VIGILANCE
17/07/2019/VIGILANCE

65

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>scope of work, the company shall be liable to pay the contractor at the contract rates full amount for works executed and measured at site upto the date of such abandonment/reduction in the work.</p> <p>The contractor shall, if required by the Engineer-in-charge, furnish to him books of accounts, papers, relevant documents as may be necessary to enable the Engineer-in-charge to assess the amount payable. The contractor shall not have any claim for compensation whatsoever either for abandonment or for reduction in the scope of work, other than those as specified above.</p>	<p><u>a). A drop in requirement consequent on change in geomining conditions.</u></p> <p><u>b). Continuation of work may endanger safety and security of men and property of the company.</u></p> <p><u>c). Causative events affecting risk factors borne by the company as per contract and are detrimental to the interest of Company.</u></p> <p><u>The foreclosure shall require the approval of authority one step higher than the tender accepting authority. In case Board of CIL/Subsidiary is the tender approving authority, the foreclosure shall be done with approval of Board of CIL/Subsidiary.</u></p> <p><u>However, the contract may also be foreclosed in case of any unprecedented reason/s except above. In this case specific approval of Board of CIL/Subsidiary shall be required irrespective of accepting authority of original contract.</u></p> <p>In this case the, Engineer-in-charge, shall give notice in writing to that effect to the contractor. In the event of abandonment/reduction in the scope of work, the company shall be liable to pay the contractor at the contract rates full amount for works executed and measured at site upto the date of such abandonment/reduction in the work.</p> <p>The contractor shall, if required by the Engineer-in-charge, furnish to him books of accounts, papers, relevant documents as may be necessary to enable the Engineer-in-charge to assess the amount payable. The contractor shall not have any claim for compensation</p>	

69

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
			<p>whatsoever either for abandonment or for reduction in the scope of work, other than those, as specified above.</p> <p><u>However, the penalty on account of shortfall quantity as per clause 6.2 will be levied on the contractor.</u></p> <p><u>For last three months, the withheld amount with respect to shortfall quantity shall be converted to penalty in the following manner:</u></p> <p><u>a). For the first month, the 2/3rd of withheld amount shall be converted into penalty.</u></p> <p><u>b). For the second month, the 1/3rd of withheld amount shall be converted into penalty.</u></p> <p><u>c). For the last month, no penalty will be imposed on shortfall quantity.</u></p> <p><u>"Note: Reasons like revision of labour rate etc. which are part of business risk of the contractor as per contract cannot form the basis of foreclosure."</u></p>	
19	Clause 6.4 to 6.8 of CC, Chapter 6 of CMM	<p>6.4 Extension of date of completion – on happening of any events causing delay as stated here under, the contractor shall intimate immediately in writing the Engineer-in-charge:</p> <p>a. abnormally bad weather b. serious loss or damage by fire c. civil commotion, strikes or lockouts affecting any of the trades employed on the work d. delay on the part of the contractors or tradesmen engaged by the company not forming part of the contract, holding up further progress of the work e. any other causes which, at the sole discretion of the company is beyond the control of the contractor.</p>	<p>6.4 Extension of date of completion - on happening of any events causing delay as stated here under, <u>the contractor shall intimate Engineer-in-charge in writing immediately:</u></p> <p>a. abnormally bad weather b. serious loss or damage by fire c. civil commotion, strikes or lockouts affecting any of the trades employed on the work d. delay on the part of the contractors or tradesmen engaged by the company not forming part of the contract, holding up further progress of the work e. any other causes which, at the sole discretion of the company is beyond the control of the contractor.</p>	<p>Since extension of time is to be given in exceptional cases at the expiry of contract period, hence this clause has been proposed to be modified.</p>



67

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>"Hindrance Register" should be maintained for recording the hindrances.</p> <p>The contractor may request the company in writing for extension of time within 14 days of happening of such event causing delay stating also, if practicable, the period for which extension is desired. The company may, considering the eligibility of the request, give a fair and reasonable extension of time for completion of the work. Such extension shall be communicated to the contractor in writing by the company through the Engineer-in-charge within 1 month of the date of receipt of such request.</p> <p>The contractor shall however use his best efforts to prevent or make good the delay by putting his endeavors constantly as may be reasonably required of him to the satisfaction of the Engineer-in-charge.</p> <p>6.5 Provisional extension of time may also be granted by the Engineer in Charge during the course of execution, on written request for extension of time within 15 (fifteen) days of happening of such events as stated above, reserving the company's right to impose/ waive penalty at the time of granting final extension of time as per contract agreement. Bank Guarantees, against security, shall be suitably extended, to take care of any extension granted.</p> <p>6.6 When the period fixed for the completion of the contract is about to expire, the question of extension of the contract may be considered at the instance of the Contractor or the Company or both. The extension will have to be by party's agreement, expressed or implied.</p>	<p>"Hindrance Register" should be maintained for recording the hindrances.</p> <p>The contractor may request the company in writing for extension of time within 14 days of happening of such event causing delay stating also, if practicable, the period for which extension is desired. The company may, considering the eligibility of the request, give a fair and reasonable extension of time for completion of the work. Such extension shall be communicated to the contractor in writing by the company through the Engineer-in-charge within 1 month of the date of receipt of such request.</p> <p>The contractor shall however use his best efforts to prevent or make good the delay by putting his endeavors constantly as may be reasonably required of him to the satisfaction of the Engineer-in-charge.</p> <p>6.5 Provisional extension of time may also be granted by the Engineer in Charge during the course of execution, on written request for extension of time within 15 (fifteen) days of happening of such events as stated above, reserving the company's right to impose/ waive penalty at the time of granting final extension of time as per contract agreement. Bank Guarantees, against security, shall be suitably extended, to take care of any extension granted.</p> <p>6.6 When the period fixed for the completion of the contract is about to expire, the question of extension of the contract may be considered at the instance of the</p>	

89

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>In case the Contractor does not apply for grant of extension of time within 15 (fifteen) days of hindrance occurring in execution of the work and the Company wants to continue with the work beyond the stipulated date of completion for reason of the work having been hindered, the Engineer-in-charge at his sole discretion can grant provisional extension of time even in the absence of application from the Contractor. Such extension of time granted by the Engineer-in-charge is valid provided the Contractor accepts the same either expressly or implied by his actions before and subsequent to the date of completion. Such extension of time shall be without prejudice to Company's right to levy compensation under the relevant clause of contract.</p> <p>6.7 (a) The successful bidder/ contractor will advise, in the event of his having resort to this clause by a registered letter duly certified by the local chamber of commerce or statutory authorities, the beginning and end of the cause of delay, within fifteen days of the occurrence and cessation of such Force Majeure condition . In the event of delay lasting over one month, if arising out of Force Majeure, the contract may be terminated at the discretion of the company.</p> <p>(b) For delays arising out of Force Majeure, the bidder/ contractor will not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither company nor the bidder shall be liable to pay extra costs (like increase in rates, remobilization advance, idle charges for labour and machinery etc.) Provided it is mutually established that the Force Majeure conditions did actually exist.</p>	<p>Contractor or the Company or both. The extension will have to be by party's agreement, expressed or implied.</p> <p><u>The extension of time shall be granted with the approval of accepting authority of the tender. In case Board is accepting authority then with the approval of CMD.</u></p> <p><u>In case the Contractor does not apply for grant of extension of time within 30 (thirty) days before the stipulated date of completion of contract and the Company wants to continue with the work beyond the stipulated date of completion for reason of the work having been hindered, the Engineer-in-charge with the approval of Competent Authority as mentioned above can issue extension of time even in the absence of application from the Contractor. Such extension of time is valid provided the Contractor accepts the same either expressly or implied by his actions before and subsequent to the date of completion. Such extension of time shall be without prejudice to Company's right to levy penalty on account of shortfall quantity under clause 6.2 of condition of contract.</u></p> <p>6.7 (a) The successful bidder/ contractor will advise, in the event of his having resort to this clause by a registered letter duly certified by the local chamber of commerce or statutory authorities, the beginning and end of the cause of delay, within fifteen days of the occurrence and cessation of such Force Majeure condition . In the event of delay lasting over one month, if arising out of Force Majeure, the contract may be terminated at the discretion of the company.</p>	

