



# MCL

## **HANDBOOK OF VIGILANCE ADVISORIES / DIRECTIVES OF GENERAL NATURE RELEVANT TO THE COAL SECTOR**



**VIGILANCE SECRETARIAT, MCL, JASRUTI VIHAR, BURLA, SAMBALPUR**

**MCL/SBP/VIG/[EE]/2012/517 dated 13.04.2012**

It is observed that transfer and posting orders of executives working in MCL are being issued and a copy is being marked to the Vigilance Department. In some cases of transfer and posting, it has been observed that the executives transferred/posted to a particular place do not deserve to be posted at that place from vigilance point of view. In such cases, unpleasant situation may arise and Management has to cancel the transfer/posting orders of such executives, leading to huge embarrassment.

In order to avoid such situations, it is suggested that before issuing order for the transfer/posting of executives, the proposal may be got vetted by Vigilance Department.

Sd/-  
Chief Vigilance Officer

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**Sub.: Various irregularities in the field operation/official transactions in Mahanadi Coalfields Limited, Sambalpur- regarding.**

Kind attention is invited to the issues relating to the coal weighment (Internal colliery transport) on-line bill status, coal net linkages to the individual desktop, inordinate delay in tender processing, procurement of 10/70 dragline spares discussed with you from time to time. Some of the issues were also raised during the GM co-ordination meeting held during April'2012, but the said minutes are still to be seen by the undersigned in order to find out that whether those facts were communicated to the Area GMs/MCL HQ. or not ?

1. Coal Weighment : Recent field visits have revealed that the internal coal transport is being done with the "manual transit passes" and the weighment % have been found not more than 10% in the projects like Ananta, Lingaraj, Lakhanpur and Hingula. The situation in other Areas seems to be no different.

The Vigilance Department is of strong view based upon the field conditions that in many areas the weighment %age can easily be up scaled with the existing infrastructures from 5-10% to minimum 40% step by step except the project like Lingaraj & Belpahar and then with the installation of in-motion weighbridges, 100% weighment can be ensured. But it is seen that sincere efforts and personal follow up action is lacking on the part of the top Area authorities which gives a room for suspicion that the abnormally low %age of coal weighment is being done in order to tinker with the daily production figure as per the whims and fancies of the Area authorities under the cover of manual transit passes. The problem of highly inadequate weighment of the internal coal transport have assumed alarming proportion warranting severe action against the Area GMs/GM(O)/PO in order to have a deterrent effect for future.

It is astonishing to note that the payment to the transport contractors for the internal colliery transport is being made on the average tonnage on consistent basis. Even in one of the Project (Lingaraj) same average tonnage has been taken for a period of 15-20 days which implies that the payment made to the contractors are not based upon even the daily average weighment. Therefore the coal production is being calculated whimsically not based on any standard and uniform pattern.

Repeated follow up with the Area authorities through regular field inspections, meetings and taking up this critical issue of coal weighment with you from time to time has not yielded any positive on-field action. It is felt that the present management is very much unwilling to increase the %age of weighment for the reasons best known to them.

2. Delay in selection of site, meeting the pre-requisite condition for installation of incoming in-motion weighbridges is another grey area where an immediate attention is required so that 100% coal weighment can be ensured with “computer generated weighment slip”. I am quite hopeful that with this very step it can be practically justified that there is no over reporting / under reporting of the coal production on day to day basis and chances of coal stock manipulation also can be ruled out.

Further during the recent field visits of Ananta & Lingaraj the overloading of tippers had been noticed upto 29-30 tonne which indicates that favouritism is still being extended to the coal transporters by allowing them to carry load beyond the permissible limit.

It is pertinent to mention here that the issue of “manual transit passes” for the internal coal transport is one of the root causes of coal pilferage as also for manipulations in the coal productions figures. Several news item have been published in the print media in recent past on seizure of illegal coal laden trucks at Talcher & Ib-valley areas. The coal theft being a security issue, need a well co-ordinated effect on the part of MCL security and State security agencies to curb this illegal pilferage before it takes a form of menace. The source information gathered by the Vigilance Department revealed that numerous Illegal coal depots have started operating in Ib-Valley Area facilitating the increasing incidences of coal theft.

3. “On-line bill payment status” is another area of grave concern which needs immediate attention and improvement. On this issue, System improvement measures were suggested by this department about two years ago wherein the status of individual bills in coalnet was to be shown and the same was also implemented for some time. But it has been seen from past six months that the Area authorities have not been uploading the status on regular basis making the system improvement infructuous. Thus the lack of timely updation of the bills is indicative of deliberate attempt on the part of officials in preventing fairness and transparency in the individual bill status.
4. Non-finalization of tenders within the “original bid validity period” or even after extension of bid validity once is causing a dent to the Company’s image. The present status of each tender on e-Procurement Portal has been analysed and Area-wise details are as follows:-

Sl. No.	Name of the Department/Area	No. of cases showing at active stage on e-Procurement Portal.
1	MM Department, MCL HQ.	44
2	Civil Department, MCL HQ.	09
3	TC Department, MCL HQ.	04
4	E&M Department, MCL HQ.	01
5	Other Tenders, MCL HQ.	03
6	Hingula Area	92

Sl. No.	Name of the Department/Area	No. of cases showing at active stage on e-Procurement Portal.
7	Lakhanpur Area	100
8	Lingaraj Area	32
9	Basundhara-Garjanbahal Area	186
10	Bharatpur Area	35
11	Talcher Area	04
12	Ib-Valley Area	23
13	Orient Area	11
14	NSCH, Talcher	14
15	Jagannath Area	35
16	CWS, Talcher	14
17	CWS, Ib-Valley	06
18	Kaniha Area	23
19	Bhubaneswar	03
	<b>Total</b>	<b>639</b>

One of the reasons behind the pendency of tenders as displayed on e-Portal of MCL may be that the tenders were being finalized but not being up-loaded in the e-Portal. This non-updation of summary details of tenders on the website is a serious violation of CVC, New Delhi vide circular No. 17/07/2009 dated 14<sup>th</sup> July'2009. In many cases the tenders might also have got cancelled but not updated and shown as pending on e-Portal. In some cases it is possible that the tenders were not being finalized after opening of price bid and shown as pending. A number of such files are pending in various departments/Areas. Unless and until the updation of the status of tenders are carried out by the concerned officers, a state of confusion will continue to prevail over the number of tenders finalized and cancelled or yet to be finalized. This discrepancy in the updation needs to be sorted out at the earliest.

The sample study was taken up regarding the status of tender files of MM Department, MCL HQ. vide Lr. No. MCL/SBP/VIG/[Misc. Pt.]/2012/672 dated 14.05.2012. It was noted that several tender related files were activated only after intervention of Vigilance Department and supply order was placed in 11 such cases, other 10 cases were cancelled and in another 09 cases the tenders have not been finalized till date even after opening of price bid and expiring of the original bid validity period. In some cases the L-1 bidder has been running from pillar to post to know whether the work order is going to be issued in his favour or not or he is going to be banned with forfeiture of EMD.

From the above facts it can be presumed that the tender files are being recklessly pursued, leading to delay in finalization of tender. If e-Procurement Portal will be continued to be handled in aforesaid manner, it may affect the stored data in future also.

Further it needs to be specifically mentioned here that CVC, New Delhi vide letter No. 008/CGL/083 dtd. 06.11.2008 has directed that there should be time bound processing of procurement within original validity of the tender without seeking further extension of validity. It has also mentioned that the cases requiring extension of validity should be rare. And in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time valid and logical grounds, justifying extension of the said validity. The circular also clearly states that any delay which is not due to unforeseen circumstances should be viewed seriously and prompt action should be initiated against those responsible for non-performance.

5. "Land acquisition" : In MCL, most of land is being acquired under CBA (A&D) Act'1957 for mining purpose. Different coal blocks are being notified under this Act which consists of number of villages. The compensation against the acquired land is being assessed only when the land is required for mining purpose. Assessment and payment of compensation, resettlement and rehabilitation activities are time consuming job and continue years together. So these activities are required to be planned properly to get the physical possession of land in time for mining purpose.

The assessment of the compensation for a village is one of the grey areas and there have been irregularities in measurement of structures over the tenancy land particularly in the Talcher Coalfields. A number of new structures have been coming up and intentional addition/alteration/ modification of structures are being made by the villagers to get higher compensation than their due share of compensation. It has been noticed that even when the payment for structures are being received by the villagers, they do not vacate the structures till they are provided job rehabilitation. Also on said vacation of the structures they demolish it and are allowed to even take the scrap materials with them.

Theoretically the structures being vacated by the PAFs belong to MCL. Thus allowing the PAFs to take away the scrap materials may put the Company in a very embarrassing situation in future. Therefore a clear cut policy decision is required to be taken in this regard by the MCL. Further while arriving at the final compensation value, it has been noticed that some structures constructed by the outsiders/villagers are not being demolished even after receiving the due compensation and they go on pressing for the job rehabilitation also.

Another issue which needs an immediate attention is the inflated estimate being prepared as a part of the compensation. The plausible reason behind the inflated cost of individual compensation is the lack of transparency during field survey and measurement. It appears that the lower level Revenue Personnel (Amin & RIs) in connivance with the villagers prepare the inflated estimate deliberately and afterwards it becomes very difficult for the officials to verify the structure as the villagers oppose and threat for strike. In Talcher Coalfields this trend of manipulation in structure measurement is increasing day by day. Discreet enquiry reveals that the compensation awarded for the villages Bhalugadia under Hingula Area and Naraharipur acquired for Bhubaneswari OCP have been inflated as explained above. The timely valuation i.e. just after 11(i) Notification

under CBA (A&D) Act'1957 and transparency and accuracy during field survey (YADAST) by the Revenue personnel can prevent irregularities in assessment of compensation value. The measurement team engaged is also required to act judiciously while measurement and valuation of the structures.

In one particular case of Kalamchhuin (Talcher) 632.86 acre of land had been acquired during 2005-06 under Land Acquisition Act'1956. The total compensation of `74.61 crore had also been paid to the State Govt. of Odisha. Even after employment being given to the affected persons, complete chunk of land has not been taken into physical possession. As the said land was required for mining purpose and acquired under LA Act'1956 mining lease must have been applied by now as per MMRD Act. Till date such application to get the mining lease for the said patch of land has not been prepared. Further, the action for re-settlement for such huge village has not yet been taken up properly. It is intriguing to point out that when the vital field operations like OB and coal production and its transportation are being mostly outsourced, the Area authorities should concentrate on the land issues which is just like a raw material for the bright prospect of the MCL.

- 6. Finalization of work order for 10/70 Dragline :** The MCL Board had approved the proposal for purchase of 10/70 dragline spares from OEM i.e. M/s. NKMZ, Ukraine during the month of November'2011. There were some intricate issues which were pointed out by the Vigilance Department and the case after investigation was referred to CVC, New Delhi through DA during the month of January'2012. Thereafter as per the direction of CVC, New Delhi, the case was disposed of and the file was returned to the MM Department. In this regard a note was also sent to CMD, MCL vide this office diary No. 410 dtd. 24.03.2012. It was also brought to your kind notice that the 10/70 dragline spares were lying unutilized in the Lajkura Unit Store which were also part of NIT No. MCL/SBP/MMD/SEC-III/R/10-11/STE/Spares/ Dragline/34 dt. 18.02.2011. Only after the intervention of the Vigilance Department, those spares were moved from Lajkura Unit Store and has recently been utilized. Further enquiry revealed that the value of those utilized spares were `7,22,96,114.00. Still spares worth `90,45,770.00 are lying idle in Lajkura Unit Store. This kind of extraordinary situation in the MM Department/ Excavation Department indicates complete failure of the ONLMMS (On-line Material Management System), which otherwise could have resulted in saving the Company's interest.

Sd/-  
Chief Vigilance Officer

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In a sequel to the surprise inspection taken up by the Vigilance team of Hingula OCP, I along with my Vigilance team took a surprise inspection of Balram OCP on 14.08.2012. Certain irregularities noticed during the field inspections were as follows:

- While checking the consumption chart of the HSD (High Speed Diesel), it was noticed that in respect of Dumpers 100T (Norms of 85T is 45.5 to 48 and norms of 120T is 52.5 to 55, norms of 100T can be taken as 48 to 52.5 Ltr. Per hour), the utilization of the HSD was found exceeding the norms fixed for per hour consumption. Further, it was found that during the same month the variation of the same HSD per hour was from 51.51 to 80.31. Upon the discreet enquiry made with some of the persons available there, it came to out notice that this kind of adjustment is a regular feature in Balram OCP and the HSD is being pilfered adopting this modus operandi. The surprise inspection of the Area was also based on this very specific information on HSD pilferage and pattern of consumption. In few Dumpers/Dozers even there was a discrepancy between the actual meter reading as per the machine and the log book.
- The undersigned also inspected one of the Weighbridges exclusively meant for road sale i.e. Weigh Bridge No. 6. When the Computer generated printed version of road sale tippers were verified, it was found that about 10 to 20 vehicles entering on a particular day are not returning with the load the same day or even during the late hours of the next day. In one case it was found that the vehicle which had entered on 11.08.2012 was detained till 14.08.2012. Out of curiosity, the undersigned along with his team went right upto the place where the said vehicle was standing (about 3.00 KM from the road sale weighbridge).

Upon inspection of the particular vehicle, it was shocking to note that the particular vehicle was not having any RC Book/relevant records to prove the genuinity of the vehicle. The vehicle should have been repaired within 2-3 days maximum since the detention of vehicle for such a long period do paves way for illegal transport of coal from the mining areas with the connivance of mining officials.

- Another shocking fact which came to our notice was regarding the 0% weighment of coal in respect of internal colliery transport (Mine to Stock). This is happening even when the three weighbridges out of six can be put to use for the weighment. This kind of utter callous attitude towards the coal weighment is nothing but purely intentional to cover up the malpractices in the coal production and stocking. In order to curb this kind of gross irregularity and gross indiscipline, a clear cut message needs to be sent to the GMs and Project Officers of all the Areas/Projects.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig./[CMD-Ref]/2012/1680 dated 22.10.2012**

It has been observed by the Vigilance Department that in recent past whenever indented materials or equipments have been received, those have not being checked/inspected thoroughly in order to find out whether the materials received were as per the required specifications or not. In one of the instance, it has been noticed that the box containing the material was only visually inspected even without opening the seal of the box and certified as OK, which is a case of serious irregularities on the part of the officials concerned. This kind of situation predominantly exists in "Materials Management Department" of the Company and as a result of which in past also few equipments indented have just been received like that and because of failure to meet the required specifications such materials could not be utilized effectively defeating very purpose of indenting of the materials/ equipments.

Vigilance Department is also collecting the details of all such equipments/ materials which have been indented in past and could not be used effectively for appropriate necessary action.

However, it is felt that it would be appropriate to issue a circular to all concerned for not only indenting the materials/equipments as per the specific requirement as well as standard specifications, but also physically inspect and test the indented equipments in the presence of the representative of the supplier in order to avoid supply of any sub-standard material by the manufacturer / supplier.

Sd/  
Chief Vigilance Officer

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**MAHANADI COALFIELDS LIMITED, SAMBALPUR  
TO BE SUBMITTED TO CVC, NEW DELHI**

Sl. No	Metrics/ Parameters	As is	To be
1	Leadership/ Innovation (100 Credits)	i) Vigilance clearances are given time to time on request.	To be given through CVC linked e-Portal with following indications: Red Mark – Not given Green – Already given Blue – Talk to us.
		ii) Coal net linkage provided for Financial Accounting and pay roll of MCL HQ only	Coal net to be extended for contractual Bill Payment Status, PIS (Personnel Information System), On-line Material Management System.
		iii) Redundant net work for coal net absent.	Installation of redundant net work for ensuring interruption free coal net functioning.
		iv) Existence of on-line complaints/reply modules.	Categorization of complaint and disposal of the same will be made on-line.
		v) Integrity Pact: Information on tenders on-line above threshold value of `1.0 crore on e-Procurement Portal.	A monthly summarized report on tender details above threshold value of `1.0 crore.
2	Information Analysis (100 Credits)	i) Contractual Bill Payment Status module exists in coal net. In and out status of each bill not known.	In and out status of bills to be reflected on-line in coal net.
		ii) Benefit analysis of e-Procurement not done.	Benefit analysis of e-Procurement to be done.
3	Strategic Planning (100 Credits)	i) Efforts being made for liquidation of coal stock by increasing coal dispatch.	Improving the percentage of liquidation of coal stock.
		ii) Inadequate weighment infrastructure in Project Area.	Installation of 12 nos. of in-motion weigh bridges to strengthen the coal weighment infrastructure.

Sl. No	Metrics/ Parameters	As is	To be
4	Process improvement (100 Credits)	i) 1-2 structural meetings with CEO on Annual basis.	4 structural meetings with CEO during the year 2012-13.
		ii) Inadequate monitoring of case by case leading to some delay in disposal of disciplinary proceedings.	Periodical monitoring to be done for expeditious disposal of disciplinary proceedings.
5	HRD (100 Credits)	i) No workshop/seminar conducted on sensitive issue like Public Procurement, Vigilance angle and CDA rules, Disproportionate Assets cases etc.	3 nos. workshop/seminars on Procurement, Vigilance related issues including cases of Disproportionate Assts.
		ii) On-line recruitment of personnel on trial basis.	On-line recruitment of personnel to be a regular feature.
6	Operational Result (200 Credits)	i) Monitoring of coal dispatch per employee not being done.	Coal dispatch per employee to be arrived for monitoring purpose.
		ii) 10-15% of coal production are being weighed.	Improvement in % of weighment of coal production in a phased manner to be done.
		iii) 20 nos. surprise inspection as a proactive vigilance measure has been taken.	30-35 nos. of surprise checks to be made for improving the alertness of the employees.
		iv) Coal production achievement was 103 Million Tonne.	Month-wise coal production to be improved in order to achieve annual target of 112 Million Tonne.

Sl. No	Metrics/ Parameters	As is	To be
7	Stakeholder Satisfaction (300 Credits)	i) Refund of EMD to unsuccessful bidders through their Bank Account being done leading to delay in refund.	RTGS Account at the Project level to be activated and on-line auto-refund of EMD to unsuccessful bidders to be done.
		ii) Coal quality lifted by the consumers is generally satisfactory with some exceptions.	Constant monitoring to be done by Vigilance Department through surprise checks for maintaining specified standards.
		iii) CSR activities mainly focused on providing basic amenities for the peripheral villagers.	GM of the Project Areas will be empowered to sanction and implement the CSR activities based on local demand in order to avoid any delay in the all round development of the peripheral villages.
		iv) Non-existence of toll free numbers for lodging complaints and source information.	Toll free number to be made operational.