178293/2019/VIGILANCE

171 72/2019/VIGILANCE

69

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>6.8 Whenever time extension is given to the contractor for reasons for delay solely attributed to the company, Price variation may have to be allowed depending on the conditions of the contract. In order to determine the above, a hindrance register will be maintained which will be jointly signed by both the parties at the time of periodical review meetings to be held at least once in a month by the Engineer-in-Charge / Designated Officer-in-charge whose decision in this cases will be final. The delays will be determined solely on the basis of this register, and that any refusal on the part of the contractor to sign the register would mean that the delay, if it occurs will be solely attributed to him.</p> <p>Hindrance register is signed by both the parties. The contractor should also be given permission to write his observations / disagreement in the register.</p> <p>In case the contractor has a different opinion for hindrance and a dispute arises, then the matter would be referred to the higher authority whose decision will be final and binding on the contractor and the decision to be communicated within 15 days.</p>	<p>(b) For delays arising out of Force Majeure, the bidder/ contractor will not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither company nor the bidder shall be liable to pay extra costs (like Increase in rates, remobilization advance, idle charges for labour and machinery etc.) Provided it is mutually established that the Force Majeure conditions did actually exist.</p> <p>6.8 Whenever time extension is given to the contractor for reasons for delay solely attributed to the company, Price variation may have to be allowed depending on the conditions of the contract. In order to determine the above, a hindrance register will be maintained which will be jointly signed by both the parties at the time of periodical review meetings to be held at least once in a month by the Engineer-in-Charge / Designated Officer-in-charge whose decision in this cases will be final. The delays will be determined solely on the basis of this register, and that any refusal on the part of the contractor to sign the register would mean that the delay, if it occurs will be solely attributed to him.</p> <p>Hindrance register is signed by both the parties. The contractor should also be given permission to write his observations / disagreement in the register.</p> <p>In case the contractor has a different opinion for hindrance and a dispute arises, then the matter would be referred to the higher authority whose decision will be final and binding on the contractor and the decision to be communicated within 15 days.</p>	

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70

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
			<p>6.9 <u>Without prejudice to any express provision in the Contract, the extension of time shall not exceed the period of hindrance (the period for which the work has been hindered beyond control of contractor) at same terms and conditions.</u></p>	
20	Clause 6.4 to 6.8 of CC, Chapter 3 of CMM	<p>6.4 <u>Extension of date of completion</u> - on happening of any events causing delay as stated here under, the contractor shall intimate Immediately in writing the Engineer-in-charge:</p> <ul style="list-style-type: none"> a. abnormally bad weather b. serious loss or damage by fire c. civil commotion, strikes or lockouts affecting any of the trades employed on the work d. delay on the part of the contractors or tradesmen engaged by the company not forming part of the contract, holding up further progress of the work e. any other causes which, at the sole discretion of the company is beyond the control of the contractor. <p>A "Hindrance Register" shall be maintained by both the Company and the Contractor at site to record the various hindrances, as mentioned above, encountered during the course of execution.</p> <p>The contractor may request the company in writing for extension of time within 14 days of happening of such event causing delay stating also, if practicable, the period for which extension is desired. The company may, considering the eligibility of the request, give a fair and reasonable extension of time for completion of the work. Such extension shall be communicated to the contractor in</p>	<p>6.4 Extension of date of completion - on happening of any events causing delay as stated here under, <u>the contractor shall intimate Engineer-in-charge in writing immediately:</u></p> <ul style="list-style-type: none"> a. abnormally bad weather b. serious loss or damage by fire c. civil commotion, strikes or lockouts affecting any of the trades employed on the work d. delay on the part of the contractors or tradesmen engaged by the company not forming part of the contract, holding up further progress of the work e. any other causes which, at the sole discretion of the company is beyond the control of the contractor. <p>"Hindrance Register" should be maintained for recording the hindrances.</p> <p>The contractor may request the company in writing for extension of time within 14 days of happening of such event causing delay stating also, if practicable, the period for which extension is desired. The company may, considering the eligibility of the request, give a fair and reasonable extension of time for completion of the work. Such extension shall be communicated to the contractor in writing by the company through the Engineer-in-charge within 1 month of the date of receipt of such request.</p>	<p>Since extension of time is to be given in exceptional cases at the expiry of contract period, hence this clause has been proposed to be modified.</p>

82/12/19

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>writing by the company through the Engineer-in-charge within 1 month of the date of receipt of such request.</p> <p>The contractor shall however use his best efforts to prevent or make good the delay by putting his endeavors constantly as may be reasonably required of him to the satisfaction of the Engineer-in-charge.</p> <p>6.5 Provisional extension of time may also be granted by the Engineer in Charge during the course of execution, on written request for extension of time within 15 (fifteen) days of happening of such events as stated above, reserving the company's right to impose/ waive penalty at the time of granting final extension of time as per contract agreement.</p> <p>Bank Guarantees, against security, shall be suitably extended, to take care of any extension granted.</p> <p>6.6 When the period fixed for the completion of the contract is about to expire, the question of extension of the contract may be considered at the instance of the Contractor or the Company or the both. The extension will have to be by party's agreement, expressed or implied. In case the Contractor does not apply for grant of extension of time within 15 (fifteen) days of hindrance occurring in execution of the work and the Company wants to continue with the work beyond the stipulated date of completion for reason of the work having been hindered, the Engineer-in-charge at his sole discretion can grant provisional extension of time even in the absence of application from the Contractor. Such extension of time granted by the Engineer-in-charge is valid provided the Contractor accepts the same either expressly or implied by his actions before and</p>	<p>The contractor shall however use his best efforts to prevent or make good the delay by putting his endeavors constantly as may be reasonably required of him to the satisfaction of the Engineer-in-charge.</p> <p>6.5 Provisional extension of time may also be granted by the Engineer in Charge during the course of execution, on written request for extension of time within 15 (fifteen) days of happening of such events as stated above, reserving the company's right to impose/ waive penalty at the time of granting final extension of time as per contract agreement.</p> <p>Bank Guarantees, against security, shall be suitably extended, to take care of any extension granted.</p> <p>6.6 When the period fixed for the completion of the contract is about to expire, the question of extension of the contract may be considered at the instance of the Contractor or the Company or both. The extension will have to be by party's agreement, expressed or implied. <u>The extension of time shall be granted with the approval of accepting authority of the tender. In case Board is accepting authority then with the approval of CMD.</u></p> <p><u>In case the Contractor does not apply for grant of extension of time within 30 (thirty) days before the stipulated date of completion of contract and the Company wants to continue with the work beyond the stipulated date of completion for reason of the work having been hindered, the Engineer-in-charge with the approval of Competent Authority as mentioned above can issue extension of time even in the absence of</u></p>	