Sd/-  
Chairman-cum-Mg. Director

Sd/-  
Chief Vigilance Officer

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**MCL/Vig/Inspection/1844 dated 22.11.2012**

**Sub : Greater transparency and curbs the malpractices in bill payment, procurement process, coal transportation & dispatch etc.**

The Vigilance Department has been very particular in bringing about greater transparency and curbs the malpractices in bill payment, procurement process, coal transportation & dispatch etc. using the leveraging technology as a Preventive Vigilance Measure. Further, this department has been very particular in identifying the areas, where scope of corruption is there, so that systemic improvement may be undertaken to minimize the human interface and curb corrupt practices.

The undersigned along with his team members took a Surprise Inspection of the Ib Valley Coalfield (Lajkura & Samaleswari Projects) on 20.11.2012. The following systemic failure came to the notice during the surprise visit:-

Erratic functioning of Coalnet in the entire Ib Valley Coalfield with very few entries of bill in the Coalnet making the entire system of monitoring of bill status a futile exercise. The scrutiny of few bills, selected on the random basis revealed that even the petty bills of `10,000/- to `20,000/- are kept pending for over a month for payment and pendency of those bills at particular level has taken 15 days time which is nothing but appears to be a case of deliberate harassment of the petty contractors by the Area officials. The said delay has been found to be caused intentionally with ulterior motives.

Despite the fact that the Vigilance Department has been constantly following up the strengthening of the Coalnet in order to enhance transparency in the business transactions of the MCL as a systemic improvement measure. It appears that there has been a callous attitude on the part of the officials to make the Coalnet work upto its true potential. In this regard, the circular instructions of GM(Fin-HQ)/MCL vide letter No.MCL/SBP/GM(Fin-HQ)/2012/1936 dated 28.09.2012 has been grossly ignored by the Area Authorities making a mockery of the directives given by the MCL HQ.

It is pertinent to mention here that the monitoring of the bill payment status has been accorded utmost importance by the Central Vigilance Commission, New Delhi. The Commission had directed the CVOs' to undertake a review of bills. The said review was primarily meant to determine the time taken in clearing the bills. The Commission also directed the CVOs' to review whether payments are being made on "first-come-first-serve" basis or not?

Recognizing the fact that the bill payment status can easily be monitored through Coalnet, Area GMs/POs/ AFMs were specifically told from time to time to ensure the entry of receipt date of the bills by the user department, so that the final date of payment to the Contractors/Vendors can be known and real time monitoring can be conveniently done. This could have also ensured compliance of the CVC's Office Order No. 11/3/05 dated 10.03.2005.

Even after all the possible efforts, measures, pursuance and follow-ups, if the particular system is not found working effectively, its failure can only be attributed to willful negligence with malafide on the part of the officials of System & E&T Departments, Area Authorities including GMs/POs/AFMs/user departments.

In view of the foregoing, the only solution or alternative left for the Vigilance Department is to initiate stringent action against the responsible officials of System Department, E&T Department and Area Authorities in order to send across a strong message within the Company that there is no room for deliberate or intentional negligence in the use of leveraging technology for systemic improvement measures.

Similarly, OLIMMS (Online Material Management System) was not found working effectively in the Areas making the further dent in the systemic improvement measures undertaken for connectivity of the Regional Stores. In this regard, it is also quite possible that the functioning of OLIMMS may not serve the ulterior motives of some corrupt officials who want to take advantage of system failure for personal gains. May kindly like to recall a past incidence where 10/70 drag line spares worth `9.00 crore were indented during November-December 2011. Consequent to the field inspection made by the Vigilance Department, 10/70 drag line spares worth about `7.00 crore were found lying idle in the Lajkura stores. This situation could have been avoided if proper connectivity of the Regional Stores/Area Stores had been there and moreover, the embarrassment caused to the Company could also have been avoided.

We are all aware that the Central Vigilance Commission, New Delhi has been quite assertive in use of IT enabled services in field operations and all business transactions to minimize human interface & corruption. Further, the same has been committed in the performance matrix submitted to the Commission vide e-mail dated 24.08.2012.

Therefore, in order to ensure that the systemic improvement measures do not become an utter failure due to either malafide intention or recklessness of few officials, drastic action is required to be taken against those found responsible for lack luster attitude towards implementation of systemic improvement measure. But before initiating such action, it is considered prudent that one last opportunity needs to be given to the concerned officials for streamlining the Coalnet system, so that it can be put to an effective & un-interrupted use for monitoring updated status on bill payment, tenders, coal transportation, material management which later on can be extended to feed data on Personnel Information System, Land Information System, weighbridges linkages to the individual desk-top etc.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG/[AZM]/2012/1953 dated 05.12.2012**

**Sub.: Installation of CCTV in Regional Stores and Central Workshop – reg.**

In the Annual Zonal/Sectoral Review meeting held during August, 2012 at Central Vigilance Commission, New Delhi, it emerged that in order to enhance transparency and alertness, installation of CCTV's in the Regional Stores and Central Workshop in MCL may be given a serious thought. The matter had also been discussed with the CMD, MCL on 03.12.2012 in presence of Technical Directors and the CMD had also agreed for installation of CCTV's in Regional Stores/Central Workshops for close monitoring of the functioning of Regional Stores. In view of the aforementioned facts, it is requested that necessary instructions may kindly be given to the respective CGM/GMs of the Area in this regard for formulating a time bound programme for procurement and installation of CCTV's.

A copy of such instructions given to the Area CGM/GMs may also be kindly marked to the undersigned for intimation and necessary follow up.

Sd/-  
Chief Vigilance Officer

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**Sub : Coal stock assessment**

This is regarding the coal stock assessment of the Jagannath & Ib Valley Project Areas. For quite some time the Vigilance Department has been strongly insisting that the coal weighment percentage from Pit Head to Stock/Siding must be improved in a phased manner so that with the installation of in-motion Weigh Bridges 100% coal weighment of the internal coal transport may be ensured. It may not be out of place to mention here that in the GM's Co-ordination meeting also the 100% weighment of coal with respect to internal coal transport has been reiterated from time to time. Despite the above insistence/directions to the Area GMs, there is no marked improvement in the weighment percentage of internal coal transport particularly in Ananta OCP, Jagannath OCP, Bhubaneswari OCP, Balram OCP. Even the installation of in-motion Weigh Bridges has been found on slow track indicating that the some of the Area authorities are deliberately not willing for improving coal weighment percentage with vested interests. Also there have been information on the under reports/over reports of coal stock for quite some time. Therefore, based on the source information, Vigilance Department gave a serious thought to the coal assessment of the above mentioned to have an idea on the degree of compatibility between the book stock and the physical stock. The coal assessment the two Project Areas namely Jagannath Area and Ib Valley Area are as follows:-

- In Bhubaneswar OCP, where the stock assessment took place on 20.12.2012 there is a probability of surplus coal in the stock and the assessment team suspected that the surplus quantity may be above the permissible norm, which is a case of under reporting and need to be dealt seriously.
- In the Samaleswari OCP, following situation emerged as a result of coal stock assessment:

Date of assessment	:	21.12.2012
Book stock of coal as on 21.12.2012	:	4,65,186 Te
Coal stock as per assessment	:	4,20,000 Te
Shortage	:	45186 Te
Shortage in percentage	:	9.71%

Further, the assessment team observed that yellow book norms have not been followed while maintaining the records and the contour plan at 10m interval has also not been found in the Samaleswari OCP.

The actual figures on excess/shortage can only be determined and after the complete measurement of coal stock as per the due procedure in vogue for fixing the responsibilities on the officials working with malafide intention.

May kindly like to advice on the future course of action to be taken in this regard.

Sd/  
Chief Vigilance Officer

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**MCL/VIG[Misc.]/2013/89 dated 11.01.2013**

**Sub.: Quality assurance plan for the work of Strengthening and widening of coal transportation road at Talcher Coalfields of MCL.**

The subject work has been awarded to IVRLC-AMR Joint Venture having an agreement value of `251.35 crore. The date of commencement of work was 16.01.2012 and the date of completion as per agreement is 14.01.2015. On perusal of the file it has been noticed that as on date the progress of the work is just 1% as against 25% as per the signed agreement.

As per the provisions of the agreement, a separate consultant is required to be hired for strict monitoring of quality aspects in order to assist the MCL Management/Engineers for accomplishing the said work as per the laid down specifications ensuring the quality of desired standard. It has come to our notice that till date no third party consultant has been engaged for monitoring the quality of the work as per the various engineering parameters stipulated in the agreement. I strongly feel that such mega road project, which is first of its kind in MCL, need to be executed with the assistance of a qualified and reputed Consultant for ensuring proper execution of the work from the day of its commencement as per the terms and conditions of the agreement.

In view of the aforementioned facts, as a preventive and pre-emptive vigilance measure, I would request you to kindly intervene in the matter and issue appropriate directions to the designated authority for expediting the finalization of the appointment of Consultant as per the due procedure so as to avoid any future complications from audit and investigation point of view.

Sd/-  
Chief Vigilance Officer

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**MCL/VIG[Syst Imprv]/2013/498 dated 12.03.2013**

**Sub.: Execution of Bituminous/Black topping of road work as per the quality stipulated in the agreement in MCL.**

In recent past, one road in Ananta OCP which had been resurfaced by laying Bituminous Macadam (BM) and a seal coat of Mix Seal Surfacing (MSS) in June 2012 was badly damaged just after 06 months of its laying. The said matter is under investigation of the CBI, Bhubaneswar.

It may kindly be noted that as per the specification of the bituminous item stipulated in the agreement, two components are vital i.e. (i) Bitumen Content (ii) Grade of Bitumen. These two components primarily govern the quality aspects and also constitute the major cost. During execution of the work these aspect needs special attention.

Information from discrete sources have revealed that the road work which is presently going on in Lingaraj Area i.e. "Strengthening and repair of transportation and Public road from Gandhi Chowk to Pabiramohan Chowk (up to irrigation canel)" needs an immediate attention on quality aspects or else the said work may also come under CBI/Vigilance scanner.

As a quality monitoring cell for civil works is functioning at HQ level, hence it would be advisable to direct them to ensure stringent monitoring of bituminous road work that is going on in different Areas/Projects.

Sd/-  
Chief Vigilance Officer

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**Sub : Monitoring the road sale of coal dispatch**

This is regarding i3MS Software of the Odisha Government for the purpose of monitoring the road sale of coal dispatch. It is understood that the said software was duly studied and agreed upon by the officials of Department of Steel and Mines, Odisha Govt. as well as MCL, Sambalpur before its actual on-ground implementation.

In the meeting conducted for the purpose of the on-ground implementation of i3MS Software, it was specifically pointed out at para (12) of Minutes of Meeting dated 28.12.2012 that the Competent Technical Personnel will be deputed for training in handling and managing day-to-day work related problems in i3MS portal in consultation with CSM. It was also agreed upon in the said meeting to provide necessary training to the authorized weighbridge operators of MCL for ensuring trouble free operation of i3MS portal. It is not clear to the undersigned whether the aforementioned decision was complied with or not? If yes, then who were the personnel and who got the required training?

Further, it is shocking to note that MCL went for implementation of such an important software for managing 100% road sale trucks of coal dispatch without even bringing such important development to the notice of the Chief Vigilance Officer of the Company, which is indicative of gross negligence on the part of the GM Jagannath Area, who it appears was the Nodal Officer for all this and did not even mark a copy of minutes of meeting dtd. 28.12.2012 to the CVO's Secretariat and GM(S&M), MCL HQ who did not explain the modalities of the i3MS to the CVO.

You may kindly recall the recent incidence of detention of few road sale trucks in the Balram OCP by the Mining Department in which road sale trucks were found without Transit Passes. Thereafter, number of source information started percolating to the vigilance secretariat and based on the source information, entire data from the i3MS relating to the road sale trucks, were taken out and detailed scrutiny was made by the Vigilance Officials. After marathon study, lot of hard work and the surprise checks conducted by the undersigned along with his team from 01.03.2013, the following discrepancies were noticed:-

- Modification of date and time of tare weight and gross weight at operating end by the weigh bridge clerks.
- Generation of duplicate/triplicate truck nos. at the operating end.
- Modification of even the validity of the DO issued for the coal lifted through road sale.
- Modification in the truck numbers at the operating end.
- Generation of unreal data relating to the tare weight of the truck.

The aforementioned lapses noticed during the field inspection, indicates the lackluster approach of the MCL officials of Areas & MCL HQ- Sales & Marketing & System Department. These officials have failed in monitoring the functioning of the i3MS at least once in a month or immediately after its installation for nipping in bud such kind of gross discrepancies in the said software. The detailed investigation is being undertaken to fix the responsibility on the official responsible for the grave lapses for not preventing the illegal entry/exit of road sale trucks through regular checks/monitoring of Software.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[Inspection]/2013/490 dated 11.03.2013**

Recognizing the need for transparent mode of functioning of highly complicated field level operation and day to day business transactions of the Company, the utility of IT interventions in the major operational areas has been the prime objective of the Vigilance Secretariat. The e-governance initiatives undertaken is all about converting the existing mode of functioning into computerized form for the purpose of bringing fairness and transparency in the field level operations & business transactions of the Company.

The undersigned visited Samaleswari OCP; Kulda OCP; Hingula OCP; Bhubaneswari OCP; Bharatpur OCP & Lingaraj OCP in the past week and made the following observations w.r.t. several e-initiatives undertaken by the Vigilance Secretariat viz. introduction in-motion Weigh Bridges, Coalnet connectivity, Online Truck Despatch System, strengthening of Online Material Management System:

**In-motion road weigh bridges**

The introduction of in-motion Weigh Bridges in the Ib Coalfields has been found on a very slow track and I have got an indication that none of the Project authorities are taking the work of installation of in-motion weigh bridges on priority basis. Here, it would not be out of place to mention that the major impediment in the installation of in-motion road Weigh Bridges in that area has been the separate indenting of the RFID which is still pending for finalization. In this regard, the Area authorities of Ib Valley as well as the concerned GM(E&M) are required to be pulled up for their lackluster attitude in installation of in-motion Weigh Bridges which was scheduled for full fledged operation by February-March, 2013. This slackness on the part of officials has been viewed very seriously by the Vigilance Secretariat and if the internal coal weighment is found anything less than 100% w.e.f. 01.04.2013, concerned Area authorities shall be made answerable for the shortfall.

In respect of Talcher coalfields, the efforts of the Area authorities of Lingaraj, Jagannath and Bharatpur needs to be appreciated. At least these Project authorities have depicted more degree of the commitment in making the installation of in-motion road Weigh Bridges a reality. However, the undersigned would like to emphasize again that not less than 100% internal coal weighment shall be accepted in the Talcher coalfields w.e.f. 01.04.2013.

As you will appreciate that the lack of convergence/integration between our existing technologies deprive us the best possible results which we are capable of. Therefore, linkage of Coalnet connectivity with the upcoming in-motion road Weigh Bridges is required to be given topmost priority so that the reliability, fairness, transparency and accountability in our coal weighment procedure can be ensured.

## **Coalnet connectivity**

While reviewing the functioning of the “Coalnet” and its use in the payment of the contractual bills it was observed that the work done by the Area authorities particularly in Basundhara; Bharatpur; Samaleswari; Lingaraj; Jagannath are exemplarily in nature and the Area authorities deserves all appreciation for their commendable work done in this regard. The undersigned is extremely happy to share that due to the effective utilization of the Coalnet in our Project Areas, we have been able to process, finalize and make payment of `471.70 crore of contractual bills in a period of nearly three months, which was not an easy task by any means. I would like to place it on record that this could not have been possible without the effective & continuous support of the CMD and all the Functional Directors of this Company.

The undersigned would also like to avoid any complacency on the above aspect and would like to further stress upon the utility of Coalnet in the “real time monitoring” of the contractual bills which can only redress the grievances of the contractors for delay in payment, in a true sense. It also needs to be highlighted that due to the sincere efforts taken by the E&T Department under the guidance of the Vigilance Secretariat we could reach now at a stage where atleast the Coalnet connectivity could be stabilized for the first time in the Company. This would again require continuity through installation of the “redundant network” which is an impending task before all of us.

## **Operator Independent Truck Despatch System (OITDS)**

“Operator Independent Truck Despatch System” (OITDS) has been proving to be the life line in the departmental OB removal. It is prudent to mention here that departmental OB removal was identified as an area vulnerable to various irregularities like the quantum of actual OB removal, duty hours of operators, claim of incentives, diesel consumption, etc.

I am extremely happy to share that in the Lingaraj OCP, the OITDS is being effectively and efficiently used for departmental OB removal for which again the Area GM and the Project Officer deserves all appreciation. On viewing the OITDS operation inside the GM Lingaraj Office, it gave me dream-cum-true kind of feeling. It was also brought to the notice of the undersigned by the authorities that the license for the voice system for OITDS has also been obtained. This also needs to be made fully operational for hassle free and fully transparent departmental OB removal.

I would also like to recall our earlier discussions regarding the recent review meeting with the CVOs of the CIL and its subsidiaries, convened by the Secretary (Coal), Govt. of India, wherein the Coal Secretary while appreciating the e-initiatives taken by the MCL wanted to know the outcome of the implementation of the OITDS. In this regard, the preliminary data collected from the GM, Lingaraj Area has indicated 1.52 times increase in the number of trips made by the Dumpers w.r.t. the departmental OB removal which is likely to show further increasing trend in future. The implementation stage of OITDS in other two Projects namely Bharatpur and Balram was also reviewed by the undersigned and the progress of which was found more than

satisfactory. The concerned Area GMs have been requested to implement OITDS and generate computerized data on the departmental OB removal w.e.f. 01.04.2013 in letter and spirit. It would be highly appropriate in case the circular instructions are issued for generating OITDS database on OB removal in all the three Projects w.e.f. 01.04.2013.

I would be failing in my duties if I do not pin point the major constraint which may hamper the effective use of OITDS in future i.e. the Safety and Security of the Dumpers/Shovels/ Software/Towers currently being in use in OITDS. Therefore, in case we do not take an adequate security and safety measures for protection of our electronic gazettes in an effective manner, this could prove detrimental in the functioning of OITDS in the long run. Any attempt to thwart the functioning of OITDS due to lack of supporting infrastructure will definitely be construed as a vigilance angle.

### **Online Material Management System**

Regarding Online Material Management System, due to the constant efforts of Vigilance Secretariat and the required follow up by GM, Hingula Area, the Hingula Regional Store has now been connected online with other Regional Stores. However, the updation of Store inventory in case of Basundhara Store was found lacking on day to day basis. This along with the updation of Store inventory on day to day basis in all the Stores as well as the utilization of inventory worth `123.00 crore should be one of the priority agenda of the Management.