178293/2019/VIGILANCE

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Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>subsequent to the date of completion. Such extension of time shall be without prejudice to Company's right to levy compensation under the relevant clause of contract.</p> <p>6.7 (a) The successful bidder/ contractor will advise, in the event of his having resort to this clause by a registered letter duly certified by the local chamber of commerce or statutory authorities, the beginning and end of the clause of delay, within fifteen days of the occurrence and cessation of such Force Majeure condition . In the event of delay lasting over one month, if arising out of Force Majeure, the contract may be terminated at the discretion of the company.</p> <p>(b) For delays arising out of Force Majeure, the bidder/ contractor will not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither company nor the bidder shall be liable to pay extra costs (like increase in rates, remobilisation advance, idle charges for labour and machinery etc.) Provided it is mutually established that the Force Majeure conditions did actually exist.</p>	<p><u>application from the Contractor. Such extension of time is valid provided the Contractor accepts the same either expressly or implied by his actions before and subsequent to the date of completion. Such extension of time shall be without prejudice to Company's right to levy penalty on account of shortfall quantity under clause 6.2 of condition of contract.</u></p> <p>6.7 (a) The successful bidder/ contractor will advise, in the event of his having resort to this clause by a registered letter duly certified by the local chamber of commerce or statutory authorities, the beginning and end of the cause of delay, within fifteen days of the occurrence and cessation of such Force Majeure condition . In the event of delay lasting over one month, if arising out of Force Majeure, the contract may be terminated at the discretion of the company.</p> <p>(b) For delays arising out of Force Majeure, the bidder/ contractor will not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither company nor the bidder shall be liable to pay extra costs (like increase in rates, remobilization advance, idle charges for labour and machinery etc.) Provided it is mutually established that the Force Majeure conditions did actually exist.</p> <p>6.8 Without prejudice to any express provision in the Contract, the extension of time shall not exceed the period of hindrance (the period for which the work has been hindered beyond control of contractor) at same terms and conditions.</p>	

72

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
			However, on the expiry of contract period including the above extension, the management may extend the contract period to execute the balance quantity with respect to awarded quantity at the originally awarded output per day on the same terms and conditions with imposition of Price Fall Clause i.e. "to accept to execute the work at the existing awarded rate or the awarded rate in the next tender whichever is lower". A consent letter from the contractor shall be required in such extensions.	
21	Clause 9.4 of CC/GTC, Chapter 6 of CMM, Page 61-62	<p>9.4 Foreclosure of contract in full or in part - If at any time after acceptance of the Bid, the company decides to abandon or reduce the scope of the work for any reason whatsoever the company, through its Engineer-in-charge, shall give notice in writing to that effect to the contractor. In the event of abandonment/reduction in the scope of work, the company shall be liable -</p> <p>a) to pay the contractor at the contract rates full amount for works executed and measured at site upto the date of such abandonment/reduction in the work.</p> <p>The contractor shall, if required by the Engineer-in-charge, furnish to him books of accounts, papers, and relevant documents as may be necessary to enable the Engineer-in-charge to assess the amount payable. The contractor shall not have any claim for compensation whatsoever either for abandonment or for reduction in the scope of work, other than those as specified above.</p> <p>EMP & Forest clearance shall be the responsibility of the Company. In absence of Environmental & forest clearance of any part of the working site, the work will be stopped</p>	<p>9.4 Foreclosure of contract in full or in part - If at any time after acceptance of the tender, the company <u>may decide</u> to abandon or reduce the scope of the work in following circumstances:</p> <p><u>a). A drop in requirement consequent on change in geomining conditions.</u></p> <p><u>b). Continuation of work may endanger safety and security of men and property of the company.</u></p> <p><u>c). Causative events affecting risk factors borne by the company as per contract and are detrimental to the Interest of Company.</u></p> <p><u>d). In absence of Environmental & forest clearance of any part of the working site (EMP & Forest clearance shall be the responsibility of the Company).</u></p> <p><u>The foreclosure shall require the approval of authority one step higher than the tender accepting authority. In case Board of CL/Subsidiary is the tender approving authority, the foreclosure shall be done with approval of Board of CL/Subsidiary.</u></p>	

73

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Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		<p>& contract will be closed without any liability on the part of Company other than as mentioned at 9.4 above.</p>	<p><u>However, the contract may also be foreclosed in case of any unprecedented reason/s except above. In this case specific approval of Board of CIL/Subsidiary shall be required irrespective of accepting authority of original contract.</u></p> <p>In this case the, Engineer-in-charge, shall give notice in writing to that effect to the contractor. In the event of abandonment/reduction in the scope of work, the company shall be liable to pay the contractor at the contract rates full amount for works executed and measured at site upto the date of such abandonment/reduction in the work.</p> <p>The contractor shall, if required by the Engineer-in-charge, furnish to him books of accounts, papers, relevant documents as may be necessary to enable the Engineer-in-charge to assess the amount payable. The contractor shall not have any claim for compensation whatsoever either for abandonment or for reduction in the scope of work, other than those as specified above.</p> <p><u>However, the penalty on account of shortfall quantity as per clause 6.2 will be levied on the contractor.</u></p> <p><u>For last three months, the withheld amount with respect to shortfall quantity shall be converted to penalty in the following manner:</u></p> <p><u>a). For the first month, the 2/3rd of withheld amount shall be converted into penalty.</u></p> <p><u>b). For the second month, the 1/3rd of withheld amount shall be converted into penalty.</u></p>	

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
			<p><u>c). For the last month, no penalty will be imposed on shortfall quantity.</u></p> <p><u>"Note: Reasons like revision of labour rate etc. which are part of business risk of the contractor as per contract cannot form the basis of foreclosure."</u></p>	
22	Clause 2 of CC/GTC, Modifications in Chapter 3 of CMM (2014), Page 51	<p>2. CONTRACT DOCUMENTS:</p> <p>The following documents shall constitute the contract documents:</p> <p>(vii) Articles of Agreement,</p> <p>(ii) Notice Inviting Tender and Instructions to tenderers,</p> <p>(iii) Letter of Acceptance of Tender indicating deviations, if any, from the conditions of contract incorporated in the Bid/Tender document issued to the bidder,</p> <p>(iv) Conditions of contract, including general terms and conditions, additional terms and conditions, special conditions, if any etc. forming part of the Agreement,</p> <p>(v) Scope of works/Bills of quantities and</p> <p>(vi) Finalised work programme.</p> <p>(vii) <u>Integrity Pact (applicable for contracts above Rs. 500 lakhs.)</u></p>	<p>3. CONTRACT DOCUMENTS:</p> <p>The following documents shall constitute the contract documents:</p> <p>(i) Articles of Agreement,</p> <p>(ii) Notice Inviting Tender and Instructions to tenderers,</p> <p>(iii) Letter of Acceptance of Tender indicating deviations, if any, from the conditions of contract incorporated in the Bid/Tender document issued to the bidder,</p> <p>(iv) Conditions of contract, including general terms and conditions, additional terms and conditions, special conditions, if any etc. forming part of the Agreement,</p> <p>(v) Scope of works/Bills of quantities and</p> <p>(vi) Finalised work programme.</p> <p>(vii) <u>Integrity Pact as applicable as decided by different Subsidiary companies</u></p> <p>(viii) <u>Guidelines for Banning of Business.</u></p> <p>(ix) <u>Any other document if required.</u></p>	<p>It is proposed to include guideline for Banning in NIT/Contract.</p> <p>The limit of Integrity pact to be decided by Subsidiary companies.</p>
23	Clause 2 of CC/GTC, Chapter 6 of CMM, Page 50	<p>2. CONTRACT DOCUMENT:</p> <p>The following documents shall constitute the contract documents:</p> <p>(i) Articles of Agreement,</p>	<p>2. CONTRACT DOCUMENT:</p> <p>The following documents shall constitute the contract documents:</p> <p>(i) Articles of Agreement,</p>	