The undersigned strongly feels that we have a great opportunity in hand to showcase our achievements in the field of e-governance and hence setting the example for others in the field of efficiency, transparency and reality in terms of e-governance. Last but not the least, circular instructions need to be issued to all the Area/HQ CGM/GM & PO's for extending all possible support to the systemic improvement measures undertaken by the Vigilance Secretariat. The circular may also be made very clear on the fact that lapses/attempts to sabotage the preventive vigilance measures shall be viewed seriously and will be liable for appropriate action against the officers found responsible.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[Inspection]/2013/505 dated 13.03.2013**

**Sub : Transparency in Public Procurement**

As you are aware that the Central Vigilance Commission, New Delhi has adopted the theme "Transparency in Public Procurement" for the current Vigilance Awareness Week 2012. Further, the Commission has been emphasizing the need for closure scrutiny of the Public Procurement of works, purchases & services by Chief Vigilance Officers in order to ensure that the laid down systems and procedures are followed and there is total transparency in the award of contracts within the validity period without any element of biasness in the decision making.

In view of the aforementioned facts, the Vigilance Secretariat has been undertaking systemic study by calling for photocopies of various procurement/turnkey related files, some of which are even running files. Here the undersigned would like to make it clear that the objective of the Vigilance Secretariat is not to hamper the public procurement process of the Company. Therefore, appropriate directions may kindly be given to various Procurement Wings to carry on with the procurement process and not to delay the decision making on the said procurement files merely on assumptions and the presumptions.

It may also kindly be directed that unless and until any file is seized by the Vigilance Secretariat as per the procedures laid down in the Vigilance manual i.e. (original documents are taken possession of) it need not be construed that the procurement files or any files are being sought for investigation purpose based on any complaint.

Sd/  
Chief Vigilance Officer

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**MCL/SBP/VIG[Inspection]/2013/564 dated 21.03.2013**

**Sub.: On-line bill payment status on Coalnet.**

Based upon the source information, a surprise check was conducted by Dy. GM(Vig.) and Asst. Manager (System/Vig.) regarding the contractual bill payment status in MCL HQ on 16.03.2013. During the said inspection, it was found that out of 771 nos. of bill passed between 16.02.2013 to 15.03.2013 only 86 nos. of bill (11.15%) have been entered in Coalnet which is matter of serious concern. This is indicative of some vested interests on the part of the officials of User Departments and the Finance Department in the MCL HQ. Also it clearly indicates that there is absolutely no monitoring by the System Department of MCL HQ w.r.t. proper bill entries through Coalnet for which the System Department needs to be pulled up for their callous attitude.

In fact the undersigned has no hesitation to mention that wherever or whenever there is a slight lack of monitoring by the Vigilance Secretariat on any e-initiatives/e-governance issues in the MCL, the systemic improvement gets adversely affected. This given an impression that there are certain elements who looks for the opportunity to either sabotage or willfully ignore the systemic improvement measures work on sustainable basis.

Sd/  
Chief Vigilance Officer

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**MCL/SBP/VIG[Sys.Imp.]/2013/894 dated 24.05.2013**

**Sub: Implementation of the directives of Secretary (Coal) in the interactive session held on 31.01.2013 at Kolkata.**

The Secretary (Coal) held an interactive session with CVOs on 31.01.2013 in Kolkata wherein the Chairman, CIL and the Chairman, NLC were also present. During the session, agenda-wise discussion was taken up and some major decisions were taken for future implementation. An action taken report/action required to be taken on such major decisions are summarized as below:-

<b>Sl. No.</b>	<b>Major decisions</b>	<b>Action already taken</b>	<b>Action to be taken</b>
01	Scanning of the APRs to be taken up and to be placed on the website.	The matter has already been discussed with CMD regarding uploading of APRs of all the Executives on MCL website.	GM(EE) & Dy.GM (System), MCL HQ to be directed for implementation of the decision.
02	Accurate measurement of coal production as well as OB removal from faces.	Installation of in-motion weigh bridges with RFID (Radio Frequency Identification) has been made in order to ensure transparent mode of measurement of coal production. OITDS has been made system driven w.e.f. 01.04.2013 in all the three Projects for transparent mode of departmental OB removal.	Action to be taken for installation of load cell for ensuring transparency in the quantity of the OB removal.
03	Installation of weigh bridges for recording of weight between loading and unloading point.	Necessary direction has been given to all the Area GMs to commence the coal weighment through in-motion weigh bridges w.e.f. 01.06.2013.	RFIDs needs to be installed in remaining road in-motion weigh bridges. Also coalnet connectivity is required to be made with all the in-motion road weigh bridges for the purpose of monitoring the coal weighment through the central server.
04	Introduction of 3D laser system as also with Total Station with SURPAC.	The coal stocks of four Projects of MCL were measured by the Vigilance with SURPAC software.	Necessary action for indenting of 3D laser system with latest software for coal stock/OB measurement is required to be taken for ensuring technology driven coal/OB measurement.

Sl. No.	Major decisions	Action already taken	Action to be taken
05	Procurement of GPS system and to be installed departmentally.	e-Tender has been floated dated 06.05.2013 for supply, installation and commissioning of GPS/GPRS based Vehicle Tracking System with inbuilt onboard Load Sensors on trucks/tippers used for coal production/internal transportation for 2000 nos. of vehicles.	GM(MM),MCL HQ to be advised to expedite the procurement action for expeditious implementation of the GPS/GPRS based Vehicle Tracking System.
06	Liquidation of existing coal stock.	As on 01.04.2013 there was a coal stock of 18.07 Million Tonne. In a period of over a month the stock has come down to 16.43 Million Tonne.	All Area GMs to be directed to liquidate the existing coal stock on priority basis.
07	Installation of CCTV at weigh bridges and other strategic locations.	Procurement action for 96 nos. of CCTV at road weigh bridges has been initiated by floating e-Tender dated 06.05.2013.	GM(MM),MCL HQ to be advised to procure more CCTV's for its installation in Regional Stores/ Central Workshops for enhancing greater transparency in functioning of Stores/ Workshops.
08	Physical verification of 15-20% of FSA holder in non-core sector by Sales & Marketing Division to ensure its proper end use.	Based on the outcome of one case of FSA, it was noticed in few cases that despite the receipt of the closure certificate by the State Pollution Control Board, Odisha, DOs have been issued by Sales & Marketing Department to some non-core industries and such industries were not utilizing the coal for the specified purpose. The CMD has been advised vide this office letter No. MCL/SBP/VIG/[Misc.]/2013/613 dtd. 03/04.04.2013 to issue appropriate direction to the Sales & Marketing Division to be vigilant in such matters.	GM(S&M),MCL HQ to be advised to ensure physical verification of end use of coal by FSA holder in non-core sector (15-20%).

Sl. No.	Major decisions	Action already taken	Action to be taken
09	Existing OITDS system may be functional.	OITDS installed in all the three Projects of MCL has been made operational on dynamic mode.	GMs of Lingaraj, Bharatpur & Hingula Area to be directed for early installation of the voice communication system in order to make OITDS fully operational.
10	Schedule of Rates for ESM transport to be reviewed by a Technical Institution.		This matter is to be dealt by CIL.

As the next review meeting is scheduled for June/July'2013, the constant follow-up action on the above decisions is required to be undertaken by the concerned department which shall also be monitored by the Vigilance Department.

Sd/  
Chief Vigilance Officer

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**MCL/VIG[Circular]/2013/984 dated 07.06.2013**

**Sub.: Proposal for Systemic Improvement Measures with respect to finalization of tender within original bid validity period.**

It has been observed that the TCR files forwarded by the Project Areas for obtaining approval of the Competent Authorities at the MCL HQ are being delayed at the HQ level leading to expiry of original bid validity period and most often the tenders are being cancelled as the bidders do not agree for extension of original bid validity period. In such situation, the non-finalization of tender within the original bid validity period and cancellation of tender and re-tender, amounts to cost overrun and time overrun which attracts vigilance angle.

In view of above, specific directives may be issued to HODs by an Office Order to ensure that TCR files recommended by Area Authorities should be cleared within a specific time that too within the original bid validity period in order to avoid cost and time overrun.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[DoP]/2013/986 dated 08/10.06.2013**

**Sub : Delegation of Power of Project Officers approved by FDs in its 326<sup>th</sup> meeting held on 16.04.2011.**

As per the existing Delegation of Power of Project Officers, they have been empowered to sanction upto `3.00 lakh in each case and award of contracts against lowest open tender upto `3.00 lakhs against Civil and E&M of revenue nature. Also in case of capital nature of work, Project Officers have been empowered to sanction the estimate upto `3.00 lakh in each case and award of contracts against lowest open tender of `3.00 lakh in each case.

It has been noticed that there are several cases in which the closure of the particular contract is being inordinately delayed due to the shuttling of the files between the Area office and the Project Office due to lack of provision in the existing DoP of the Project Officers relating to the change in the value of the approved contracts. A case example of the Jagannath OCP is enclosed herewith for kind perusal wherein it may be seen that the Revised Estimate files for the work awarded at the Project level kept on shuttling between the Area Accounts and Area Civil resulting into delay in process of closure of contracts. As a result it may be quite possible that the petty contractors / small contractors are being harassed and deprived off getting their legal dues in time. It would therefore be appropriate that when the contracts are being awarded at Project level for capital and revenue contracts the powers for closure of such contracts within  $\pm 10\%$  of the value should fall within the ambit of the approving authority i.e. Project Officer itself.

In view of the above, it is suggested that DoP of the Project Officers need reconsideration so as to include the powers to approve the change in value of contracts of Contract/Purchase upto  $\pm 10\%$  within the Delegation of Power of Project Officer. This will not only facilitate timely closure of contracts but also shall avoid unnecessary movement of papers to the Area Civil, Area Finance and Area GM offices.

Sd/-  
Chief Vigilance Officer

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**Sub : Installation of in-motion road weighbridges**

This is regarding the installation of in-motion road weigh bridges for the purpose of maintaining efficiency as well as transparency in the coal weighment particularly from the mine to stock/siding etc. Mahanadi Coalfields Limited has earned very good name in taking the lead for the installation of 37 Nos. of in-motion road weigh bridges with RFID which other Subsidiaries of Coal India Limited are in a process to replicate. However, it is a matter of great concern that despite of our all efforts, in-motion road weigh bridges have not been made operational till date. In such a situation, it may happen that other CIL subsidiaries may procure, install and operationalise the in-motion road weigh bridges and we being the pioneer in the installation of such in-motion road weigh bridges may lag behind.

In this connection may kindly recall the directives issued by the Secretary(Coal) in an interactive session held on 31.01.2013 at Kolkata and subsequent note of the undersigned dated 24.05.2013 regarding the implementation of the above directives to commence the coal weighment through in-motion road weigh bridges w.e.f. 01.06.2013. Further, in the structural meeting that was held between the CMD, MCL and the undersigned on 08.05.2013, it was mentioned that 27 in-motion road weigh bridges had been installed with RFID, a copy of which was sent to Central Vigilance Commission, New Delhi along with the monthly report of May, 2013.

In view of the foregoing facts, it has now become imperative to get all the in-motion road weigh bridges operationalise in letter and spirit and to provide Coalnet connectivity to all such in-motion road weigh bridges for transparent monitoring of the weighment data through Coalnet without further delay.

Thus, it is felt necessary that the concerned Functional Directors are required to follow up the operationalisation of the in-motion road weigh bridges on emergent basis in the back drop of the information given by the CMD as well as CVO of the Company vide minutes of the structural meeting dated 08.05.2013 to the Central Vigilance Commission, New Delhi. It is pertinent to mention here that matter may also be reviewed by the CVC, New Delhi during the sectoral review of the Coal sector by the CVC, New Delhi, in the month of September, 2013.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[System Imp.]/2013/1554 dated 16.09.2013**

**Sub.: Complaint regarding corruption/favouritism in the matter of selection of departmental candidates to the post of Clerical Cadre – System Improvement.**

Complaints are frequently being received alleging corruption and favouritism including leakage of questions for selection to clerical posts especially in Talcher field. Recently while enquiring one of the complaints, it has come to the notice that different criteria are being adopted in different Area of Talcher field for selection to various posts in Clerical Grade-III (Clerk Gr. III, Store Issue Clerk etc.).

In order to avoid discontentment amongst the employees and to reduce the chances of alleged corruptions and also to have a uniform pattern/criteria in the matter of selection, it is advised to conduct the selection of departmental candidates for the clerical posts also for the Company as a whole by an appropriate authority at MCL HQ.

This is being advised since at present, selection of departmental candidates to the posts of Accounts Clerk Gr.III/II, Data Entry Operators in System Cadre, Jr. Chemist/Jr. TI in Quality Control Cadre, Asst. Foreman (Tr) in E&M Cadre, Overseer (Civil) etc. are being done at MCL HQ, so the same mode of selection needs to be adopted for clerical posts in order to avoid any scope for corrupt practices prevalent in the field.

Sd/  
Chief Vigilance Officer

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**Sub.: Refund/release of EMDs to unsuccessful tenderers.**

Refund of EMDs to unsuccessful tenderers has been a grey area in any Organization. Based on the source information, it came to the notice of the undersigned that large numbers of EMD refunds have been pending which is adversely affecting the credibility of the organization.

During the special drive carried out by the Vigilance Department through field visits and regular follow up in order to expedite the refund/release of EMDs to the unsuccessful tenderers, an amount of `88.79 lakh and had been released pertaining to 1902 nos. of EMDs between 01.07.2013 to 29.08.2013. It is pertinent to mention here that the EMDs released during the said period were pending since December 2009 onwards.

The aforementioned facts and figures are indicative of the laxity on the part of the Area Officials in refunding/releasing the EMDS to the unsuccessful tenderers promptly. Further the abnormal delay in refund of EMDs could have been avoided, had the HODs of Finance Department of MCL HQ would have been taken sincere efforts for early refund of EMDs to the unsuccessful tenderers/bidders.

During the systemic study, it was also noticed that the accounting of Earnest Money head is not being carried out properly by the Area resulting into major disparity between the audited figures and the actual figures received from the Areas under the EMD head of account. It needs to be specifically mentioned that the audited outstanding balance of EMD as on 31.03.2013 was `12.42 crore.

The abnormal delay in refund of EMD has been a problematic area which has compelled the Vigilance Department to think out box in order to have an everlasting solution to this problem in the form of auto refund of EMDs. It has now been brought to the notice of the undersigned that the said module designed by NIC, Chennai shall be commencing by October 3<sup>rd</sup> week.

Sd/-  
Chief Vigilance Officer

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**Sub.: Personnel Information System (PIS) on Coalnet in respect of employees engaged by Security Agencies and Transport Contractors and contractors' workers engaged in UG Mines for underground works.**

There have been representations regarding under-payment/non-payment of wages to the workers employed by the Contractors in different Area of MCL. It has also come to the notice that some of the workers actually engaged on various jobs are not being shown in the payment register being maintained by the Contractors.

There has also been allegations that the CMPF/CMPS deducted is not being deposited correctly in the name of the workers actually engaged for the job. Recently, as per the CIL/MCL Circulars, the wages are disbursed to the workers employed by the Contractors particularly in the transport contractors, as decided by the CIL from time to time and this involves periodical revision of wages with retrospective effect also. Further, it has also been observed that the workers engaged by the contractors in production/transport contract are given incentives in the shape of 'Gift' etc. There is every possibility of manipulation/malpractice during payment of revised wages with retrospective effect in absence of any proper records of the Contractors' Workers with the Management as most of the time, as seen, the Local Management is fully found dependent on the Contractors' document for release of such revised payment. This situation may also lead to excess/wrong payment.

In order to ensure proper maintenance of the records of the Contractors' Workers. It is essential to maintain their records by the Management also in **e-form**. This will not only help in ensuring payment of labour wages through Bank but will also ensure deduction and deposit of the CMPF/CMPS which is a social security provision. Further, maintaining the records in proper form will also help the Management in the event of any untoward incidents like accident etc. at work place besides identifying the particular worker.

Keeping in view the above facts, it is necessary to maintain the Personnel Information System of the employees/workers engaged by the contractors/various agencies in any establishment/Mines of MCL in e-form through Coalnet under a separate Module. However, at the first stage, the PIS in respect of the workers engaged by the Security Agencies, Transport Contractors and the employees engaged in U/G works may be maintained in the Coalnet System under a separate Module.

A format as developed in this regard on Coalnet is placed herewith for maintaining the data in respect of individual employee of the contractor/Security Agency for updation of data in the Coalnet by each Unit/Area latest by 30<sup>th</sup> November 2013.

Regarding Contractors' Workers engaged in other jobs in different establishments/Mines of MCL, this facility may be extended on the Coalnet after completion of the updation of PIS in respect of Contractors' Workers engaged by Transport Contractors/Security Agencies and Contractors' Workers engaged in works in underground mines.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[Sym Imp.]/2013/1833 dated 04.11.2013**

**Sub.: e-Procurement Module of MCL - regarding.**

In the present e-Procurement module of MCL, a bidder may withdraw its bid **on-line** till the end of bid submission date. However, if a bidder wants to withdraw his bid after the end of bid submission date, he has to withdraw it **off-line**.

In a recent case of e-tender for catering services in Belpahar Training Institute, it has been observed that the tender initiating authority received two contrasting request from the same bidder after the end of bid submission date; the first one informing the authority about their withdrawal from the tender and the second one informing that the bidder had not withdrawn and the previous letter had been written fraudulently.

To avoid such a scenario in future, it is advisable that withdrawal of a bidder at any point of time is required to be made only through e-mode/by application of DSC.

In this regard necessary changes are to be brought out in the present e-Procurement module of MCL by incorporating the above, if agreed to.

Sd/  
Chief Vigilance Officer

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**Sub : Investment/parking of surplus funds in the banks**

With reference to the aforementioned observations made with regard to the investment/parking of surplus funds in the banks, it is stated that the proposal formulated by the Finance Department appears to be more transparent in nature. On earlier occasions, it has been observed by the Vigilance Department that banks were quoting their interest rates through e-mail and it has also been observed in few instances that the bank quoting the interest rates in the last had been quoting the highest interest rate. This ultimately gave an impression to the Vigilance Department that there had been some element of manipulation/discretion in seeking the interest rate from the Banks.

Now with the proposed course of action, the card rates (which are fixed for the particular bank for a particular period of time) are being proposed to be called through our e-portal which appears to be more transparent and a fair way for decision making in investment/parking of the surplus funds.

Now, the question remains whether the proposed system may be termed as auctioning/ tendering for getting highest rate as DPE guideline prohibits such system. In this regard, the letter received from the Dy. General Manager, Reserve Bank of India seeking clarification on this issue vide his letter dated September 12, 2013 clarified the following:

" ..... with effect from October 22, 1997, RBI has given the freedom to commercial banks to fix their own interests on domestic term deposits of various maturities with the prior approval of their respective Board of Directors/Asset Liability Management Committee(ALCO).

Further, in terms of paragraph 2.26 (c) (i) of the Master Circular, banks have been given the permission to offer varying rates of interest for deposits of the same maturity in case of single term deposits of Rupees one crore and above on the basis of size of the deposits..... These instructions have been made applicable from April 1, 2013."

The above clarification of RBI signifies that different banks may have different interest rate for Rupees one crore and above which should have the approval of its Board of Directors/Asset Liability Management Committee (ALCO). Based on the above, the system proposed here should not be termed as auctioning/tendering for getting highest rate. Further, it may be seen as the willingness of the bank to accept the deposit as per interest rate fixed by the respective banks.

Lastly, it would be prudent on my part to advise you to kindly take a final call in the matter by interpreting the letter received from the RBI and other available facts on its own merit.

Sd/-  
Chief Vigilance Officer

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**MCL/VIG[CMD Ref.]/2013/1978 dated 21.11.2013**

**Sub : Introduction of 3D Laser System/SURPAC**

May kindly recall the directives issued by the Secretary (Coal), New Delhi in an interactive session held on 31.01.2013 at Kolkata and subsequent note of the undersigned dated 24.05.2013 regarding introduction of 3D Laser System/SURPAC with total station for the technology based measurement of the coal stock.

The use of SURPAC with the total station from NLC Chennai had already been tested in two projects for measurement of the coal stock. The use of SURPAC which is basically a software being used for mine planning has been found to be useful in calculating and validating the volumes of the measured coal.

It is understood that the file for the procurement of SURPAC Software had already been initiated in one or two projects but could not reach the stage of finalization. It would be appropriate on our part to introduce new technology whether it be 3D Laser System or SURPAC for measurement of coal stock which has always been a contentious issue in any Coal Company.

In view of the aforementioned facts, may kindly like to take a view on the early procurement of 3D Laser System/SURPAC as a major Systemic Improvement Measures for the technology based coal stock measurement.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[CMD Ref.]/2013/2041 dated 30.11.2013**

**Sub.: Constitution of a “Task Force” for implementation of PIS Module of “Coalnet” – a Systemic Improvement measure.**

Coalnet connectivity to all the Project Areas of MCL has been stabilized since November'2012. Applications like on-line bill status, financial accounts module, road sale billing etc. are successfully operational ensuring greater transparency in day-to-day official transactions. Successful implementation of these modules has also enhanced the credibility of this Company because of timely release of payment to the stake holders. The Central Vigilance Commission, New Delhi also has been strongly advocating the implementation of e-initiative as key Governance issue and in every meeting the implementation of 'Coalnet' had been the core issue.

Since with great difficulty and constant follow up we have been able to make Coalnet work in an uninterrupted manner, it would be paramount importance if the following sub-modules are immediately designed and implemented w.e.f. 01.04.2014:-

- **Employees General information**
- **Recruitment**
- **Transfer**
- **Promotion**
- **Attendance and OT**
- **Leave**
- **Loan and advance**
- **Benefits including terminal benefits**
- **Separation**
- **Manpower**
- **HRD**
- **Welfare**
- **Legal**
- **Medical issues etc.**

With the above sub-modules, PIS module can be strengthened and can work as a very effective decision making tool for the overall personnel administration of the Company.

In order to make the PIS (Personnel Information System) module operative a "Task Force" consisting of Apex Steering Team at HQ level, a Area Co-ordination Team at HQ level and APMs, Area System Managers & MTs from Talcher Coalfields and IB Coalfields is required to be constituted. The said "Task Force" shall function in consultation with the Vigilance Department for timely and effective implementation of the PIS module. In this regard Sri P.K. Agarwal, Asst. Manager (System/Vig.), MCL HQ shall function as the Nodal Officer from the Vigilance Department in order to provide guidance to the "Task Force". The name of the officers and the organizational structure of "Task Force" proposed is enclosed herewith. These officers shall be responsible for implementation of PIS module in addition to their existing duties and responsibilities. The "Task Force" shall intimate the progress of the assignment from time to time to the undersigned.

The time frame to achieve the full fledged implementation of PIS module shall be **31<sup>st</sup> March, 2014.**

Sd/-  
Chief Vigilance Officer

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**Sub.: System Improvement – allotment of quarters regarding.**

During an investigation by Vigilance Department, it has come to the notice that in many of the projects/Areas of MCL especially in Talcher Coalfields, no uniform policy/norm is adopted for allotment of quarters resulting in regular complaints and discontentment amongst the employees. Non-adoption of transparent norms also gives opportunity to unscrupulous elements to take undue advance besides putting outside pressures on the officials dealing with the matters.

Further, it has come to the notice that the outsiders such as contractors etc., who were allotted quarters by the Area/Projects long back are still continuing in the quarters without any valid justification.

It is therefore, suggested for the following:

- i) All the Areas/projects/units/establishment should frame norms as per their suitability for allotment of quarters in a transparent and time bound manner and the competent authority should ensure implementation of the norms fixed for allotment of quarters.
- ii) As per circular No. MCL/HQ/Admn/C.Qtrs/2013/1187 dated 12.01.2013 issued by the GM(Admn/MP&R), MCL “allotment of Company quarters to outsiders (other than employees) shall be done with the approval of MCL HQ”. Hence, in view of this circular the quarters allotted to the outsiders (other than employees) prior to 12.01.2013 and still in occupation are required to be reviewed in a time bound manner. Such cases need to be examined for appropriate action at MCL HQ level for its continuance.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[Circular]/2014/350 dated 04.03.2014**

To


All the Project Officers,  
Mahanadi Coalfields Limited,  
Hingula OCP/Balaram OCP/Bharatpur OCP/Chhendipada OCP/Jagannath OCP/  
Ananta OCP/Bhubaneswari OCP/Nandira UG/Talcher UG/Lingaraj OCP/  
Kaniha OCP/SAM, OSA/SAM, RSA/Lajkuar OCP/Samleswari OCP/  
Lakhanpur OCP/Belpahar OCP/Lilari OCP/Basundhara (West) OCP/Kulada OCP

The Staff Officer,  
Mahanadi Coalfields Limited,  
E&M/Excavation/Civil/MM/Mining/Safety/APM/AFM  
Jagannath Area/Bharatpur Area/Hingula Area/Lingaraj Area/  
Kaniha Area/Talcher Area/NSCH, Talcher/Orient Area/Ib-Valley Area/  
Lakhanpur Area/Basundhara-Garjanbahal Area/CH, Ib-Valley.

Dear Sir,

During the random scrutiny of procedure adopted by different Projects/Units for tendering/procurement of material for rupees amounting to less than 2 lakh, the following lapses were noticed:

1. All running Tender/Quotation call notices were not properly displayed.
2. Notice Boards, in some case, were found to be unlocked.
3. Even if the Notice Board had been found in locked condition, the key was found to be in the custody of the concerned department whereas the key should have been under the custody of the Security Guard.
4. Register to be kept inside the Notice Board for noting the starting date of display and subsequent removal of each notice was found to be missing in most Projects/Units.
5. In Local Purchase proposals, Last Purchase Rate (LPR) was not being taken from respective Stores. Instead, proposals were moved on the basis of Last Local Purchase Rate kept by the respective departments.
6. In repairing jobs, N/A from Workshops and N/A from Store for the material to be provided by the contractor for repairing, were not being taken.

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7. In few cases, it was found that against a particular job, the Tender Opening Register had not been signed by all the Committee Members even after the issue of Work Order for the said job.

The above lacunae have been viewed very seriously by the CVO, MCL. In this regard, I have been directed to communicate that immediate corrective measures is required to be taken to prevent such irregularities in future, or else appropriate disciplinary action shall be initiated if the above lacunae are found during subsequent field inspections.

Sd/-

Copy to:

1. All Area CGM/GMs & CMS, NSCH, Talcher/GM, CWS, Talcher/lb-Valley
2. TS to CMD/D(T/O)/D(T/P&P)/D(P)/D(F).

**Sub : Irregularities in execution of works below `2.00 lakh**

During the last few months, this office had been receiving various complaints regarding irregularities committed in respect of tendering/procurement of material for rupees amounting to less than `2 lakh. Therefore, a special drive was initiated to scrutinize the procedure adopted by different projects/units for tendering/procurement of material for rupees amounting to less than `2 lakh and accordingly two vigilance teams visited different projects/units of both the Talcher and Ib Valley Coalfields. Based on the scrutiny, the following irregularities were noticed:

1. All running Tender/Quotation call notices were not properly displayed.
2. Notice Boards, in some cases, were found to be unlocked.
3. Even if the Notice Board had been found in locked condition, the key was found to be in the custody of the concerned department whereas the key should have been under the custody of the Security Guard.
4. Register to be kept inside the Notice Board for noting the starting date of display and subsequent removal of each notice was found to be missing in most projects/units.
5. In Local Purchase proposals, Last Purchase Rate (LPR) was not being taken from respective Stores. Instead, proposals were moved on the basis of Last Local Purchase Rate kept by the respective departments leading to higher prices of the material. Tabulated is examples of few of such hiking of price at Jagannath OCP:

Sl.No.	Material	Store Price (₹)	Date	Proposal price (₹)	Date	Percentage of hike
1	F-120 Coupling (Fenaflex)	2000.22	14.05.13	2575.00	01.11.13	28.74%
2	F-140 Coupling (Fenaflex)	2314.43	14.05.13	2980.00	01.11.13	28.76%
3	Belt fastening Clamp-2"	135.86	15.06.07	447.00	01.11.13	229%
4	Bearing-22220CK	1654.23	03.03.12	5700.00	29.07.13	244%

6. In repairing jobs, N/A from Workshop and N/A from Store for the material to be provided by the contractor for repairing, were not being taken.

7. In few cases, it was found that against a particular job, the Tender Opening Register had not been signed by all the Committee Members even after the issue of Work Order for the said job.

In view of the above, an advisory note in this regard has already been issued to all the Project/Unit Heads and to all the Staff Officers by the HOD (Vigilance).

However, it would be appropriate if Management may issue a comprehensive guideline to be followed in case of tender/procurement/repair jobs valued less than `2.00 lakh as per the stipulation laid down in the Civil Engineering Manual, Contract Management Manual & Purchase Manual for streamlining the procedure as well as to prevent future irregularities. In this regard we may also consider lowering down of the threshold limit for the e-procurement from present `2.00 lakh to `1.00 lakh.

In addition to the surprise inspection relating to the procurement of material less than `2.00 lakh, based on source information, the almirah of CHP Control Room of Jagannath OCP was searched and 134 nos. bearing costing around `6.00 lakh was recovered. The list of recovered Bearing signed by the custodian officer and the Project Engineer. These Bearings were being kept in the Almirah after getting them issued from the Store and hoarding of such huge cathe of Bearings by illegal means is indicative of the malafide intention. Further scrutiny of relevant records revealed that the record of register kept in the Control Room was showing the presence of only 76 nos. of Bearing and out of this 76 nos. of Bearing, 8 nos. of Bearing were not found amongst the recovered 134 nos. of Bearing. Thus, there were 66 nos. of unaccounted Bearing and 8 nos. of missing Bearing. Further, the record of register revealed that Bearings issued as early as in 2010 had not been issued and kept in the Almirah without any authority. Necessary action is being contemplated against the responsible officials based upon the findings of the field inspection.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[Inspection]/2014/425 dated 14/18.03.2014**

**Sub : Irregularities in execution of works below `2.00 lakh**

A special drive was undertaken by the Vigilance Secretariat with regard to the areas where there have been some complaints like irregularities in execution of works below `2.00 lakhs, road sale, Over Burden Removal, catering contract, delay in processing estimates, allegation of demand of money, de-concurrence of funds without proper justification, etc. In this regard, the detailed field inspection report may kindly be seen on the pre-pages 1-4. Detailed investigation have been carried out on the complaints received by the Vigilance Secretariat and the findings of the investigating team which has been submitted by them on the pre-page 1-4 is duly supported by the supporting documents, which may also kindly be perused. Certain irregularities which have been marked by the undersigned at various place of the inspection report appears to be serious in nature for which appropriate action shall be initiated against the responsible officers as per the provision of the Vigilance Manual and the CDA Rules.

It has been uniformly found throughout the Ib Coalfields that there have been gross irregularities in the execution of works below `2.00 lakhs and even the tender Notice Board is not being maintained properly and there have been no display of NITs for works costing less than `2.00 lakhs on such Notice Boards. This is a clear indication of the inapt handling of manual tenders below `2.00 lakhs, the quantum of which alone in the Ib Coalfields is over 3000 manual tenders worth `24.00 crore (approx.) annually. Since the manual tenders below `2.00 lakhs have become a source on wide corruption across the MCL we need to give a serious thought to tackle the growing menace of this nature with firm hands. Already the Vigilance Secretariat has taken an initiative to get the manual tenders below `2.00 lakhs upload in the Coalnet so as to have a proper monitoring of such manual tenders. However, this may take some time to stabilise the most viable and permanent solution to combat the corrupt practising in manual tendering shall be to reduce the threshold value of `2.00 lakhs to `1.00 lakh in the manual tenders for which wide publicity can be given in the leading newspapers for sensitising the petty and small contractors and based upon the feedback, if any received in this regard, we may decide on lowering down of this threshold limit.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG[Comp. Misc]/2014/465 dated 24.03.2014**

**Sub : Procurement of Proximity Sensors**

Recently this office is receiving complaints regarding the procurement of Proximity Sensors to be used in Dumpers by different areas from the competing firms. The matter has been looked into and it has been observed that the technical parameters fixed by different areas while uploading the NIT is differing from one and another and thus providing the scope to different competing firms to lodge complaints. The difference in TPS of NITs floated by different areas is summarized below:-

<b>NIT No. &amp; Date</b>	<b>Relevant clause</b>
Ib-Valley Area: MCL/GM/IBV/PUR/ET/2013-14/13 dated 01.07.2013	It should have been used in the following machine (Dumper): 1. BEML, 2. Caterpillar & 3. Komatsu and documentary evidence of the same has to be submitted.
BG Area: MCL/GM/BGA/MMD/ET/F-60/Proximity Sensor/13-14/38 dated 09.01.2014	Documentary proof of having experience in supply and installation of proximity sensor in 50T heavy earth moving machinery.
Lingaraj Area: MCL/GM/LA/MMD/170/e-Tend/ PROX_SENSOR/13-14/142 dated 15.10.2013 (Cancelled)	It should have been used in HEMM/DUMPERS/ TIPPERS/SURFACE TRANSPORT EQUIPMENT.
Lingaraj Area: MCL/GM/LA/MMD/170/e-Tend/ PROX_SENSOR/13-14/219 dated 23.02.2014	It should have been supplied to BEML OR CAT. The documentary evidence of the same has to be submitted.
Lakhanpur Area: MCL/GM/LKP/PUR/ET/F96B/2013-14/69 dated 15.11.2013	A. Certificate from the L-1 bidder confirming the one to one fitment in BEML MAKE BH100 Dumpers as per the respective part nos or its equivalent part nos.  And B. Documentary proof for fitment and/or supplying to any of the above OEMS or relevant OES.

Further it has been learnt that Jagannath Area has already procured such proximity sensors through open tender and therefore the relevant clause of that area also needs to be studied. However, it is being observed that different areas are keeping different clauses. Further, Lingaraj Area had cancelled one tender and changed the clause before re-tendering. In view of the difference in clauses prepared by different areas, it is felt that the head of the concerned technical department in this case GM(Excavation), MCL HQ should study the matter in detail and submit a report within a week's time.

Sd/-

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**MCL/VIG[Comp. Misc]/2014/479 dated 26.03.2014**

**Sub: Appeal against NIT No. 1094 (extraction of coal by surface miner, loading and transportation).**

The entire contents of the Appeal has been taken a note by the undersigned and thereafter, similar tenders floated by the other subsidiaries like NCL, SECL, CCL, ECL & WCL had been examined with regard to the criteria relating to the similar works. A detailed note in this regard may please be seen at pages-1 to 6 of the note sheet. I agree with the report submitted by the Sr. Manager (Min/Vig) and I am of the opinion that our pre-qualification criteria for the definition of the similar work with regard to the tender for extraction of coal by Surface Miner, loading and transportation was formulated in the year 2005 and since then we have not re-visited which has become obsolete in the present context i.e. in the era of global competition.

Here, I would like to stress upon the circular instructions from the Central Vigilance Commission, New Delhi dated 17<sup>th</sup> December 2002 and 7<sup>th</sup> May 2004, wherein it has been clearly stated that pre-qualification criteria should not be either very stringent or very lax to restrict/facilitate the entry of bidders, as it gives considerable scope for malpractices, favouritism and corruption.

In view of the forgoing facts, the undersigned is of the opinion that pre-qualification criteria for similar works need to be exhaustive and specific so that a fair competition can be ensured through equal opportunity to all the prospective bidders. As far as the eligibility criteria of loading and transportation work is concerned, SECL's criteria appears to be better as it is exhaustive, fair, facilitates fair competition.

Therefore, it is advised that eligibility criteria and definition of similar works related to all coal and OB transportation/removal works need to be re-visited at the earliest and till that time, no new tenders should be floated. Also, the matter should be taken up with CIL to have uniformity in the formulation of PQ criteria in this specific work in order to avoid repetition of complaints in this regard.

Sd/-  
Chief Vigilance Officer

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**Sub.: Initiation of departmental proceedings against the officials who are being trapped by CBI, Bhubaneswar.**

The CVC circular bearing No. 3 (v)/99/10 dated 1<sup>st</sup> December 1999 may kindly be referred on the subject mentioned above.

The circular instruction clearly stipulates that criminal appeal of the case is dependent of the departmental proceedings and appropriate punishment can be meted out to the charged officials in case the charges held proved by the IO in the departmental proceedings and when the Court Judgement is pronounced in the said matter action to implement the Court Judgement can be taken accordingly.

The matter had been discussed in various forums and other subsidiaries have already started the departmental disciplinary proceedings against such officials who are being trapped in CBI cases after obtaining photocopies of the documents from CBI.

Hence, in view of the above, it is advised that the departmental disciplinary proceedings may kindly be initiated against the officials who are being trapped by the CBI as per the list enclosed.

Sd/-  
Chief Vigilance Officer

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**Sub.: Mobilization Advance given to the party against the work of “Strengthening and widening of coal transportation road at Talcher Coalfields of MCL”.**

I would like to draw your kind attention to the note sheet regarding the approval granted towards the recovery of the mobilisation advance with respect to subject mentioned above from the 3rd running account bill of the Contractor M/s. IVRCL-AMR(JV).