75

Sl No	Clause No.	Existing Provision	Proposed Modifications	Remark
		(ii) Notice Inviting Bid and Instruction to bidders, (iii) Letter of Acceptance of Bid indicating deviations, if any, from the conditions of contract incorporated in the Bid/Bid document. (iv) Conditions of contract, including general terms and conditions, special notes and additional terms and conditions, special terms and conditions, Vocational Training & Safety Norms etc. forming part of the bid document, (v) Integrity Pact, if applicable (vi) Scope of work/Bill of Quantity and (vii) Finalised work programme.	(ii) Notice Inviting Bid and Instruction to bidders, (iii) Letter of Acceptance of Bid indicating deviations, if any, from the conditions of contract incorporated in the Bid/Bid document. (iv) Conditions of contract, including general terms and conditions, special notes and additional terms and conditions, special terms and conditions, Vocational Training & Safety Norms etc. forming part of the bid document, (v) Integrity Pact, if applicable (vi) Scope of work/Bill of Quantity and (vii) Finalised work programme. (viii) <u>Guidelines for Banning of Business</u> (ix) <u>Any other document if required.</u>	
24	General Guidelines for Turnkey Work/Contract, in Chapter 2 of CMM, Page 119	No Provision	<u>The approval of estimate shall be obtained including all taxes along with maximum applicable Goods and Services Tax (GST) and the same shall be put to tender. It should be specifically mentioned in NIT that estimated value put to tender is inclusive of GST.</u>	
25	'General Guidelines for Transportation Work/Contract', Chapter 3 of CMM, Page 78	No Provision	<u>The approval of estimate shall be obtained including all taxes along with maximum applicable Goods and Services Tax (GST) and the same shall be put to tender. It should be specifically mentioned in NIT that estimated value put to tender is inclusive of GST.</u>	
26	General guidelines for	No Provision	<u>The approval of estimate shall be obtained including all taxes along with maximum applicable Goods and Services</u>	

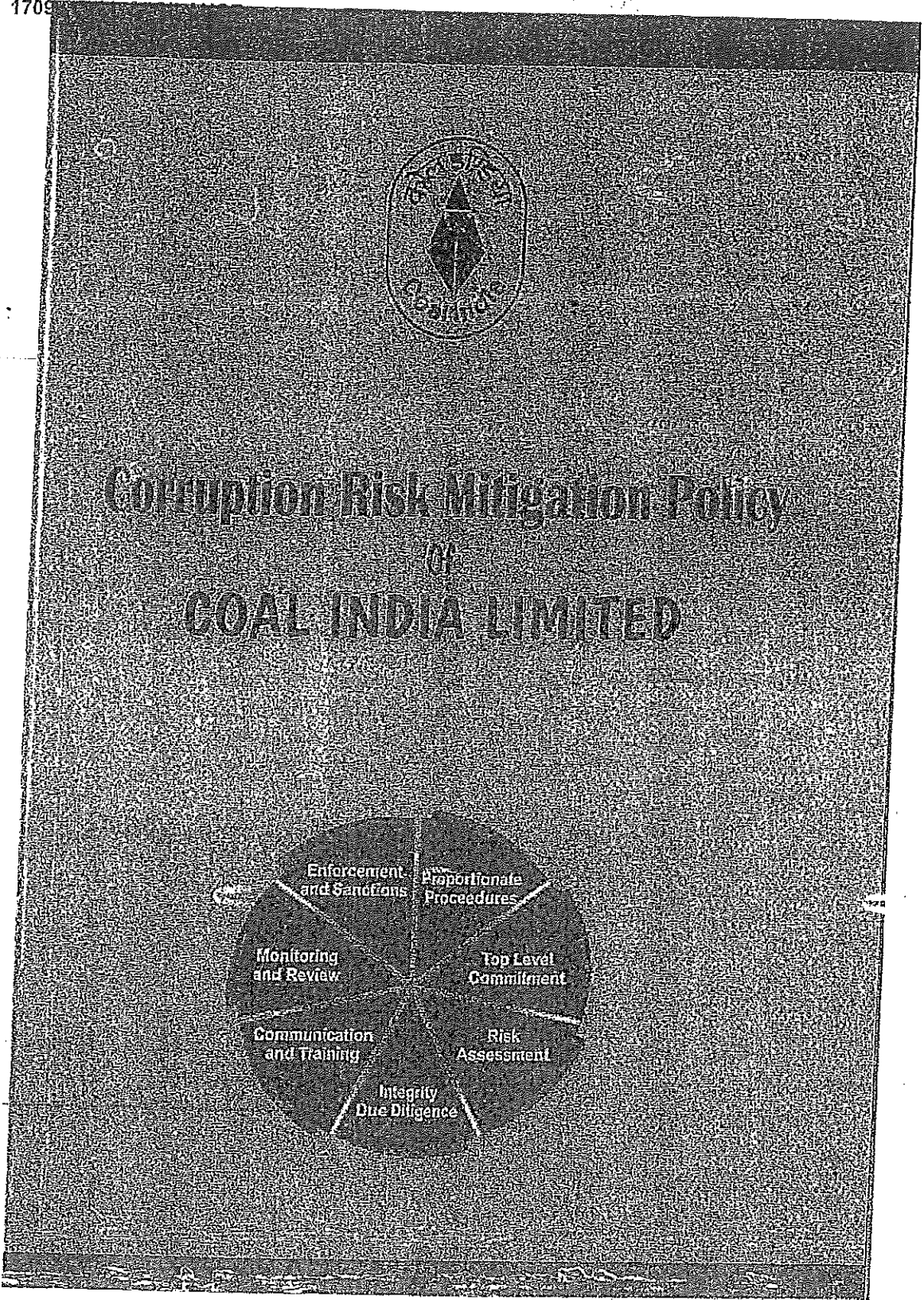
178293/2019/VIGILANCE

178.72/2019/VIGILANCE

50

SI No	Clause No.	Existing Provision	Proposed Modifications	Remark
	Hiring Work/Contract, Chapter 6 of CMM, Page 140		<u>Tax (GST) and the same shall be put to tender. It should be specifically mentioned in NIT that estimated value put to tender is inclusive of GST.</u>	
27	Note:	Any corresponding finer modification in relevant clauses arising out of above proposed modifications shall be taken care while updating the manual.		

77

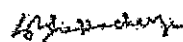


FOREWORD

The Coal India Ltd as a company faces several risks in its functioning, out of which the corruption is a major one. Corruption corrodes moral fiber of any company, undermines independent decision making and poses serious challenge to integrity of different processes undertaken by it. Corruption risk is a real problem which can't be brushed under the carpet. The danger posed by corruption risk in sustainable performance of company and maintaining its brand image must be met squarely.

The present policy of corruption risk mitigation is an effort to meet the risk posed by bribery and corrupt activities. The policy enunciates clearly the Integrity & Anti-corruption policy, Approach to tackle corruption and Strategy to mitigate corruption risk. The Integrity and anti-corruption policy spells out the company's policy relating to maintenance of integrity in different areas of its activities and policy towards eradicating corruption in all its forms. It clearly declares the company's resolve towards zero tolerance to bribery and corruption as an organization. The second section on approach to tackle corruption lays down general approach to meet the risk presented by corruption and bribery. Before working out specific action points, it is necessary to identify the root causes and general direction of the anti-corruption plan. Finally, the last section deals with the strategy to mitigate the risk. It unfolds details of action plan to meet this risk comprehensively.

The policy clearly aims at ushering in an ambience of purity and ethical functioning of the organization. The company is committed to root out corruption in all its facets from all walks of its activities and there shall be no compromise what-so-ever on the issue of integrity. The policy will act as a guide to all executives of the company and re-inforce their commitment towards non-acceptance of any forms of bribery and corruption. Integrity is an article of faith for us and this will remain as guiding force in our functioning in future.


(Sutirtha Bhattacharya)
Chairman-cum-Managing Director
Coal India Limited

Corruption Risk Mitigation Policy

Coal India Ltd.

CIL faces corruption risks of various kinds which need to be addressed through a clear mitigation policy. This policy lays down the approach and strategy to tackle the menace of corruption in all its forms comprehensively. The CIL pledges to root out corruption wherever it exists in the organization through a planned effort.