May kindly like to recall the additional terms and conditions of the NIT duly approved by the competent authority i.e. Board of Directors wherein it has been clearly stipulated that the mobilisation advance is required to be recovered from 2nd running a/c bill of the Contractor.

In this regard, I would like to place certain facts based on various circular instructions of the Central Vigilance Commission, New Delhi relating to the grant of mobilisation advance for favour of your kind information. These are as follows:-

Mobilisation advance to the Contractor is allowed to maintain the cash flow so that the Contractor can mobilise the resources for timely completion of the work. Recovery of the mobilisation advance should be time based and not to be linked with progress of work. In case the Contractor is not executing the work or executing it a slow place, the recovery of mobilisation advance could commence in order to minimize the scope for misuse of such advance.

Part Bank Guarantees (PBG's) taken from the Contractor against the mobilisation advance need to be encashed for the work supposed to be completed within a particular period of time. This is normally done in case the Contractor's money on account of work done is not available with the Organization.

Utilization Certificate from the Contractor for the mobilisation advance should be obtained. Preferably mobilisation advance should be given in instalments (is not less than two instalments) except in special circumstances for the reasons to be recorded. This is required to keep a check on the Contractor misutilising the full mobilisation advance where the work is delayed considerably.

The CVC Circular instructions had been made available to all the Officers of the Organization during the Vigilance Awareness Week every year so as to ensure the due compliance of those instructions/advisories issued by the Commission in the best interest of the Organization.

In the instant case, the Contractor M/s. IVRCL-AMR(JV) had been given mobilisation advance of `12,56,73,000/- during June 2012 (and not June 2013 as written in the note sheet) and till date the Organization neither could obtain the Utilisation Certificate for the said mobilisation advance nor could encash part Bank Guarantees to prevent the scope of misutilisation of mobilisation advance by the Contractor. Instead the 1st running a/c bill of `3,25,875.20 had been paid to the Contractor during September 2013 and second running bill had been approved for payment to the Contractor during March, 2014.

Further in the instant case, the very spirit of mobilisation advance has been defeated as the Contractor did not mobilise the resources and did not utilise the mobilisation advance for the specified purpose and the Organisation did not take adequate steps to timely recover the mobilisation advance in consonance with the circular instructions of the Central Vigilance Commission which attracts vigilance angle.

This action of the Organisation might put several officers into high risk situation in case the said Contract is embroiled in the litigation and a situation may arise in future where the Organization's huge amount may get locked.

Sd/-  
Chief Vigilance Officer

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**MCL/Vig[CMD Ref.]/2014/745 dated 06.05.2014**

The undersigned conducted a meeting in the Conference Hall (1st Floor) of MCL HQ on 23.04.2014 in which Area CGM/GMs, Project Officers and HODs of MCL HQ participated. The meeting was convened to put on record some facts and figures and to highlight the thrust Areas from vigilance perspective in order to achieve greater transparency as well as to increase the operational efficiency of the Company.

At the outset, it was pointed out to all the participants with great concern that there was a negative growth of (-) 11.37% in departmental overburden removal compared to the previous year with the HEMM capacity utilization of 50.7%. In comparison, the outsourced OB removal showed a positive growth of 24.57% compared to previous year which might be at expense of the departmental OB production and if such scenario do emerges the same attracts the vigilance angle.

For the poor HEMM utilization, few Area General Managers raised the issue of manpower shortage which was not found convincing on the ground since the purchase of 11 nos. of Shovels worth `45.33 crore had been done during the last two financial years. Besides `272.32 crore had been spent on the purchases of spares in the last four years i.e. from 2010-11 to 2013-14. The aforementioned facts and figures are indicative of the lack of seriousness towards capacity utilization of departmental HEMMs as also unnecessary and unwarranted purchase of HEMMs without proper planning of its utilization.

Further, it was noted with great displeasure that the in-motion Road Weighbridges had not been put to use in many areas till date. During the meeting, it was noted that when the "Lingaraj Project" could put to use its all the In-motion Weighbridges with just (-)3% variation in the coal stock over a period of six months and could also ensure real time transmission of coal weighment data to the Central Server, why the other project Area could not take such initiative till date and why they are trying to escape the responsibility of effective utilization of in-motion Road Weighbridges for enhancing the transparency in the coal weighment? This kind of lacklustre attitude of Project Area is indicative of their lack of interest or vested interest to bring total transparency in the coal weighment on the lines of the Lingaraj Project.

It was made clear to all Area GMs/Pos that 100% coal weighment through In-motion Road Weighbridges with the real time weighment data in the Coalnet must be ensured w.e.f. 01.06.2014 in order to not only prevent any incidences of fudging of coal weighment records but also to enhance the operational efficiency in coal production.

In case of any problem/difficulty in achieving the desired objective of total transparency in the coal weighment, the matter may be brought to the kind notices of the concerned Functional Directors immediately and a proper solution be arrived at without wasting any time, failure to do so may lead to a situation where Vigilance Secretariat will be left with no option rather than to take a serious view of the situation against those found responsible for non-compliance of the directives w.r.t. the complete operationalising of the In-motion Road Weighbridges.

It was also pointed out during the said meeting that once the above system coal weighment stabilizes, payment to the transport contractors be made based on the weighment slips generated by the system.

Further, the concerned CGM/GMs/Pos of the Area were advised to take effective steps for timely closure of major contracts. It was pointed out by the Vigilance Secretariat that the quarterly progress report of major contracts to CTE, Central Vigilance Commission, New Delhi had been showing very poor progress in some of the major contracts which might lead to future complications. Therefore, if there are practical problems being faced by the concerned Project Area w.r.t. closure of the major contracts, it should be properly recorded in the remarks column for scrutiny and analysis of the same by the Vigilance Secretariat so that timely advice,, if required, may be rendered for the smooth running and completion of the major contracts.

The following issues/agendas were also discussed in the meeting:-

- Installation of Load Cell in Dumpers in case of OITDS (Lingaraj, Balaram and Bharatpur OCPs) for accurate weighment recording of the OB removal departmentally.
- Status of uploading of tenders (Tender Notice and work order/supply order) below `2.00 lakh on Coalnet and Internet – In this case, uploading on internet to be started on urgent basis.
- Status of updation of New PIS Module designed on Coalnet for entry of details of contractual security and contractual workmen engaged.
- Status of updation of PIS Module for departmental workers, supervisory staffs and executives.
- Status of On-line Material Management System and connectivity to the Central Server.

- Finalization of tenders within the original bid validity period – It was noticed that as on 21.04.2014, there were 35 nos. of tenders found in the MCL e-Portal which were not finalized though the original bid validity period had been expired. The matter has been brought to the notice of the Management a number of times in the past, but no significant improvement in this regard has been observed. Therefore, it is felt that review on regular basis by the concerned Functional Director is required to ensure finalization of all the tenders within the original bid validity period.
  
- Effective implementation of the Integrity Pact.

It was made clear that the aforementioned systemic improvement measures proposed by this Secretariat and currently under implementation needs to be completed within a fixed time frame and strictly adhered to in the best interest and image of the Company.

Sd/-  
Chief Vigilance Officer

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**Sub.: Fire in Coal Stock of Lajkura OCP.**

Based on source information, a vigilance team had been advised to visit Lajkura Open Cast Project on 19.05.2014 to know the ground reality into the incidence of fire in stockyard having around 2.10 lakh tonne of coal. The detailed inspection report at P/1-3/NS along with video and still photographs of coal stock taken by the team may kindly be perused. The stock is the main coal stockyard of Lajkuara OCP and consisting of ROM coal and as on 31.03.2013 there had been only a stock of 11,350 Te of coal. Such being the case it is not understood as to how the coal stock to the tune of 2.10 lakh tonne had been got stocked in the LOCP?

The investigation report further reveals that there has been a casual approach towards the incidence of fire in coal stockyards and Ib Valley Area as well as LOCP Management has failed to mobilize resources and infrastructure to deal with fire situation.

It has been experienced that due to the fire in the coal stockyard for a longer period, there will be certainly shortage of quantity of coal. However, during measurement of coal stock in MCL, fire in coal stock has never been reflected and the stock is being managed either by manipulating the measurement of fresh coal is being added to the stock for adjustment purpose. It has also been known from various sources that the burnt coal is also being dispatched after mixing with fresh coal degrading the coal quality. To this effect a clear-cut guideline has been stipulated in the New Code for Uniform System of Maintenance, Control and Verification of coal stock in all mines circulated by CIL which is not being followed in letter and spirit. The said clause is reproduced below:-

**Quote**

The detection of fire in the coal stock and loss of coal due to pilferage or any other cause should be immediately reported to the concerned Area General Manager by the concerned Colliery Manager/Project Manager. The concerned General Manager shall take immediate action to ascertain the quantum of coal so lost and report to the concerned Subsidiary Company Headquarter. The Subsidiary Company shall investigate the matter by a departmentally constituted committee and write off action and book adjustment, if any, should be made in accordance with the recommendations of the committee, only after it has been approved by the Subsidiary Company Board.

**Unquote**

It is pertinent to mention that, a year back the case of fire in Basundhara coal stockyard was highlighted at MoC & CVC level for which investigation is still going on by different agencies. Hence it would be appropriate to take preventive action immediately by deploying suitable fire fighting arrangement and stock liquidation which the Project authorities including Area General Manager has failed to do so as per the evidences gathered in this regard.

Further it is a matter of great concern that Lajkura being a small opencast mine, how the stock could have been allowed to built up to such an extent over a period of one year? And why preventive measures were not taken to avoid occurrence of fire in the coal stock is subject matter of investigation.

In view of the seriousness of the problem it would be advisable to take immediate appropriate administrative measures before the situation get worsen leading to loss of substantial quantity of coal due to fire.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig.[CMD Ref.]/2014/851 dated 26.05.2014**

**Sub.: Inspection note on execution of contracts of construction of Silo at Bharatpur OCP By M/s. McNally Bharat Engineering Company Limited.**

On 19th April 2014, Vigilance team along with the undersigned had been to Bharatpur OCP on surprise inspection. After field inspection of the construction site of Silo and going through the relevant records following facts emerged:-

1. Improper recording in handing over of site thereby ambiguity in considering the date of commencement of the work.

As per the agreement, clear site free from all encumbrances should have been handed over to the contractor and date of commencement of the contract should also have been reckoned from the date of complete handing over of site. Time being the essence of any contract, the maintenance of the "Hindrance Register" in a transparent manner and the delay analysis is required to be judiciously done for granting any time extension for the contract. To hand over the complete site to the contractor at one-go free from all encumbrances is the responsibility of the department. In the instance case, the site has been handed over to the contractor in phases and till date also obstructions like high tension line, existing railway tracks are there on the site, for which the progress of the work has been hampered. The available record is a clear indication regarding the handing over of site in phases for different activities which are as follows:-

Sl.No.	Activity	Date of start of job as per bar chart of agreement.	Date of site hand over.
1	Truck receiving Hopper 1	14.01.11	09.10.10
2	Truck receiving Hopper 2	14.01.11	01.11.10
3	C1-C1A	30.11.10	09.11.10
4	C2-C2A	30.11.10	09.11.10
5	C3-C3A	30.11.10	31.10.10
6	C4-C4A	30.11.10	21.07.10
7	C5-C5A	30.11.10	21.07.10
8	C6-C6A*	30.11.10	22.01.11
9	Over Head Bunker*	16.09.10	31.10.10
10	Silo-1*	01.09.10	22.01.11
11	Silo-2*	01.09.10	28.10.10
12	Pavement for Silo-1 & Silo-2		March 2014
13	Trestle-13		Still not handed over

\*Sites were handed over after schedule date of start of activity as per bar chart of the agreement.

From the relevant records, it is seen that the date of handing over of site and date of commencement of the work has been considered as 21.07.2010. But the relevant clause i.e. 3 of LOA issued on 02.04.2010, clearly speaks that the date of commencement will be 30th day of issue of LOA or handing over of site whichever is later. When the complete site was not available and the site was to be handed over in phases to the contractor this should have been a part of the agreement condition in order to avoid ambiguity in handing over the site. Thus the date of commencement as per the norms which has been considered for this contract becomes questionable.

**2. Misinterpretation of relevant clauses in the agreement pertaining to “Price Variation Clause”.**

The price variation clause of the agreement has been interpreted in different manners by different officers for calculating the labour escalation and material escalation. Thus the dispute between the contractor and the executing authority continued for a considerable time thereby delaying the payment to the contractor. Till date also this issue is unresolved, which is vital for the successful completion of the Project.

**3. Granting provisional extension of time to the contractor.**

Provisional extension of time has been granted to the party twice i.e. for the first time upto 31.03.2013 and for the second time upto 31.03.2014. It is again questionable that when there is an ambiguity in considering date of commencement of the work how the date of completion could have been finalized? It would have been appropriate if the provisional extension of time granted by the department could have been done meticulously devising a revised work programme indicating the revised schedule wise date of completion of each activity in a bar chart/PERT taking into all the constraints for timely execution of the contract. Without undertaking such an exercise, the provisional time extension has been granted in the instant case. Further, the failure on the part of the contractor to execute the work and failure on the part of the department to get the work done as per the agreement conditions has never been properly segregated. Now since the work could not have been completed within the 31.03.2014, further extension of time has become due which should be done prudently so that the work can at least now be completed within the extended time frame.

**4. Improper payment schedule accepted by the department and thereby it becomes the part of the agreement.**

During field inspection, it was observed that construction work of site has not been completed and the plants and equipments have been brought to site and payment for the same had also been released to the tune of `101.11 crore. It may not be a wise commercial decision to release 90% of the payment to the contractor without completion of civil/foundation work which was a pre-requisite for the installation of plants and equipments. Moreover, these machineries were kept idle and payment for the same had been released one year back. Further, the payment schedule has also been so designed that it has benefited contractor immensely if he decides to quit the work at any stage of implementation of the contract. Above all, agreeing to the request of the contractor for releasing 90% of the payment immediately, after supply of plants and equipments was "a post tender modification", which should have been avoided at any cost.

**5. Releasing the withheld amount by accepting the BG.**

On request of the contractor, the withheld amount was released by accepting BG after approval from the Board of Directors of MCL to facilitate the Contractor for timely completion of the job. But such type of provision was neither in the NIT nor in the terms and conditions of the contract hence again it is construed as "post tender modification".

In view of the circumstances narrated above, there is a need for proper supervision and monitoring of the civil work in a well coordinated manner in order to get the work completed at the earliest. Further, it is advised that the release of the payment to the contractor need to be strictly made as per the terms and conditions of the contract so as to avoid any future litigation in the best interest of the Company. Also the ground situation has warranted undersigned to conclude that any dispute unresolved might lead to the harassment to the contractor making implementation of important major contract complicated.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig.[CMD Ref.]/2014/990 dated 28.06.2014**

**Sub.: SURPAC Software - regarding.**

As informed by GM(System)/GM(Prodn.), free trial version of SURPAC Software and dongle has been installed in MCL HQ and Areas which will remain operational till 30th June 2014. The use of SURPAC Software in daily survey measurement would surely increase the operational efficiency of our Survey department. However, from the vigilance point of view, the undersigned is of the opinion that the system is required to be made in such a manner that the raw survey data collected by total Station could be preserved by the system in order to eliminate the scope of manual editing of the data. Unless this is done, the system will always remain susceptible to editing/modification by the officials even after the uploading of the data in the Software.

Moreover, for the effective and transparent use of SURPAC Software it is advisable that the raw survey data as well as the different reports, plans & sections prepared need to be made accessible to the authorized persons at any point of time, as and when required. It would also be appropriate if the management consider modernizing the raw survey data collection process further by introducing system like 3D Laser.

Sd/  
Chief Vigilance Officer

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**MCL/SBP/Vig.[CMD Ref.]/2014/1111 dated 17.07.2014**

As you are aware that the Vigilance Secretariat is vigorously following up the various e-initiatives taken in the Company in order to improve the operational efficiency in various field activities. In this regard periodic discussions are being done with the GM(Systems). At present our major area of focus are the following:-

- i) Providing coalnet connectivity in all the In-motion Road Weighbridges as well as real time transmission of the coal weighment data to the central server.
- ii) Installation of GPRS in the coal tippers as well as geo-fencing of Jagannath, Samaleswari, Belpahar, Basundhara mine Areas.

The progress made in providing coalnet connectivity to the In-motion Road Weighbridges so far has been on the slower side. Till date only 11 in-Motion Road Weighbridges have been connected with coalnet and real time transmission of weighment data is taking place from 3 to 4 In-motion Road Weighbridges. The GM(Systems) has been directed to ensure that all the In-motion Road Weighbridges are connected to the coalnet by 31st July 2014. However, w.r.t. real time transmission of coal weighment data to the central server, it has been directed to ensure that the radio towers are fully erected and made functional latest by 15th August 2014 so that we start getting coal weighment data on our central server from all In-motion Road Weighbridges on real time basis in an uninterrupted manner.

In so far as installation of GPRS in the coal tippers are concerned, till date 500 vehicles only had been fitted with GPRS which is 1/3 of the total vehicles in which the GPRS are required to be installed. Further, the geo-fencing of the Jagannath Area is under progress and GM(Systems) has been directed to demonstrate the geo-fencing of Jagannath Area on 25th of July 2014 as well as geo-fencing of the Samaleswari OCP by 31st July 2014.

Regarding the installation of GPRS in the remaining 1000 vehicles as well as geo-fencing of the Basundhara, Belpahar Project areas, the GM(Systems) has been directed to expedite the process and complete it by 31st August 2014 without fall.

In the entire process of IT initiatives being undertaken the biggest challenge would be the connectivity for which there has to be a proper coordination between the Systems and E&T Department so that our e-Governance initiatives could get implemented on field in letter and spirit.

Here, it would be pertinent to mention that unless and until there would be a supplementary efforts on the part of the Area GMs/GM(Operations) to effectively make use of the various systemic improvement measures, we will not be able to achieve the desired goal of improving operational efficiency in our day to day field operations.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig.[CMD Ref.]/2014/1113 dated 17.07.2014**

**Sub : Timely finalisation of tenders and updation in e-Procurement site.**

I would like to refer to the Director (T/P&P)'s letter No. MCL/SBP/HQ/D(T/P&P)/Sectt./ 2014/149 dated 4th July 2014 regarding timely finalization of tenders and updation in e-Procurement site. What is most concerning the Vigilance Secretariat is the non-finalization of 50 tenders within the original validity period, which requires somewhat tough decisions to deal with such situation.

I would like to reiterate the circular No. 31/11/08 dated 06.01.2008 of the Central Vigilance Commission, New Delhi wherein the Commission has advised very strongly that any delay in non-finalization of tenders within the original validity period need to be viewed very seriously and prompt action should be initiated against those found responsible for non-performance for delay in finalization of tenders unless the delay is due to unforeseen circumstances.

The Commission has further reiterated that the cases requiring extension of validity should be very rare. And in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time valid and logical grounds, justifying extension of the said validity.

It is good that the finalization of tenders are being monitored by the Management on a periodic basis. However, even after continuous monitoring if 50 tenders could not get finalized within the original validity period, it speaks badly for the Organization for which appropriate disciplinary action is required to be taken against the non-performers as advised by the Commission.

Sd/-  
Chief Vigilance Officer

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**MCL/Vig.[CMD Ref.]/2014/1152 dated 21.07.2014**

The Vigilance Department has been monitoring the installation of GPS/CCTV/RFID/ VTS/IS Cameras. At present, it is being apprehended that there might be a kind of resentment amongst the owners of the private coal washeries as well as transporters as also some of the officials at the lower hierarchy level against the above systemic improvement measures which may lead to damaging of GPS/VTS/CCTV/RFID/IP Cameras.

Therefore, it is proposed to take precautionary preventive measures as per the following:-

- i) Constant monitoring by the Area Authorities at the level of GM(Operations), Project Officers for ensuring expeditious installation and physical safety of GPS/CCTV/ RFID/OP Cameras.
- ii) Fixing of responsibilities on Transporters, Officials for smooth operation of systemic improvement measures so that any attempt for sabotaging the system can nipped in the bud.
- iii) Stringent pecuniary penalty for damage of the devices fitted in a vehicle on the vehicle owners as well as provision of banning of particular tipper/tippers for attempt to damage the system including CCTV/IP Cameras.
- iv) The General Manager (Operations) to be made responsible for smooth running of the IT enabled services and to designate a nodal officer for making surprise checks of the IT driven system by him or his nominated officer from time to time.

If agreed to, we may issue circular instructions to the Areas/Projects in order to ensure that our IT enabled preventive vigilance measures functions in an uninterrupted and accountable manner.

Sd/  
Chief Vigilance Officer

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**Sub : Code of practice of road sale vehicle**

The undersigned and his team members undertook a surprise system check on the procedure adopted by the Lingaraj Project area w.r.t. the road sale. May kindly like to refer to "code of practice of road sale vehicle" where there is no provision of reloading. Further, there is also no provision in the said code for ensuring that once the Transit Pass is issued to a truck, it cannot be parked in the vicinity of either any coal stock or in an area approachable to the coal stock to prevent illegal loading of the coal by manual means. During the system study, following observations were made:-

- i) In the case of those trucks where load has not reached the level of permissible limit were being allowed to reload without any proper authentication by the Weigh Bridge Clerk. In the absence of any such authentication, trucks after getting the Transit Pass are also free to go for reloading.
- ii) The possibility of illegal manual loading after issuance of the Transit Pass as has been recently seen in Belpahar Open Cast Mine where few trucks have been found loading coal illegally from stock after the issuance of the Transit Pass. In order to circumvent such occurrence, it is suggested after issuance of Transit Pass, tippers may not be allowed to park near any stock and the route to the exit may be carved out in such a way that it does not allow any truck to approach the coal stock in between.

Regarding the above observations made by the Vigilance Secretariat, amendments are required to be made in the "code of practice of road sale vehicle".

Therefore, it is advised that the aforementioned observations of this Secretariat may kindly be circulated to all the Project areas to nip in the bid any chances of misuse of trucks for reloading/illegal loading of coal.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig.[System Impro.]/2014/1230-1242 dated 06.08.2014**

**Sub.: Effective implementation and monitoring of the Systemic Improvement Measures and IT initiatives undertaken by the Vigilance Secretariat ... Reg.**

Dear Sir,

The IT initiatives like installation of GPS System, CCTV, In-motion Road WBs with RFID, IP Cameras, functioning of Coalnet etc. are required to be directly monitored by you as approved by the CMD, MCL. Therefore, the General Manager (O) alongwith the Project Officer shall be totally responsible for effective functioning of these Leveraging Technology Measures and other improvements likely to follow the existing system. Further, any lapse or attempt to damage the system by any employee or the outside contract agency shall be viewed seriously and appropriate action as deemed fit is required to be taken by you against such defaulters.

In view of the aforementioned facts, it is requested that the GM(O) and PO of the respective Area shall henceforth be made accountable for effective and uninterrupted implementation of Leveraging Technology (IT initiatives) undertaken in the Company. Any placid and tolerant approach found in this regard shall be viewed seriously and the GM(O) and PO of the Area shall be held directly responsible for the same. Further, the status of implementation of various vigilance driven IT initiatives shall be monitored directly by the Vigilance Secretariat through periodical inspections/reviews with the GM(O) and PO of the Area.

I am hopeful that you will take every possible measures to ensure that various systemic improvement measures work effectively so that the MCL is taken to the new heights in terms of system driven service delivery.

Sd/  
Chief Vigilance Officer

**Copy forwarded for kind information to:**  
CMD/D(T/O)/D(TP&P)/D(P).

**Copy to:**

The Project Officer,  
Bhubaneswari OCP/Ananta OCP/Jagannath OCP/Kaniha OCP/  
Lakhanpur OCP/Belpahar OCP/Lilari OCP/Basundhara (W) OCP/  
Kulda OCP/Bharatpur OCP/Chhendipada OCP/ Hingula OCP/  
Balram OCP/Lingaraj OCP/Samleswari OCP/Lajkura OCP/  
Nandira & Natraj Colliery/Talcher Colliery/Deulbera Colliery.  
The SAM, OSA/SAM, RSA.  
The APM, Talcher Colliery/APM, CWS, Ib-Valley/APM, NSCH, Talcher.

} For strict compliance of the aforementioned directives.

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**MCL/SBP/Vig.[System Impro.]/2014/1565-66 dated 25.09.2014**

To

All the CGM/GM of the Areas/  
All the Project Officers,  
Mahanadi Coalfields Limited.

The Vigilance administration of Mahanadi Coalfields Limited is committed for bringing greater transparency and accountability in all the operational areas including the coal production with the active support of top management. I would request you to kindly make effective use of In-motion Road Weigh Bridges, GPRS and Coalnet in promoting highest level of transparency in the coal production process.

As coal remains the country's most competitive fuel choice for power generation, you in the capacity of the Project Officer should leave no stone unturned to ramp up the coal production in a law abiding manner. However, it should also be borne in mind that more pressing problem is to increase coal supplies to the power Companies. For this to happen, you must also ensure that there is a proper evacuation/liquidation plan in place so that coal stock is not piled up at the pit heads for longer duration which could adversely affect the coal quality as well as quantity.

I am quite hopeful that when you continue to use the leveraging technologies like In-motion road weigh bridges with RFID & GPRS, Coalnet, you will definitely stand gained in terms of operational efficiency in the process of coal production.

I wish you all the very best in your endeavour in enhancing the coal production in a fair and transparent manner in the overall national interest.

Sd/  
Chief Vigilance Officer

**Copy for favour of kind information to:**  
CMD, MCL.

**Copy for kind information to:**  
Director(T/Op.)/Director (T/P&P)/Director (Pers.), MCL.

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**MCL/SBP/Vig.[CMD Ref.]/2014/1691 dated 17.10.2014**

In view of the minutes of the review meeting of the Hon'ble Minister of State for Coal, Power & NRE dated 24.08.2014, it becomes imperative to address the impending issues existing in the various systemic improvement measures initiated by the Vigilance Secretariat.

The various systemic improvement measures which interalia includes installation of In-motion Road Weighbridges, auto refund of EMDs, Coalnet connectivity to the In-motion Road Weighbridges, GPRS based truck monitoring system and use of Coalnet for various financial and personnel matters has been undertaken solely to improve the operational efficiency and productivity of the Company taking a fair and transparent route. Already GM(Op.), Project Officers of the Areas have been advised vide this office letter No. 1230-1242 dated 06.08.2014 to ensure full scale operationalization of the system driven preventive vigilance measures.

In order to ensure sustainable working of various IT initiatives it is advised that a control room/monitoring cell with minimum basic infrastructure may be put in place at the Hqrs. level for coordinating with the GM(O) at the Project Area level. It is required to be done at the earliest since the Hon'ble Minister while appreciating the efforts of the MCL has directed to get such initiatives implemented in all the subsidiaries of Coal India. Once we put a fool-proof operationalization mechanism in place, we need to also send a compliance report to the Ministry of Coal, Govt. of India.

Sd/-  
Chief Vigilance Officer

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**Sub : e-Initiatives**

Based on the directives given by the Hon'ble Minister during the review meeting held in August 2014, a Vigilance team comprising of three executives visited the NTPC, Kaniha in order to study the good practices (e-initiatives) adopted by them. There were some good e-initiatives taken by the NTPC, Kaniha like file tracking system online guest house reservation system, online quarter allotment, online complaint tracking system, Bio-metric attendance etc. which we may also think off.

As there is a further scope of implementation of IT driven services, we may take following e-initiatives in addition to the prevailing IT driven services:

- i) File tracking in the form of integrated package with features right from opening of files, tracking the movement of the files till its last destination.
- ii) SMS/email alert in respect of all relevant personal, officials matters to concerned employee, vendors, suppliers, etc.
- iii) Bio-metric attendance for tracking of employee attendance including the time of clock in and clock out.
- iv) Online status of quarter allotment, guest house allotment and hotel reservation.
- v) Online complaint tracking system.

With regard to online complaint tracking systems, the undersigned has already initiated action and as a result OCTS would be in place shortly. Here I would like to stress again that "uniform complaint handling system" in the Company is urgently required and a note on which has already been furnished to the CMD for kind necessary action. It would not be out of a place to make a mention here that the uniform complaint handling mechanism in any Organization is vital for image and repute of the Company. Therefore, it would be prudent to have a uniform complaint handling policy in MCL as soon as possible in the overall interest of the Company's credibility in the eyes of the public.

Regarding other additional IT driven system as being mentioned above, the Vigilance Secretariat shall also separately follow up with the concerned department for its implementation at the earliest.

May kindly like to give appropriate directions to the concerned officials about the implementation of the aforementioned IT enabled services in our Company.

Sd/-  
Chief Vigilance Officer

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**Sub : Fire in the coal stock of Basundhara-Garjanbaha Area**

May kindly like to refer to this office reference No. 1319 dated 14.08.2014. The Central Vigilance Commission, New Delhi directed the undersigned to conduct a thorough investigation into a complaint relating to fire in the coal stock of B-G Area. In this regard, three Ex-General Managers of the Area had been asked to submit their versions regarding the reason for the piling up of the stock in Kulda OCP of B-G Area.

During the preliminary investigation conducted regarding the old coal stocks, following facts have emerged which are as follows:-

- In the Kulda OCP of B-G Area an old coal stock around 3.0 Million Te of coal worth approximately `230 to `240 crores is lying unmoved since the year 2012 (assuming an average sale price of `800 per tonne for G-13 grade of coal) whereas 5.449 MT and 5.091 MT of coal had been liquidated during the years 2012-13 and 2013-14 from the Kulda OCP respectively.
- The stock at Kulda OCP as on 01.04.2012 was 4.511 MT and therefore it was possible to liquidate the whole stock belonging to the period prior to 01.04.2012 within this two years period but the then Area GM did not formulate the evacuation plan properly and kept 3.00 MT of coal stock prior to 2012 untouched and unmoved.
- Out of 3.0 MT of old coal stock (i.e. prior to the year 2012), 2.4 MT was added in just 11 months i.e. from 01.06.2011 to 01.05.2012 period.

Because of this dumping of vast quantity of coal in the particular stock, the stock No. 5 of the Kulda OCP became a cause of grave concern as of today. The responsibilities could have been fixed on the concerned officials for such improper planning & lackadaisical approach towards the dumping of coal since one of the plea taken for its non-liquidation is the size of the stock.

- Basundhara (West) OCP of the same Area is having old coal stocks under blanket containing around 1.2 MT of coal. The said blanketing had been done between the years 2010 to 2012 [a detailed status report submitted by GM(Prod), MCL HQ is enclosed for ready reference]. The value of this coal is approximately `96 crores to `100 crores (assuming the average sale price of `800/- per tonne for G-13 grade of coal).
- Lingaraj OCP is having a old coal stock more than three years old (behind its field workshop) containing about 3 lakh Te of coal, the value of which approximately comes to around `24 crores to `25 crores.

- In totally the MCL is having old coal stocks (stocked prior to the year 2012) of about 4.5 Million Te valuing approximately `350 crores. Keeping such large old coal stock for longer period is detrimental to the overall interest of the Company as these old coal stocks are vulnerable to internal heating & fire leading to loss of coal as well as deterioration in quality of coal.

In view of the foregoing facts and figures, following are the suggestions:-

- There is need for a policy guideline for liquidation of older coal stocks before liquidation of the new stocks.
- The dumping of the coal in a particular stock need to be meticulously planned so that none of the coal stock becomes unmanageable with passage of time.
- Equal emphasis need to be laid on the coal production as well as its dispatch since the overall objective of the coal production is to ensure supply of the coal to the Power Companies and other consumers.

Sd/-  
Chief Vigilance Officer

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**Sub.: Issues surfaced during the “Bidders Meet” – regarding.**

During the observance of Vigilance Awareness Week – 2014, the bidders meet was organized which was attended by a number of contractors, suppliers, coal transporters, whose contracts are covered under the Integrity Pact. Both the IEMs of the MCL along with the Director(Finance) and the undersigned were present in the said session. The entire session was very lively wherein the bidders actively participated and put forth their problems faced at various levels while dealing with their files. Some of the issues raised by the bidders appeared to be a matter of investigation. These are as follows:-

**1. Delay in releasing payment to the contractor in case of capital works where budget provision is not there in the work order:**

While issuing the work order to the bidders, total capital fund as per the work order value is not being financially concurred by the Management instead only a part of the work order value is being financially concurred. For this very reason, after execution of the work beyond the provision of capital budget, the contractor's payment gets delayed. On the other hand, if the contractor restricts the job within the capital fund allocated, the progress of the work suffers badly. Therefore, a clear cut instruction is required to be given to the appropriate authorities for proper sanction of capital fund and FC thereof before issuing the work order so that the contractor may get his due payment without any delay after successful completion of the work.

**2. Delay in payment to the vendors even after supply of the materials as per the supply order:**

There is a issue of delay in payment even after timely supply of materials, mostly on account of delay in verification of their Performance Bank Guarantee (PGB) from respective banks by the Management. The bidders most oftenly are deprived of their due payment for which proper administrative measure is required to be in place so that the bidders may get their legitimate dues as per the provisions of the Supply Order. In this regard necessary directives are required to be given to the GM(MM) to issue an office order for avoiding unnecessary delay in releasing payment to the supplier and if delay in releasing payment is found without any proper justification, the concerned official shall be held responsible.

### **3. Service Tax:**

Many contractors raised the issue pertaining to discrimination in considering the Service Tax by the MCL Management in different works. The Service Tax is a statutory levy imposed by the Government and this has to be complied with by the MCL Management. Already a detailed study has been made in this regard & NIT has been drafted accordingly but there is a need for fine tuning of the NIT w.r.t. the Service Tax so that the NIT is made simpler yet eloquent without any ambiguity.

### **4. Housekeeping and catering contract to be made for minimum three years:**

The bidders were of the view that the house keeping and catering contracts awarded to be increased to three years instead of two years in view of the manpower problems. The reason put forth by the contractor to increase the contract period to three years does not appear to be justified. However, Management may take a suitable decision. But it is a fact that whenever there is a tender for housekeeping and catering in the MCL, number of complaints are being received and these are sometimes due to business rivalry and sometimes on account of petty vendors who are not found eligible. The MCL Management spends a lot of time in dealing with the complaints and their redressed. Therefore, it is opined that if the contract is to be awarded for three years, the Management may be free from complexities of frequent tendering. There is also a need for re-designing of the NIT as per the requirement of the MCL Management in consultation with the IEMs. With regard to the re-designing of the NIT, it is suggested that the eligibility criteria for housekeeping/catering contracts may include experience of having provided catering/housekeeping in Central Govt./State Govt./Central PSUs/three star hotels only. The experience certificate submitted from the Private Limited Companies may be considered for deletion sine this is the area where the petty vendors liaison with the private parties to get false eligibility certificate without any experience leading to number of complaints making the catering tenders complicated for finalization. It is also suggested that the possibilities of running the housekeeping and catering services departmentally in the Project areas may be explored by the Management.

### **5. Delay in processing of RE and closure of contracts:**

A number of bidders pointed out the issue relating to delay in closure of their contracts and release of their final payment. They stated that there is a delay in the processing of the Revised Estimate and extension proposals and approval of the same takes a longer time. Keeping in view the concern expressed by the bidders, it is recommended that in case of civil contracts, provision of the Civil Engineering Manual is required to be strictly adhered to and necessary directions are required to be given to the Civil Department in

this regard. It is also suggested that all the pending cases for closure of contract may be listed out and may be finalized in a time bound manner so that any punitive action on this account may be prevented.

**6. Imposition of penalty by the management on coal transporters and improper delay analysis:**

Coal transporters raised the issue regarding arbitrary imposition of penalty by MCL Management ignoring the Management faults. In response, the GM(TC) had explained to the bidders regarding provisions of the agreement pertaining to imposition of penalty and the penalty being imposed in accordance with the provisions of the agreement. In this regard, it is suggested that there is a need for revisiting the penalty clause so as to make it bidder friendly to encourage them for more participation in future.

**7. Security Deposits against the ALR items in case of item rate tenders:**

Few bidders raised the issue regarding the number of works being awarded by the MCL Management in an abnormally low rate which is not a workable rate. The unworkable rate quoted by bidders ultimately hampers the quality of works during the execution or sometimes the contractor does not turn up to execute the work in time and penal action against the contractors is taken. This ultimately leads to time overrun and sometimes cost overrun also. Further, they expressed that the updated cost in case of civil tenders is not made available to the contractor while submitting their rate during on-line bidding and afterwards, the contractor is being informed that the rate quoted by him is abnormally low. In this context, it is suggested that while floating the item rate tenders, the updated cost of each item calculated by the respective department is required to be reflected in the BOQ so that the bidders are well informed. Further, it is suggested that an explanation is required to be sought from the L-1 bidder quoting abnormal low rate for proper justification of the rate quoted before issuing the work order. The justification for executing the work without hampering the quality aspects may also be obtained in an affidavit form in order to have a binding on the contractor for proper execution of the work.