A. Integrity and Anti-Corruption Policy:

1. The company has policy of zero tolerance towards any act of bribery, corruption and lack of integrity. Strict action shall be taken if any employee & their associate, vendor, customer or any other stake holder is found to be indulging in such activity. All forms of bribery and corruption are absolutely prohibited.
2. It is company's policy to conduct all the business transactions with utmost honesty, integrity and highest possible ethical standards. Company is committed to acting professionally, fairly and objectively in all business transactions and dealings wherever company operates and to implementing and enforcing effective systems of anti-corruption and anti-bribery measures for prevention, deterrence and detection of fraud, bribery and all other corrupt practices.
3. Corrupt practice will be construed to include misuse of public office or authority for private gain, violation of anti-bribery and anti-corruption laws of the country particularly Prevention of Corruption Act, Prevention of Money Laundering Act, The Benami Transactions (Prohibition) Act, 1988, Lokpal and Lokayukta Act and relevant provisions of Indian Penal Code, violation of integrity pact, violation of Coal India Executives' Conduct, Discipline and Appeal Rules and standing order by non executives, actions attracting vigilance angle as prescribed by CVC and willful violation of company's rules, guidelines, manuals etc.

Bribe comprises of offering, giving, receiving, or soliciting of something of value for the purpose of influencing one's own action or that of an official or authority to act, while discharging public duty, inappropriately, partially, illegally, unethically or not in good faith for obtaining or retaining any commercial, contractual, regulatory or personal advantage.
4. If any corrupt practice comes to notice of any employee, he will forthwith inform his superior authorities without any fear of reprisal or victimization. There is similar expectation of the company from other stake holders. "Turning a blind eye" to, or ignoring any suspicious actions on the part of Company Employees or Associated Persons or any stake holder is not a defense to shirking of responsibility and liable for disciplinary action.

5. Extract of existing provisions of Coal India Executives' Conduct, Discipline and Appeal Rules is placed at Annexure I for ready reference which have relevance to the issue of integrity.
6. No employee or associate or any stake holder shall secure or accept any payment, promise, offer or authorization of a payment or anything of value for self or any other individual in order to provide business to any Company or to secure an Improper advantage or improper performance of a function or activity from that company, its employees or representatives or any third party.
7. No employee or associate is allowed to demand or accept money, gifts, entertainment, hospitality or other favours directly or through another person or organization from or on behalf of any current or prospective supplier, customer, service provider or business associate in return for business favours granted or possible to be granted. No employee shall act in a manner that would place any vendor or customer in a position where it may feel obligated to make a gift, provide entertainment, or provide personal favours in order to do business or continue to do business. There are certain cases where gifts and hospitality are never acceptable, namely:
 - i. gifts of cash or equivalents (e.g. gift certificates, loans, shares or share options);
 - ii. gifts and hospitality that are indecent, inappropriate or would damage company's integrity or reputation;
 - iii. gifts and hospitality that breach any law or regulation;
 - iv. gifts and hospitality that the recipient or provider is not permitted to receive or offer by their employer/principal.
 - v. gift given secretly
 - vi. Gifts, entertainment and travel being lavish, extravagant or out of line with prevailing norms.

However, modest gifts and hospitality within limits prescribed under Rules may be offered or accepted provided there is no expectation or belief that something will be given in return.

8. Red flags for bribery and rules of due diligence

All employees shall conduct appropriate, risk-based anti-corruption and reputational due diligence and background checks on prospective business partners and their employees or representatives or any third party who may interact in connection with business dealing with CIL prior to entering into a relationship with them particularly high risk firms. Due diligence should include (i) Evaluating the background, experience, and reputation (ii) Understanding the services to be provided, methods of compensation and payment (iii) Evaluating the business rationale for engaging the business partner (iv) Taking reasonable steps to monitor the transactions of business partners appropriately. (v) Ensuring there is a written agreement in place which acknowledges the business partner's understanding and compliance with this policy.

The red flags for bribery and rules of due diligence is listed at Annexure II.

9. All employees will help ensure that entries into the Company's books and records are accurate, and that all internal controls and procedures of the company are maintained and followed when making payments from or receiving payment to the Company. It shall be ensured that all receipts and expenditures are properly recorded and accounted for. No false entries or material omissions should ever be made in the Company's books, records, memoranda and accounts regarding payments or transactions. The payment & receipt procedures, management authorizations & financial controls must be followed, and any gaps that may be discovered in the internal controls must be reported to superior authorities. False, misleading, incomplete, inaccurate, or artificial entries in the books, records, or accounts of the Company are prohibited. No accounts must be kept "off-book" to facilitate or conceal improper payments or receipts.

All employees shall comply with, and enforce, all the Company's requirements for maintenance of account of expenses and payment requests, particularly those payments related to the Company's procurements, sales, marketing, and business development efforts, consistent with prescribed guidelines.

10. All employees will ensure that there is no conflict of interest while handling any matter of the company. If any such conflict exists, it must be disclosed to his controlling officer without any delay.
11. No employee shall favour or disfavour any individual or entity or treat unfairly and shall endeavor to secure level playing field for all stake holders including vendors, suppliers, service providers or consumers in transactions with the company. They will observe utmost objectivity and impartiality in dealing with any stake holder. The company and employees shall always strive to be fair, objective and just to all its stake holders including vendors, suppliers, service providers and customers.
12. No employee shall misuse his position for personal gains or gain for any relative, acquaintances or superior authorities.
13. No employee shall allow company's resources to be misused including gifts, hospitality or unjustified payments to be made from companies account to any person including to political leaders for soliciting favours or allowing unjustified use.
14. No employee shall offer any financial enticement from own resources, resources of company or resources of any stake holders to secure any favour for self or any other person/entity or unfair professional gain.
15. No employee will willfully cause any loss or injury to the company financially or cause damage to its reputation.
16. For all employees, the interest of the company shall be paramount and at no stage will it ever be compromised. Any action against the interest of the company will tantamount to an unbecoming act.
17. No facilitation payments made to expedite routine governmental approvals either directly or through a third party.

18. No employee shall take any decision contrary to own conscience or understanding under any external influence particularly those detrimental to the interest of the company.
19. The company shall strictly adhere to norms of corporate governance, Insider trading and other provisions of New Companies Act, Competition Act, 10th & other Principle of the UN Global Compact, environmental laws and all other applicable laws, conventions and commitments.
20. No charitable contribution should be made conferring a personal benefit on a Government Official, political personality or related party, and that the contribution should not in exchange for a purchasing or other decision affecting Company interests.
21. Company Employees and Associated Persons should not make payments, whether in cash or in kind, to political persons or political parties for the purpose of obtaining, retaining or directing business to the Company or any other entity or any personal gain. In-kind contributions will include participation in political campaigns during paid working hours and the use of administrative support, company facilities, equipment and supplies.
22. If a current or prospective business partner, customer, Government Official, Non-governmental/charitable organization, political candidate or party official promises or offers any benefit, or makes any threat, in connection with a charitable or political contribution request, the request should be denied and employee should report the incident to his supervisor.
23. Offers of employment or internship should not be given in exchange for or to reward any benefit received by the Company and Company Employees should not offer employment in order to seek any advantage in any business negotiation or any personal gain. If anyone offers to give a benefit to the Company or personal gain in exchange for the Company's hiring of a suggested person or if they threaten to take adverse action if the suggested person is not hired, the suggested person shall not be hired. In such cases, employee should report the incident to his supervisor.
24. Procurement
 - (a) The entire process of procurement shall have complete transparency and fair play. Level playing field shall be ensured for all prospective bidders, suppliers and service providers.
 - (b) No bidder shall have access to insider information or unfair advantage because of any personal acquaintance with any employee involved in the procurement process.
 - (c) No party shall have the unfair advantage of separate, prior or closed-door negotiations for the contract.
 - (d) Goods/works/services of specified quality/specification shall be procured in a most economical manner with clear supply timeline.

- (e) The tender conditions including pre-qualification criteria, technical specification, evaluation criteria, experience criteria and commercial conditions shall be transparently disclosed and shall not be manipulated to favour or disfavour any or a group of vendors unfairly.
- (f) The company will actively discourage involvement of any middlemen/agent/liasoning agent/lobbyist in procurements done by it. Wherever it is possible to secure supplies and ensure after-sales-services etc., on reasonable terms without the intercession of agents, there is no need for engaging any such agent.
- (g) The company will formulate a transparent policy for engagement of middlemen/liasoning agent/dealer/stockiest. If any such person/entity is engaged, the agency agreement will be submitted while submission of bids disclosing all important details like terms of engagement, nature of service to be provided, payment to be made etc.
- (h) No Agent/Middleman/ Liasoning Agent or any entity other than the one disclosed while bidding will be involved in the process of procurement of goods, works and services or any commission will be paid to such entities. If any employee of CIL comes to know of any middleman being engaged by any bidder who has not been officially disclosed, it shall be his duty to bring it to notice of the head of his Department and CVO, CIL or subsidiary company immediately.

25. Whistle Blower Policy

The Company will receive complaints from whistle Blowers as per policy enunciated vide CIL/C-5A(PC)/WBP/57 dated 08.09.2011. Every effort will be made to attend to all bonafide complaints within one month of receipt. The identity of complainant will be kept concealed to ensure that he doesn't face any reprisal from persons/groups having the vested interests. However, if it is brought to notice that the complainant has faced any revengeful action on account of their complaint, they will be provided official and other protection. Actions will be taken against any employee who threatens or takes any revengeful action directly or indirectly against a person making bonafide complaint to protect the interest of the company or fellow employees or who refuses to indulge in any corrupt practice or facilitate others doing so. On the contrary, filing of any frivolous or motivated or false complaint by any employee against another will be treated as an act of indiscipline and unbecoming of a public servant.

B. Approach to tackle corruption:

a. Reduction in discretions in decision making

Discretions in decision making can be minimized by laying down transparent rules, guidelines, procedures for different processes. For this purpose, the discretions available in all major areas like human Resource Management, Sales & Marketing, procurement etc will be examined in-depth and non-discretionary rules, guidelines and practices will be put in place gradually as part of continuous system improvement.

b. Making decisions & processes system driven

The processes and decisions in the organization will be made system driven and rule based so that the human influence is reduced. Conscious effort will be made to reduce the requirement of human interface while dealing with stake holders like customers, vendors, service providers, suppliers etc so that opportunity for corruption reduces.

c. Leveraging technology

Increased use of Information Technology can help in making the processes more transparent as well as efficient. Examples could be establishment of ERP System, electronic surveillance of mines through GPS/GPRS based Vehicle Tracking System, Installation of CCTV at vulnerable points, use of RFID for identification of vehicles, weigh bridge integration for weight tracking etc. Effort will be made to make activities online and web based.

The company will take steps to re-engineering their business processes by leveraging information technology in order to achieve efficiency, economy and transparency. While doing so, CIL will identify the probable risks like fraud, corruption, other malpractices and build in the required risk management tools in the new processes. E-procurement and strategic e-Reverse Auction with well-defined procedure should be norm for all procurements above a threshold value. All financial transactions relating to payment & receipt should be made through electronic mode. Steps should be taken to maintain all strategic information of the PSUs in secured electronic form. Progressively steps may also be taken for creation of knowledge management portal as well as digitization, archival and retrieval of records. Adoption of e-office kind of IT solutions to maintain and process matters in the organization and sharing online will be a desirable objective. Paper based communication and reporting systems should be progressively replaced by electronic based systems. Extensive use of website can be made both as a tool for communication with the stake holders as well as for curbing corruption. Greater effort may be required to process various applications & bills online so that real time information regarding status is made available and misuse of discretion used in the process is identified through exception reporting.

d. Proactive disclosures of vital information

The information related to operations and activities of the company including financial & physical performance will be proactively disclosed to achieve greater transparency. CIL web portal and future mobile apps will be used for dissemination of information in public domain.

e. Effective Grievance redressal mechanism

Effective grievance redressal mechanism for employees as well as other stake holders will be set up through an online system so that there is seamless flow of complaint to relevant unit for

redressal. The action taken on grievances will be reviewed by Grievance Redressal Committees at CIL, subsidiary Hq and area level.

f. Ease of doing business

Continues effort will be made to simplify the various rules and procedures and make regular improvements in the same. Conscious effort will be made to improve ease of doing business with CIL through various simplifications and improvements.

g. Institutionalization of best practices

Study of good practices in mining sector in India and abroad can help improve efficiency and productivity in the company. Similarly, best practices of anti-corruption measures and improvement of ethical standards can be helpful in taking similar measures in CIL.

h. Transparency in public procurement encouraging competition

In procurements of all kinds, goods, works & services highest norms of transparency will be maintained. The electronic e-procurement and reverse auction together with auto refund of EMD; online clarification etc will help in achieving transparency. Standardisation of NITs will further help in improving certainty. The price of goods and services produced by organizations should be discovered /decided through a well-defined transparent mechanism and arbitrariness should be avoided at all costs.

i. Standardization and benchmarking as well as quality control of goods & services

Standardization of quality parameters of coal and quality control is very critical to assuring quality. Similarly, the quality should be benchmarked against international standards.

j. Strong evaluation system

It is necessary that there is a very strong user feedback system so that the stakeholders and own employees are able to provide regular information regarding shortcomings in different activities of the company so that steps are taken to address the issues.

k. Evolution of organizational ethics & value system and adherence mechanism

As the organization ethics is necessarily value driven, it is necessary to identify the values the organization stands for. The company has to develop high ethical standards for conduct of the activities of the organization. Simultaneously, clear mechanism to ensure compliance is required to be developed.

178293/2019/VIGILANCE

I. Regular system improvement studies and initiate measures for improvement

All areas of activities of the organization particularly those prone to corruption needs to be studies continuously and improvement measures taken so that all existing loopholes are plugged and opportunity for corruption is eliminated.

C. Corruption Risk Mitigation Strategy

1. Corruption Risk Analysis

The company shall on continuous basis undertake Corruption Risk Analysis, identify all policy and controls in place to mitigate these risks, identify gaps or deficiencies in the existing policy and controls and put in place additional control measures to bridge the gap.

2. Areas vulnerable to corruption

Through various discussions including those with vendors/suppliers/service providers/customers and studies as well as analysis of Vigilance and CBI cases, major areas vulnerable to corruption risk have been identified as follows:

- i. Recruitment
 - ii. Transfer and posting
 - iii. Procurement of all kinds including heavy equipment,
 - iv. Award of various contracts including transportation contracts, removal of over burden & extraction of coal
 - v. Coal stock shortage, measurement of coal & OB,
 - vi. Quality of coal,
 - vii. Washeries and leasing of land, use of washery rejects
 - viii. Labour / DGR / ESM Contracts
 - ix. Payment of Bills of contractors.
 - x. Pilferage and theft of coal
 - xi. Coal diversion/black marketing by coal consumers
 - xii. Joint ventures and partnerships with other PSUs
- These can be updated and revised based on further information and analysis from time to time.

4. Action for risk Management

The Corruption risk will be managed through following categories of actions:

- a. Punitive actions
- b. Surveillance Detection
- c. Preventive actions

Apart from actions mandated by CVC, additional measures will be taken to ensure a corruption free environment in the company.

5. Annual Action Plan of Anti-Corruption Measures:

An annual Action Plan will be drawn in the format of Ministry of Coal to lay down the measures proposed to be taken in the entire gamut of Vigilance activities consisting of preventive, punitive and surveillance & detection aspect of Vigilance. It will be monitored through a quarterly action taken report to be submitted to the Ministry. Performance Metric will be drawn to clearly spell out annual achievable goals.

6. Punitive Actions:

Action on misconduct

If any misconduct as defined in company rules comes to notice of the management, expeditious action in commensurate with gravity of misconduct will be ensured. If any authority is seen to protect any employee who has indulged in any misconduct, it will be considered reflection on his own conduct. Soft approach towards proven misconduct sends wrong signals among the employees and has detrimental effect in ensuring corruption free environment in the company. If any employee gets charge sheeted in a CBI case, the prime facie charges may be construed to be of grave nature and should generally attract harshest penalty.