**8. Ambiguity in Price Variation Clause in the agreement with regard to WPI for steel escalation/de-escalation:**

It was pointed out by the bidders that for calculation of escalation/de-escalation for Iron and Steel work there is a provision in the agreement which is reproduced below:

**“Average all India wholesale Price Index for IRON AND STEEL for the month to which the escalation/de-escalation relates published by the Economic Advisor, Ministry of Industry & Commerce, Govt. of India”**

In fact, the latest revision of WPI has been done by the Govt. of India shifting base year from 1993-94 to 2004-05. The WPI for different commodities are as follows as per the latest revision which does not cover WPI for IRON & STEEL:

Iron & Semis  
Steel: Long  
Steel: Flat  
Steel: Pipes & Tubes  
Stainless Steel & alloys  
Castings & Forgings  
Ferro alloys

Hence, a suitable amendment is required to be incorporated in the agreement to avoid any misinterpretation/ambiguity in future with regard to Price Variation Clause for Steel/Iron items.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2014/2141 dated 19.12.2014**

May kindly like to peruse the following impending issues on which urgent necessary action is required. There are as follows:

- During the field inspection of “Bharatpur Silo and CHP site”, it was noticed that the physical progress of the work was found on a lower side and the constructional work like cement concreting in bunker portion, electrical and mechanical installations were lagging far behind the time schedule/extended time schedule. This is not only adversely impacting the timely completion of CHP and Silo within the time schedule/extended time schedule, but also it is pulling down the image of the Company. Responsibility for expeditious completion of the aforementioned works solely lies with the contractor i.e. M/s. McNally Bharat Engineering Company Limited. However, minor fault also lies with the MCL due to non-handing of trestle site which is also hampering the physical progress of the work by the contractor. In this regard, the undersigned is of the view that the alternate railway line which is already been laid could have been put to use for necessary rack movements with the help of the diesel (i.e. without using the overhead electrical line). It could have been in MCL’s interest to clear this particular site as early as possible since this could be cited as a reason for delay in completion of the work by the contractor McNally Bharat Engineering Company Limited. The non-handing of the particular site was also pointed out during my earlier note sheet ref. No. MCL/SBP/Vig.[CMD Ref.]/2014/851 dated 26.05.2014. Had the site could have been cleared at that time itself, the MCL could have pressurized the contractor for better progress and even could have penalized the contractor in an appropriate manner.
- The need for devising the “**Uniform Complaint Handling Policy**” had already been discussed time and again. Also a detailed note along with the modus operandi regarding the complaint handling policy has been sent to you vide this office ref. No. 1122 dated 18.07.2014. Despite that, no progress has so far been made for devising a uniform complaint handling policy in the Company which is being monitored by the Ministry of Coal/CIL Vigilance Department. In order to make complaint handling system to work effectively, we need to appoint a Nodal Officer for receiving all the complaints at a single point. For this GM/Dy.GM(Admn.) can be nominated as a Nodal Officer who can receive all the complaints and then forward all the complaints to the Vigilance Secretariat which in turn would be scrutinized at our end and retaining the complaints which bear vigilance angle would be retained by us and the remaining complaints would be returned to the Nodal Officer for appropriate necessary action at their end. In this regard, I would like to request you to kindly issue appropriate directions to the Director (Personnel) for putting

the suggested system of complaint handling in place. Even the Vigilance Secretariat can intervene and convene a meeting of the Administration and Personnel Department and put in place the complaint handling mechanism in the Company, in case the matter is further delayed by the Personnel Secretariat.

- Setting up of “**Central monitoring unit**” at the MCL HQ is urgently required for centralized monitoring of the GPRS mounted coal laden tippers along with the effective monitoring of all the IT related initiatives undertaken in the Company. The Hon’ble Minister of Coal, Power and New & Renewable Energy during the meeting conducted in the month of August, 2014 had also stressed upon the need to have a Central monitoring unit for which GM(System) is required to be directed to set up a Central monitoring unit with adequate manpower to oversee the day to day IT related operations.
- The GM(System), MCL was requested during the Vigilance Awareness Week to get the “official e-mail IDs” for all the executives with an objective to reduce the paper work and utilize e-mail as a means for movement of official files. The Vigilance Secretariat is following up this with the GM(System), MCL. With this, we can also link “**file tracking system**” so that online viewing and tracking of all the files can be done in an expeditious disposal within a definite time frame. Also official e-mail ID could be used for all official communications in a transparent and efficient manner.

MoC/CIL has been advocating for “**third party measurement of coal stock/OB**” which is required to be taken up by the appropriate designated agencies in consultation with the Vigilance Secretariat. Further, the procurement of 3D Laser systems with SURPAC Software is also to be expedited and necessary capacity building for effectively utilizing the laser system/SURPAC may also be considered.

Sd/-  
Chief Vigilance Officer

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**Sub: Irregularities in refund of EMDs against the RDOs issued from MCL HQ for lifting of coal from Lajkura OCP during 2012.**

A complaint was lodged by M/s Vikash Traders regarding corruption of refund of EMDs against the RDOs issued for lifting of coal from Lajkura OCP. The Case was investigated and certain facts emerged which are as follows:

Based on the basic data of each DO like lifted quantity, lapsed quantity, date of submission of DO in the Project, allotted quota received from Lajkura OCP, a detailed refund statement was prepared by S&M Deptt. of MCL HQ. The proposal got the approval of the Director Tech/Op) & CMD and refunds were made accordingly.

It is seen from the relevant file that while calculating the amount to be refunded, various factors/departmental faults had been taken into account and a total quantity of coal/Trips had been calculated which had been treated as failure to load coal by MCL **on account of the departmental fault**. Further, out of the lapsed quantity, the quantity which could not be lifted by the consumers due to departmental fault had been deducted and the amount to be forfeited had been calculated from the balance quantity. The departmental faults in all the cases had been accounted for on following four grounds:

- (i) Number of trucks less loaded due to non-allotment by the department.
- (ii) Number of trucks less loaded due to bad road condition.
- (iii) Numbers of trucks less loaded due to suspension by the DDM.
- (iv) Number of trucks less loaded due to strike.

The relevant record reveals that the advantages have been given to the DO holders on the above four grounds throughout the lifting period and delay in submission of the DO at Project level by the DO holders which was to be considered as a fault of the DO holders had been ignored. Therefore, the DO holders who submitted the DO after 37 days had got the benefit of departmental faults and had not been penalized. Thus, the whole EMD had been refunded and no amount whatsoever had been forfeited which should otherwise have been calculated taking into account the submission of the DO on 37<sup>th</sup> day.

If delay in submission of Dos at Project level by the DO holders shall be ignored, the then towards last period of the validity of the DOs, the number of quotas required to lift the full quantity of the DO shall increase drastically amounting to rush of vehicles. On the other hand the initial period shall be very lean period and the Project will not able to load ultimate capacity of the loading quantity. Hence, there need to be a provision of the penalizing the DO holders on account of delay in submission of Dos at Project level.

In the instant case, a peculiar case had also come to the notice that while calculating the quantities of coal/trips not loaded due to the Management fault, undue advantage had been extended to the DO holders considering the quantities not loaded due to bad road conditions and also due to the strike simultaneously for the particular period. This does not appear to be in order since if the advantage had been given for number of trips not loaded due to stoppage of the mine for throughout day, then the non-loading due to bad road conditions does not arise. Therefore, the undue advantage given to the DO holders on the above account has led to financial impact calculated DO-wise and attached at Annexure-A.

Also during the investigation it has been seen that when the DO holders has submitted the DO at the Project level quite late, the advantages of number of trips not loaded due to strike prior to the submission of the DO at the Project level was given to the consumer M/s. Sterlite Energy Ltd. & Bhusan Power and Steel Ltd. seems to be highly unjustified.

Also the case of giving advantage to the DO holders M/s Tulshi Commotrade Pvt. Ltd. for non allotted quota for the period prior to submission of the DO is not justified.

An overview of 12 Nos. Dos pertaining to the Lajkura OCP indicates that out of total DO Quantity of 1,55,988 tes, only 50,759 tes had been lifted and balance quantity i.e. more than 2/3 of the DO Quantity had been lapsed. On the contrary only ₹82.69 lakhs had been forfeited from three DO holders namely M/s Sterlite Energy Ltd., Bhusan Power and Steel Ltd. & M/s Vikas traders seems which could have been to the tune of ₹4.00 crore considering no departmental faults. It has also come to the notice that in spot e-auction cases, the DO holders hesitate to lift the coal when the rate quoted by them was higher than the prevailing market rate. It is pertinent to make a mention of the fact that in case the DO holders does not lift the coal, the DO holder shall have to loose its EMD deposited @ 400 per tonne. Such being the case, the DO holder may adopt as in the case unfair means in getting the EMD refunded by influencing the MCL officials to consider non lifting of coal due to the Management's fault.

Aforementioned facts & figures indicate that statement of refund/forfeiture of EMD in the instant case had not been prepared in a judicious and proper manner and element of discretion has cropped up in the refunds of EMD with ulterior motives by the concerned executive.

The Then Dy. Manager (S&M) Shri xxxxxxx, who had prepared the proposal and the then GM(S&M) Shri xxxxxxx who had forwarded the proposal have been retired on superannuation. Therefore, at this juncture, the whole case needs to be reviewed by Committee so as to calculate the exact amount which could have been actually refunded/ forfeited DO-wise so that the possibilities of deducting/ refunding the amount from/to the DO holders can be explored. In the light of the aforementioned observation, case of M/s Vikas Traders who was small DO holder of 500 te only which had not been

allotted ay quota by the Project Officer and an amount of ₹1.10 lakhs was forfeited needs to be reconsidered since M/s Vikas Traders has been representing its case at various level since past two years and concrete decision has not been intimated to M/s Vikas Traders as yet.

It will not be out of place to make a mention here that number of case of EMD refunds are pending at an Area level and complaints are also being received in the Vigilance Secretariat. In this regard, methodology need to be designed for the calculation of refund/ forfeiture of EMDs at an Area level by Coalnet entry of daily trips along with the reason of less loading. After expiry of validity period of a particular DO, computer printout may be taken which will facilitate in calculating the refund/forfeiture amount DO wise at the Area level which can be approved for final disbursement/ forfeiture by the MCL HQ.

Sd/  
Chief Vigilance Officer

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**MCL/Vig/[CMD Ref.]/2015/290 dated 16.02.2015**

**Sub.: Enhancement of resettlement benefit and its implementation – regarding.**

With reference to a complaint lodged by Shri xxxx, a land outstee of village xxxxx which has been forwarded by the CVC, New Delhi dated 16.10.2014.a detailed investigation was carried out and the following facts emerged which as follows:-

- The village xxxx was acquired under CBA (A&D) Act, 1957 for Bhubaneswari OCP. The total number of 307 families were to be resettled. Out of which, 261 families had opted for plot in the year 2010 & 2011 and they had been provided resettlement assistance allowance and incentives and have settled in Gurjang Resettlement Colony developed by MC;. Remaining 46 nos. of families had opted for cash compensation in lieu of resettlement plot. Out of 46, 31 families have received the cash compensation and 15 have not yet accepted the cash compensation.
- After due approval from MCL Board in its 159<sup>th</sup> meeting, GM(L&R) vide Ref. No. 548 dated 09.07.2014 has circulated the instructions regarding the eligibility criteria of PAFs for availing enhanced cash compensation/monetary package in lieu of resettlement plot and building assistance. As per the said eligibility criteria of PAFs, Shri xxxx who had not received the cash compensation during the year as resettlement benefit has become eligible for monetary higher compensation. Similarly other 14 PAFs who have not received the cash compensation till date shall also stand to be benefited for higher compensation as per the aforementioned office order. On the other hand those who have shifted and accepted the old rates of resettlement benefit would not be eligible for higher benefit. Therefore, it is seen that to the aforementioned office order will motivate the villagers not to vacate their land at an early date as delay in vacating the land shall make them eligible for higher compensation. For this very reason, the Area Management those are responsible for the resettlement of PAFs are not paying the higher compensation as per the above decision of the MCL Board as it will create discrimination among the villagers and motivate the villagers not to vacate the land as the compensation amount will be increasing day by day. Therefore on one hand the MCL Board's decision may lead to a situation of discrimination in the payment of compensation to the villagers of the same village that who had not vacated the land on the other hand. This is a clear case of non-implementation of MCL Board's decision which is a serious matter.

- In other villages also in both Talcher & Ib Valley Coalfields, applicability of the said office order will attract discrimination among the villagers affecting the resettlement process in whole MCL.

Keeping in view the aforementioned facts, following is suggested:-

- a. A detailed report regarding resettlement status village-wise and financial and administrative impact be put up before the MCL Board of the Board taking a final decision in the matter for effective implementation of resettlement of PAFs.
- b. Concerned Directorate may be advised to look into the matter in consultation with SO(L&R) of the Project Area for taking an appropriate action on the implementation of the enhanced resettlement benefit.
- c. In the light of the views expressed by the undersigned, the case of Shri xxxx also required to be reviewed w.r.t. payment of compensation as resettlement benefit.

Sd/-  
Chief Vigilance Officer

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**Sub : Guidelines on stock liquidation**

It has been seen during the field inspection that liquidation of old coal stockyard in MCL has been started and is continuing in right earnest. Surely this would prevent loss of inventory of the company as well as would make available coal to the power producing Companies which is the ultimate objective of the coal production.

The draft policy on stock liquidation which was forwarded to this Secretariat was gone through and certain observations are being made which may kindly be looked into for incorporating the same if possible during the finalization of the policy guidelines. These are as follows:

1. Fixing the pit head stock maximum to three months production may not be suitable for higher capacity mines. As an example in case of a high producing mine like Bhubaneswari OCP which has been producing 25 Million Te per annum, the stocking limit would become 6.25 Million Te, keeping in view the fact brought out in the draft policy. Therefore generalizing the maximum limit of coal stock needs re-consideration. In this regard, it would be appropriate if stock limit is fixed as per the following suggestions:-

<b>Production target in Million Te</b>	<b>Maximum stock in Million Te</b>
Upto 2.50	0.5
More than 2.5 upto 5.0	1.0
More than 5.0 upto 10.0	1.5
More than 10.0	2.0

However, appropriate decision may be taken based on the technical parameters and ground realities.

2. In case of exigencies, additional stock may be kept with the approval of the concerned Director with the proper justification. This also needs to be incorporated in the policy guidelines with a specific mention that in case of any deviation from the policy guidelines approval of the competent authority i.e. concerned Director would be required.
3. The idea of treating exposed extractable coal as deemed production is a welcome move and need to be explored. However, the methodology of determining the extractable exposed coal that can be taken as the production of a particular financial year needs to be devised in advance to prevent any sort of manipulations in calculation of the coal production so as to curb any chances of over-reporting. Further, the applicability of Royalty/cess to the State Government out of this kind of production needs to be studied/clarified in advance.

During liquidation of stock, a policy of 'first-in-first-out' need to be strictly adhered to and in case any deviation in this regard would be required on technical ground, approval of the competent authority i.e. concerned Director may be obtained which needs to be brought out clearly in the policy guidelines.

Sd/-  
Chief Vigilance Officer

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**Sub : Monitoring and Surveillance Room**

In the recent past, there have been several reviews of the vigilance work of Coal India Limited and its subsidiaries as well as presentations on various IT initiatives taken by the Mahanadi Coalfields Limited. It is worthwhile to mention here that in all the vigilance related reviews, other CIL subsidiaries have been told to replicate the proactive & preventive vigilance initiatives adopted by the MCL.

Since we have gone far ahead in the implementation of the IT driven technology in our Company, it is high time that we ensure 100% use of such technology w.e.f. 1<sup>st</sup> April, 2015 as enough time has already been given for the stabilisation and the fine tuning of the new system and technology. Also for the effective and proper monitoring of the various systemic improvement measures, "Monitoring and Surveillance Room" has been established in all the Project areas so that the systemic improvement measures can prove to be an effective tool for various managerial functions thus enhancing the overall productivity in a fair and transparent manner.

However, in the recent past while monitoring various systemic improvement measures, it was noticed by the Vigilance Secretariat that many times the Coalnet and in-motion Road Weighbridges have not been found functioning at all the Project Areas. Therefore, in order to circumvent these problems and to ensure that our systemic improvement measures work on consistent basis and truly facilitate the increased production and quality control, it would be appropriate that circular instructions are issued to the extent that appropriate disciplinary proceedings shall be initiated against those authorities who will be found lagging in positive approach in the implementation of the systemic improvement measures. Any slippage on account of recklessness on the part of the officials would amount to gross irregularities for dealing it as per the relevant Section of the CDA Rules. This type of administrative instructions from the MCL HQ has become necessary keeping in view the fact that the Officers would be duty bound to ensure the use of technology driven initiatives for day to day field operations and business transactions of the Company.

I am quite hopeful that the aforementioned measures if implemented in right spirit in this Company shall be instrumental in taking the MCL to a greater height in terms of accountability, transparency, productivity and profitability.

Draft circular instruction is enclosed herewith for favour of kind approval and issue.

Sd/-  
Chief Vigilance Officer

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**Sub.: Quoting of abnormally low rates/unworkable rates by the bidders in case of e-Tender .... Regarding.**

There have been several instances where bidders have been quoting abnormally low rates/unworkable rates and the tenders are being finalized considering the same rate as L-1. In case of civil contracts, it has been seen that in case of item rate tender, provision of identifying Abnormally Low Rate (ALR) & Abnormally High Rate (AHR) are being provided in the NIT. In such cases, the difference in cost between the updated cost and the rate quoted by the contractor for the items are being deposited by the contractor as a security which are being released on successful completion of the work. However, in the Contract Management Manual, there is no such provision for asking the L-1 bidder to deposit security amount against the ALR quoted by the bidder. With regard to the contracts for coal transportation/loading works, such contracts have been awarded in the past even if the L-1 rates have been unworkable on the ground that there had been a compulsion for award of the work to the lowest bidders. It is a fact that award of work at ALR serves as a serious impediment in execution of the work as per the required specifications and somewhere the faulty estimate preparation is also the reason behind the award of the work to the contractor abnormally low rate. In view of the foregoing facts, the following are the suggestions for dealing with the civil and transportation contracts:-

**A) Civil Works:**

ALR items are being identified taking into account the updated departmental cost which is being prepared by the Civil Department and it differs from the estimated cost as the current market rates are being considered while updating the estimated cost. When work order is issued to the contractor (L-1 bidder) declaring the rate quoted by the contractor as abnormally low, the contractor's action in challenging his quoted rates becomes justified in view of the prevailing local market rates.

In recent past, in one of the case pertaining to the Civil Department, the security deposit against the ALR rate quoted by one contractor namely Shri XXXX for the work of construction of concrete pavement in Basundhara Area was re-considered by the Management and the security to be deposited against ALR was reduced from `8.22 crore to `2.28 crore after obtaining the approval from the MCL Board. This could have been avoided, had the tender would have been called on the updated cost.