Action on criminal offence

If any employee or any stake holder of the company eg vendors, consumers, suppliers etc is found to be indulging in any criminal offence including those indicated in prevention of corruption Act, the matter will be reported to Investigating agency like CBI or state police, as the case may be, at the earliest. Simultaneous Departmental action may be initiated against the employee which should be concluded without waiting for the outcome of criminal trial. Administrative action against other stake holders will be taken as per the company's guidelines. All financial loss to the company will be recovered from the persons/entities causing the loss.

7. Surveillance Detection

Development of source for information

The Vigilance Division will endeavor to develop sources for getting information regarding any corrupt activities in any Department. The sources providing quality information may be financially rewarded and for this purpose, suitable budget provisions will be kept.

8. Preventive Action

All preventive actions as per the existing guidelines including watch on employees in ODI & Agreed list, identification of sensitive posts & rotation thereon, examination of annual property returns, surprise, periodic and CTE type inspections etc will be undertaken regularly.

Action Plan of preventive measures

An action plan will be drawn to take preventive measures to improve the system and put control mechanism in place to reduce the opportunity for corruption. The areas prone to corruption will be identified based on analysis of CBI cases, Vigilance cases, focus group discussion and past experience etc. For all these areas, time bound action plan will be drawn and implemented. The implementation of the plan will be monitored in quarterly meetings of CVOs.

Rotation of employees

The officials in the ODI and Agreed list will not be assigned any sensitive assignment and they will be transferred to a non-sensitive assignment if they are holding any such post. There will be rotation of executives holding sensitive assignments periodically as per CVC/company guidelines. The employees who are due for rotation will be identified in the beginning of the calendar year and it should be ensured that they are rotated in the first half of the year.

The CIL and subsidiaries will also have a transparent policy for general rotation for employees who stay more than certain no. of years in a post/location for preventing development of vested interests. It should be ensured that rotation is done as per the policy annually.

System Improvement Studies

System improvement studies will be undertaken in areas identified having vulnerabilities in order to identify measures required to be taken to plug any loop holes and opportunity of misuse/corruption. The measures will be shared with management and earnest steps will be taken to put them into practice. System improvements are key to achieving preventive vigilance objectives. Leveraging technology with proper safeguards, transparency & fairness in decision making, limiting discretions, reduction in requirement for personal interface, simplification of business processes, institutionalization of good practices and improvement of control mechanisms are some of the measures which will go a long way to achieve objective of corruption free administration.

Improvement in vigilance administration can be possible only when systems improvements are made to prevent the possibilities of corruption. Accordingly, CVC has issued instructions to implement the following:

- i. Proactive disclosures through provision of complete information on their websites regarding the laws, rules and procedures governing the issue of licenses, permissions, clearances, etc.
- ii. All application forms/proformas should be made available on the websites in a downloadable form.
- iii. Immediately after the receipt of the application, the applicant is informed about the deficiencies, if any. Repeated queries in a piece-meal manner should be viewed as a misconduct having vigilance angle.

- iv. The status of individual applications/matters should be made available on the organisation's website and should be updated from time-to-time.
- v. All organisations should examine the feasibility of online receipt of applications and implement the same.
- vi. Publish on the web-site details of award of tenders/contracts above a threshold value.

9. List of undesirable contact-men

A list of undesirable contact-men will be maintained by all CVOs, and heads of procurement Departments after taking inputs from different sources to keep a watch on activities of such persons/entities. Every effort will be made to ensure that they do not influence the procurement decisions. No employee shall maintain any contact with them other than that needed for discharge of official duty. Similarly, arm length distance will be maintained with retired employees of company who get associated with any vendor/supplier/service provider after retirement in order to ensure that they are not able to interfere in the decisions of company.

10. Integrity pact

Integrity pact will be executed by all bidders for all tenders above the threshold value decided by CIL or subsidiary concerned. Any violation of Integrity Pact will entail action as prescribed therein. JEMs will be appointed to oversee any violation of the pact. The company as BUYER has committed the following under the pact:

1. The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.
2. The BUYER will, during the pre-contract stage, treat all BIDDER alike, and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.
3. All the officials of the BUYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
4. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be

178293/2019/VIGILANCE

debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

11. Identification of Good practices and Implementation

The Good practices developed by other subsidiaries or any other organisations will be adopted for improving the system and practices. Good practices available nationally or internationally will be examined and adopted for improvement of processes.

12. Notification

Annual report will be published indicating measures taken during the year for combating corruption. All cases of established corrupt practice, bribery and violation of this policy will be brought in the public domain along with action taken report.

13. Periodical Review

CVOs will hold quarterly structured meeting with CMD to review the anti-corruption measures taken in the organization and effect thereof. Additional measures required to taken may also be discussed and steps may be taken to implement the same.

14. External Review

Review of the anti-corruption policy and measures initiated by the organization by done periodically by external agencies. Suggestions for improvement will be analysed and adopted.

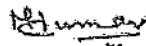
15. Adherence to International Obligations

CIL is signatory to global compact. The adherence to various principles particularly 10th principle on anti-bribery will be reviewed periodically and reported upon.

16. Action against violation

Violation of any of the provisions laid down in this policy will attract action under CDA Rules and any other administrative action as decided by the Management. The violations by Board level management may be brought to notice of the Ministry.

This has approval of Chairman, Coal India Ltd.


(Manoj Kumar)
Chief Vigilance Officer

No. CIL/VIG/2015/MX-3/Conf(II)/726 dt. 23/06/2016

Distribution: All concerned

Annexure I

Extract of Coal India Executives Conduct, Discipline and Appeal Rules

- I. Every employee is required to maintain absolute integrity at all times. (Rule 4.1)
- II. The following Acts have been declared misconduct:
 - (a) Theft, fraud or dishonesty in connection with the business or property of the Company or property of another person within the premises of the Company [Rule 5(1)]
 - (b) Act of taking or giving bribes or any illegal gratification [Rule 5(2).]
 - (c) Act of possession of pecuniary resources or property disproportionate to the known sources of income by the employee or on his behalf by another person, which the employee cannot satisfactorily account for [Rule 5(3)].
 - (d) Acting in a manner prejudicial to the interests or image of the Company [Rule 5(5)].
 - (e) Commission of any act which amounts to a criminal offence involving moral turpitude [Rule 5(17)].
 - (f) Any breach of any of the provisions of these rules or any other statutes or rules [Rule 5(26)].
- III. In respect of employment, the following propriety will be maintained:
 - (a) No employee shall use his position or influence directly or indirectly to secure employment under the 'Company' for any person related, whether by blood or marriage to the employee or to the employee's wife or husband, whether such a person is dependent on the employee or not. (Rule 6.1)
 - (b) No employee shall, except with the previous sanction of the Competent Authority, permit his son, daughter or any member of the family to accept employment with any company or firm with which he has official dealings. (Rule 6.2)
 - (c) No employee shall in the discharge of his official duties deal with any matter or give or sanction any contract to any company or firm or any other person if any member of his family is employed in that firm or under that person or if he or any member of his family is interested in such matter or contract in any other matter and the employee shall refer every such matter or contract to his official superior and the matter or the contract shall thereafter be disposed of according to the instructions of the authority to whom the reference is made (Rule 6.3)
 - (d) No functional Directors of the company and the Chief Executives who have retired/ resigned from the services of the company, after such retirement/ resignation shall accept any appointment or post whether advisory or administrative, in any firm or company or sister

178293/2019/VIGILANCE

concern or group company, whether Indian or foreign, with which the Company has or had business relations, within one year from the date of his retirement/resignation without prior approval of the Government or the Appointing Authority as the case may be. (Rule 16.5)

- IV. Acceptance of Gift- Save as otherwise provided in the CDA Rules, no employee of the Company shall accept or permit any member of his family or any other person acting on his behalf, to accept any gift, from any individual or firm having official dealings with him. (Rule 14.1)

Annexure II"RED FLAGS" FOR CORRUPTION/ BRIBERY & RULES FOR DUE DILIGENCE

While every transaction and/or counterparty should be evaluated on its specific facts, there are several "red flags" in relation to third parties (i.e. potential or current counterparties or potential or current Associated Person) that may signify a heightened risk of corruption or bribery. Some of those "red flags" include the following: -

- (i) The third party has a reputation for accepting or demanding bribes, and/or has requested to make or receive a bribe.
- (ii) The third party has been subject of previous enforcement action(s) for corruption-related offenses.
- (iii) The third party's report of its business structure is unusual, incomplete, or overly complex with a lack of transparency.
- (iv) The third party provides incomplete, false or misleading business contact information.
- (v) The third party requests unusual payments or financial arrangements (e.g. requests to accept payments in cash or through a third party; requests the Company to complete unnecessary, inaccurate or unexplained invoices; travel agent requests payments in addition to ordinary commission or remuneration offered to other similar type agents in the same country), or has a pattern of over-invoicing or incorrect invoicing, or overpayments and requests for refunds.
- (vi) The third party requests a split of purchases to avoid procurement thresholds.
- (vii) The third party proposes unnecessary change orders to increase contract values after award of the contract.
- (viii) The third party is vague or elusive about source of funds for the transaction or activity.
- (ix) The third party has large sums of cash or currency available for the transaction or business activity with no corresponding business that generates the high revenue stream.
- (x) The third party seeks to make or receive payment from or to a foreign country account other than the location of the party's business or the service performed, unless the third party has legitimate reasons for requesting for such arrangement.
- (xi) An unnecessary or undisclosed middleman or local is involved in the contract or negotiations, and his addition has no obvious value to the performance of the contract.
- (xii) The third party boasts about relationships with local government officials, such as immigration or customs officials, government officials.
- (xiii) The third party engages questionable subcontractors or local agents.

178293/2019/VIGILANCE

- (xiv) In a bid process, the request for proposals include very narrow contract specifications that seem to favor a specific bidder and exclude others.
- (xv) The third party requests that the Company not report or disclose a particular activity or transaction.
- (xvi) The third party threatens to withhold services absent payments to individuals in addition to contractually agreed payments or payments in cash or cash equivalents.
- (xvii) A Government Official insists on a specific person or company to serve as third party.
- (xviii) The third party refuses to agree to the contractual provisions set out in Integrity Pact.
- (xix) The third party's business is not listed in standard industry directories, or is unknown to people knowledgeable about the industry.
- (xx) During negotiations, the third party seems indifferent to the price for the Company products or services, or otherwise fails to act in a profit seeking manner.
- (xxi) The third party insists that its identity remain confidential or refuses to divulge the identity of its owners or principals.
- (xxii) The third party does not have offices or a staff, or frequently moves locations.

भारतकोकालोइन्डिया लिमिटेड
217617/2020/VIG/AN
(कोल इंडिया की सहायक कंपनी)
सतर्कता विभाग
कोयलाघर, लखी, धनबाद-826005
दूरभाष सं: 0326-2230171
फैक्स सं: 0326-223017



ANNEXURE IV
1217
Bharat Coking Coal Limited
A Mini Ratna Company
(A subsidiary of Coal India Limited)
Vigilance Department
Level V, Koyla Bhawan
Dhanbad-826005
CIN: U10101JH1972GOI000918
Website: www.bccl.gov.in
Email: gmvig.bccl@coalindia.in

Ref No. BCCL/CVO/VIG/CB-09-2016/2nd Stage Advice 2020/ 96 Dhanbad, 04.02.2020

ASO (Vigilance)
(Sri Gauray Bisht)
Ministry of Coal
Government of India
New Delhi-110001

Subject: - Representation of Shri Subhash Kumar Singh alleging gross financial irregularities by the BCCL Authorities in terms of making payment to outsourcing mining companies regarding action taken report on recommendation forwarded by Committee on Petitions, Lok Sabha Secretariat.
Reference: - Trailing e-mail dt 31st January 2020 received from CMD BCCL Secretariat on the subject matter

BCCL Case No CB/09/2016 (CVC Case No 017/COL/059) regarding revision of target without competent approval and less penalty deduction against M/s. Sadbhav-Annapurna Joint Venture in Dahibari Colliery, CVArea was forwarded to SP, CBLACB, Dhanbad vide this Office Letter no. BCCL/CVO/ VIG/CB-09-2016/ CBI /2019/Secy/637 dated (copy enclosed as Annexure-1) for inquiry/ investigation as per recommendation of Petition Committee of 16th Lok Sabha as mentioned in their the 51st Report.

The case has been returned by CBI, ACB, Dhanbad vide their Letter No. 1268/CA/DHN/2019/0192 dated 26.11.2019 (copy enclosed as Annexure-2); citing the following observation: -

"Perusal of your letter does not reveal any cognizable offence requiring CBI investigation by registering formal FIR. Over payment or advance payment to a contractor by BCCL appears to be mere violation of terms and condition of the contract and this does not come under the jurisdiction of CBI as the matter is administrative in nature. It may be mentioned that as per CVC and CBI manual, CBI is supposed to entertain only those complaints which contain specific and definite allegations involving corruption or serious criminal misconduct against public servants etc. falling within the purview of CBI. Your reference does not fall under this category. Analysis of your letter and enclosed documents reveals that the amount of penalty withheld from the contractor's bill due to non-achievement of target is liable to be paid back once shortfall is fully made up by the contractor. Hence, the same appears to be a contract dispute between BCCL and the concerned contractor. Further, it is not clear what offence has been committed by the said contractor and which public servant of BCCL has committed criminal misconduct or any other offence under the PC Act or IPC. Your complaint also does not mention the names and designation of officers/officials of BCCL responsible for the alleged irregularity. Roles played by individual public servants have not been mentioned in your complaint. It appears that the matter has been simply referred to CBI without any detailed investigation/enquiry by the Vigilance Department of BCCL on the basis of recommendation made by the Committee on Petition of 16th Lok Sabha. It appears that the Committee has endorsed the recommendation of BCCL to enquire into all the matters related to over/advance payment to the contractor of all the subsidiaries of CL on the basis of apprehension that there could be many more cases relating to over/advance payments to the contractors. It may be mentioned that CBI,

217617/2020/VIGILANCE

1218

ACB, Dhanbad is not having jurisdiction to conduct investigation/enquiry pertaining to all subsidiaries of CIL. CBI is ready to make compliance of recommendation of the said Committee of Lok Sabha if a detailed investigation or fact finding enquiry is made by BCCL disclosing specific allegations involving corruption and criminal misconduct against public servants and private person and subsequently referred as per procedure to the concerned CBI Branch having jurisdiction.

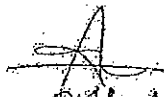
It is therefore, requested that action as mentioned above may please be taken and if a criminal case worth CBI probe is made out, a formal complaint/FIR may be lodged with CBI specifying allegations and names of accused officers/officials of BCCL along with previous approval of the competent authority u/s 17A of the PC (Amendment) Act, 2018.

It is pertinent to mention here that it was clearly mentioned in our letter vide which the case was referred to CBI that Major Penalty charge sheet has been served to identified Officers, as per First Stage Advice of CVC which is pursuant to a detailed investigation in the matter by Vigilance department. It was also mentioned that the said file can also be made available if so required.

After conclusion of initial Vigilance inquiry in the matter, Major Penalty Charge-sheet was been served to responsible Officers with the First Stage Advice of CVC. Pursuant to serving of charge-sheet and denial of charges by all the charged Officers, Departmental Inquiry was held and Inquiry Authority from the approved panel was appointed. The Inquiry Authority has submitted his report wherein he has found the charges as "Not Proved" and the case has been referred to CVC for their Second Stage Advice for Minor Penalty as opined by the Disciplinary Authority.

As per Vigilance investigation, no criminal offence has been identified.

Enclosures - Annexure-1&2 as mentioned above.


04/02/2020
(Kumar Animesh)
Chief Vigilance Officer

CVO, CIL