Therefore, it would be appropriate to disclose the updated departmental cost during the process of bidding to the bidders in order to have fair degree of transparency in dealing with the tenders.

## **B) Extraction/transportation of coal and OB contracts:**

In case of the tenders pertaining to loading of coal w.r.t. road sale, the work had been awarded at unworkable rates in the past in Basundhara Area. The estimate for the said work was based on last awarded rates for similar works as per the decision of the MCL Board in its 91<sup>st</sup> meeting held on 28.09.2007 which is also an unworkable rate. It is quite obvious that such instances do encourage of adopting unfair means and criminal conspiracy by the Contractors.

In order to deal with such exigencies, it is suggested that the engagement of departmental pay loaders may be explored for loading of road sale trucks avoiding the contractually mode of work at an unworkable rate. In case the situation becomes unavoidable and the work is to be taken up contractually, there should be a mandatory provision in the NIT that the L-1 bidder who has quoted unworkable rates/abnormally low rate should give an affidavit to the extent that the contractor shall not adopt any unfair means and shall not indulge in any corrupt practices and failure to do so, shall be liable for termination of contract and banning from participating in future tenders for 03 years in the MCL.

Further, the decision taken in the 91<sup>st</sup> meeting of the MCL Board during the year 2007 regarding preparation of estimate basing upon the lowest rate of the Area may be reviewed keeping in view that sometimes the awarded rates are unworkable rates and preparation of the estimate based upon these rates may not be justified. The tenders need to be floated on updated cost and abnormally low rate/high rate may be identified if the rate quoted by the bidder is 20% lower/higher than the updated cost.

Sd/-  
Chief Vigilance Officer

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**Sub.: Price justification of Self-Contained Breathing Apparatus.**

Kindly refer to the note by the undersigned dated 10.08.2013 & 08.01.2015 and subsequent price justification note sent to this Secretariat dated 13.01.2015.

The price justification detail and the Tender Committee minutes have been gone through and following are the observations:-

1. In the price justification note, it has been mentioned that MCL placed order for DGMS approved Self-Contained Breathing Apparatus whereas the SCBA ordered by SAIL, Bokaro Steel did not require DGMS approval. However, perusal of the relevant documents reveals that DGMS approved the model BIOPAK 240 R manufactured by M/s. Biomarine Ntron Inc., USA and both MCL and SAIL, Bokaro has procured this model. Therefore, the claim that MCL placed order for DGMS approved Self-Contained Breathing Apparatus whereas the SCBA ordered by SAIL, Bokaro Steel did not require DGMS approval, does not seem to be logical.
2. Further, the note, while pointing out the difference between the terms & conditions of the two supply order copies, did not quantify the additional services, its cost and maintenance in monetary terms. On the contrary, it has been mentioned in the note sheet that 'considering the above differences in specifications of Breathing Apparatus the price of M/s. SAIL cannot be compared with price of MCL Supply Order No. MCL/SBP/MMD/SEC-1/12-13/Breathing Apparatus/36 dated 30 July, 2013. However, it is felt that as the difference in price offered by the party to M/s. SAIL and to MCL, was quite significant, it was necessary to have a quantified price justification in terms of money.

As the matter is urgent in nature, it is requested that necessary clarification in the above regard may kindly be obtained from the concerned Department and may kindly be forwarded to this Secretariat for further necessary action.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[Tour]/2015/728 dated 20.04.2015**

**Sub: Land information system and R&R issues adopted by Karnataka Government**

The undersigned had been to Bangalore to have a firsthand knowledge on Land Information System and R&R issues adopted by Karnataka Government. It has been observed that "e-Bhumi" Project designed & developed for the aforesaid purpose is running very successfully and efficiently catering their needs. Due to some security issues, design aspect of the Project is very confidential in nature for which their officials hesitated to disclose the details.

After discussion with the officials of the Forest Department and Institute of Remote Sensing, Bangalore, they expressed a rough idea about the requirement of digitization of cadastral map, land information datas, etc. which are the pre-requisite steps to develop a similar project for MCL. Further interaction regarding the matter will be needed in future after studying our requirement and present status of land acquisition mine-wise. Concerned Directorate may kindly be advised to have all the cadastral maps for further digitization and capture of all the related datas in a software form which can facilitate the land acquisition process and can be used as effective & timely decision making tool through the coalnet module.

Sd/  
Chief Vigilance Officer

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**Sub : Issuance of guidelines**

It has come to the notice of this Secretariat that GM(IED), MCL Hq issued a guideline for controlling the Specific Diesel Consumption for Departmental OCPs in MCL on 20.11.2014. But it came as a matter of surprise that a copy of the said guideline had not been forwarded to this Secretariat.

In this regard it is pertinent to mention that a vigilance case was registered in the year 2012 on the subject matter and disciplinary action was also taken against few officials. Therefore, it was imperative that a copy of the guideline should have been forwarded to this Secretariat for scrutiny.

Similarly another instruction issued by the Company Secretary regarding enhancement of financial powers of the CMD was not found marked to the undersigned.

In view of the above facts, it is advised that, in future, a copy of any systemic improvement guidelines/circulars issued by the competent authority where systemic/financial implications are involved be forwarded to this Secretariat for information.

Further, it has also been learnt that MCL is finalizing the Total Fuel Management (TFM) with M/s. IOC. Therefore, the concerned department may be advised to forward a copy of the draft TFM document to this Secretariat for scrutiny.

Sd/-  
Chief Vigilance Officer

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**Sub : Release of balance PBG**

A complaint from xxxxx was received in the Vigilance Secretariat on 24.04.2015 regarding the pending of balance 20% of the payment and the release of PBG. The firm alleged that the MMV fan complete with electrical fittings had been supplied by them to the Talcher Area on 28.02.2013 against the supply order No. xxxx dated 30.03.2012 issued by the xxxxx Department, MCL HQ. The matter was examined in this Secretariat and it revealed that the payment of 80% of the basic cost of the equipment along with taxes had already been made to the party through e-mode as per the terms of the Supply Order. However, the firm had not received the balance 20% payment and Performance Bank Guarantee (PBG), even after the lapse of 7 (seven) months from the expiry of the scheduled guarantee/warranty period of 18 months. The PBG had now been released on 30.04.2015 after the intervention of the Vigilance Secretariat.

In the above context, it is pertinent to make a mention here that there might be few more pending cases of similar nature where PBG have not been refunded by the concerned department even after the expiry of the scheduled guarantee/warranty period of 18 months from the supply of the material. Further, discreet enquiry in this matter has also revealed that in few cases, the material supplied by the Supplier had not been consumed by the concerned department leading to non-issuance of the satisfactory performance certificate by the concerned technical department leading to subsequent withholding of the PBG of the Suppliers. This needs to be looked into urgently as the fault lies with the Company for which the suppliers are unnecessarily been made to suffer.

In view of the above, necessary directives are required to be given to the concerned authorities for expediting the pending cases immediately and also to upload the pending PBG's on the Coalnet for real time monitoring of its pendency so that release of PBG's to the Suppliers are not delayed beyond the NIT condition. In addition, this Secretariat would also be collecting details of cases where materials supplied by the party have not been consumed within the scheduled guarantee/warranty period in order to find out if there exists any vigilance angle or not.

Sd/  
Chief Vigilance Officer

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**Sub.: Inspection of road work at B-G Area.**

On 30.03.2015, a joint inspection was carried out in B-G Area for the work of "Repairing and Strengthening of Black topped coal transportation road from Duduka Chowk to Kanika Railway Siding approach Junction" which was constructed recently. The undersigned was accompanied by the GM, B-G Area and Quality Control officials from Civil Department of MCL HQ. The work order for this work amounting to ₹13,08,84,613/- was issued in favour of M/s. xxxxxxx. During the inspection, the records maintained during the execution of the work had been asked for from the dealing officials. While going through the records and on field inspection, the following facts emerged:-

- (i) The relevant records/field registers were not maintained properly during the execution of the work in order to ensure the proper quality and quantity of the work executed by the Agency which was indicative of the lapses on the part of Shri xxxxx and Shri xxxxx, xxxxxx Area.
- (ii) As the work was relating to repairing and strengthening of existing black topped coal transportation road, a number of hidden items like WBM work, patch repair work carried out etc., could not be explained properly by the aforementioned executing authorities. Also, while preparing the estimate, no bench mark photographs of the damaged portion had been taken.
- (iii) Quality Control Check was carried out by the MCL HQ team by taking samples during execution whereas no cores had been taken from the BM (Bituminous Macadam) already laid by using core cutting machine which could have ensured strict control over the quality of the work during the execution period. It was further informed by the officials in-charge of Quality Control Team that provision for vehicle has not been made for regular field inspections by the Quality Control Department of MCL HQ.
- (iv) Bitumen consumption register which is a very vital document in the instant case, since the consumption of bitumen paid to the contractor is up to the tune of ₹8.37 crore was not maintained properly. In many places the signature of the Engineer-in-Charge and Contractor was not found in different dates regarding the receipt and the consumption of bitumen on the spot.
- (v) As per Circular No. 1920 dated 27.02.2008 issued by the GM(Civil), the bitumen content of the BM should have been tested at site at frequent intervals by the Site Engineers. But in the instant case the bitumen content determined at site has not been reflected in the Register.

- (vi) 10 numbers of samples at different intervals had been collected from the road on 17.04.2015 in the presence of GM(C), SO(C) and the Contractor, by core cutting machine. These samples had been sent to the Civil Engineering Department of VSSUT, Burla vide Vigilance Secretariat's Ref. No. 711 dated 18.04.2015. After receiving the test report and the examination of the report, necessary directives will be given to the Area for further course of action.

Regarding execution of hidden items carried out during the repair and strengthening of badly damaged roads, following suggestions are being made:-

- Proper record keeping before and after execution of the work is required to be maintained to avoid any manipulation/false payments.
- Whenever work for repairing and strengthening of black topped coal transportation road are being executed, the same is required to be supported by benchmark photographs and video recording justifying the existing bad condition of the road and volume of work required to be executed.

The kind of an additional exercise would not only come to the rescue of the officials at the complaint stage on the quality/quantity aspects but also the benchmark studies would go a long way in appreciating the efforts undertaken by the officials during the planning and execution of works under compelling situations.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/VIG/[HQ Misc.]/2015/1204 dated 23.06.2015**

**Sub.: Delay in implementation of the recommendations of the Vigilance Secretariat.**

In connection with an investigation concluded regarding the recovery/refund of the EMDs to the DO holders, the outcome of the investigation was forwarded to the CMD vide Note Sheet No. 171 dated 27.01.2015. The CMD agreeing to the recommendations of the Vigilance Secretariat had directed for constitution of a Committee to assess the recovery/refund to the DO holders. Accordingly, a Committee was constituted vide Order No. 34 dated 23.02.2015 by the DT(Opern). But till date the Committee has not submitted any report even after a lapse of four months, which is a matter of concern. The Committee may be directed to submit its report latest by 30<sup>th</sup> June 2015 as any further delay in this regard would adversely affect the interest of the Company.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2015/1380 dated 14.07.2015**

**Sub: Proper accounting of CSR fund deposited with the various State Govt. authorities under CSR Policy.**

This has come to the notice of the undersigned that fund deposited with the District Collectors of Sundergarh, Jharsuguda, Sambalpur & Angul is up to the tune of `149.04 Cr. from 2010-11 to 2014-15. As per the available records, it is seen that the Utilization Certificate for only `14.88 Cr. has been received so far by MCL from different State authorities and the UC's have not been received for a huge amount of `134.11 Cr., for which audit objections have also been raised. It is pertinent to mention here that the funds deposited with the State authorities need to be utilized for the specified purpose and certificate to this effect need to be obtained by the MCL to avoid any future litigation/misappropriation of CSR fund by the State authorities. The Vigilance Secretariat shall also be separately taking up the issue of non-receipt of UC's with the District Collectors for all the deposited works.

With regard to the above, as a systemic improvement measures, it is suggested that release of CSR funds may be done in two installments i.e. 50% on the receipt of estimation based demand raised by the concerned Govt. agencies and remaining 50% only after the receipt of the UC's for the first installment. It is strongly felt that if the release of the CSR fund is linked to receipt of UC's not only the utilization of fund position shall improve but also backlog on account of pending UC's can be taken care off. It is also pertinent to mention here that during March, 2015, CMD MCL had suggested for an Independent Audit vide Note Sheet No.7240 dated 28.03.2015, but till date outcome of the said Independent Audit has not been known.

It would not be out of place to make a mention here that extending financial assistance to the Jagriti Mahila Mandal to the tune of `35.00 lakh during the year 2014-15 may attract audit objections/Vigilance angle since Jagriti Mahila Mandal is neither registered under a Society Act/Non-Government Organization nor financial statutory audit are being carried out. Therefore, an immediate corrective measures are required to be taken in this regard also.

Sd/  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2015/1381 dated 14.07.2015**

May kindly recall our earlier discussion on devising of auto refund of EMD with regard to the Sales & Marketing Division. The ICICI, Bhubaneswar officials had approached the undersigned in this regard about some 3-4 months back and they were instructed to become fully conversant with the EMD refund process pertaining to the Sales & Marketing Division and then come up with a draft module on the auto refund of EMD's.

The Asst. General Manager of ICICI and his team officials came with a draft module on the EMD auto refund system and had detailed discussions with the Vigilance officials as well as Sales & Marketing Division officials on 10.07.2015. Thereafter, a brief interaction with the ICICI officials took place with the undersigned on 11.07.2015.

The detailed discussion and interaction revealed that the draft module for auto refund of EMD w.r.t. Sales & Marketing Division can be made possible right from the online issue of D.Os to the online auto refund of EMD's. The only concern which emerged out of the said discussion was regarding the linkage of Coalnet, MCL Website and i3MS Software which can also be made possible through integration of the three systems by throwing the data of one into another through the proper linkage.

Since we have to follow due systems & procedure for implementation of auto refund system pertaining to the Sales & Marketing Division, it would be appropriate to call for "Expression of Interest" from the interested Financial Institutions giving them a reasonable time period of minimum two months which inter-alia includes the time required for becoming well conversant of rules for deposit of EMDs, Coal Sale value and issue of D.Os, despatch plan and necessary interactions with the concerned officials of MCL before devising of a auto refund module presentation along with their quoted rates. In this regard it would be advisable to constitute a Committee comprising of officials from Sales & Marketing, Finance, Systems & Vigilance Department so that the said Committee can get involve right from the calling of "Expression of Interest" upto the presentation stage of the module and thereafter for making suitable recommendation for effectiveness and rates of particular auto refund module for final approval. The Committee may include the following officials subject to approval by the CMD/Director(T/Op).

1. Shri D.K. Gangopadhyay, Chief Manager(Fin.)
2. Shri A.K. Das, Sr.Manager (Systems)
3. Shri A.K. Malwe, Sr.Manager (S&M)
4. Shri S. Pani, Manager(Finance)
5. Shri P.K. Agarwal, Dy.Manager (Systems)/Vig.

Sd/-  
Chief Vigilance Officer

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**Sub: Internal and external recruitments – formulation of specific guidelines – reg.**

Recently, certain discrepancies have been noticed in case of an internal recruitment of Legal Inspector & Jr. Overman. The irregularities noticed with regard to the internal recruitment of Legal Inspector & Jr. Overman are under investigation. The recruitments being the back bone of any industry has a desired objective to meet out the specific or urgent organizational need following due rules & procedures in transparent and ethical manner. Therefore, it would be appropriate that the recruitment drive is not halted merely because investigations by the Vigilance functionaries are on. In order to streamline and strengthen the recruitment process in a fair and transparent manner, following suggestions are being made which may kindly be considered while framing definite guidelines for future:

- The Selection Committee constituted to shortlist the eligible candidates need to be vetted by the Vigilance Secretariat as it was noticed in the recently investigated case that one of the officers nominated in the Selection Committee was in the ODI list. Therefore, if the names of the Selection Committee members are shared with the Vigilance Secretariat, this sort of mistake may not happen in future.
- All the circular instructions relating to the duties and responsibilities of the officials connected with the recruitment affairs need to be followed scrupulously as it has been noted that there has been violation/bypassing of circular instructions issued by the HoD of the Recruitment Cell which is indicative of certain degree of malafide.
- The secrecy and confidentiality of the question papers for internal recruitment (master copy as well as other copies) need to be observed by the three member Selection Committee comprising of one or two subject experts of E5/E6 level with Chairperson of the Selection Committee of E7/E8 level duly approved by the Director(Pers.).
- The question papers along with answers need to be in the safe custody of the HoD of the Recruitment Cell with properly sealed cover as being followed in the external recruitment process (sealed in cloth with the seal wax with signatures of all the members of the Selection Committee).
- Under no circumstances, the question papers to be shared via personal e-mails of the officials which increase the probability of leakage of the question papers to the interested parties, as source information had revealed leakage of question papers w.r.t. internal recruitment is a routine affair.

- Date, time & venue of the examination relating to the internal and external recruitments need to be intimated to the Vigilance Secretariat in order to have a chance for surprise visit by the Vigilance functionaries of those examination centers for improving alertness and transparency.
- Framing of a definite time period within which the internal and external recruitment processes are completed so that abnormal delay on account of withholding of the files on one or other ground is avoided.
- All the directions/instructions/deviations relating to the recruitment process need to be recorded in writing and the files pertaining to the recruitment process need to be tracked online for better monitoring of the progress made in the recruitment process. Any verbally carried out orders of the superior officials need to be confirmed in writing before proceeding further with the recruitment process.
- The decision of undertaking external recruitment through the outsourcing agencies is required to be reconsidered at CIL level. Till that time proper justification for engagement of outsourced agencies and the circumstances under which the recruitment process is required to be outsourced need to be recorded by the HoD (Recruitment Cell) duly approved by the competent authority. Whenever outsourced agency is being engaged for recruitment process, role of HoD (Recruitment Cell) in cross verification of the whole recruitment process to be carried out by the outsourced agency need to be clearly mentioned in the work order. The HoD need to be empowered to intervene in the recruitment affairs like timely issue/uploading of admit card, reasons for rejection of candidate's application if any, including the timely completion of the recruitment process.
- Modifications in terms & conditions relating to the recruitments both external & internal at subsequent dates without adequate publicity and proper justification need to be avoided at all costs.

In view of the foregoing suggestions, it is advised that the internal/external recruitment process be expedited and newly formed guidelines/circular instructions formulated in this regard be shared with the Vigilance Secretariat for information and further suggestions if any.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2015/1399 dated 15.07.2015**

**Sub: Internal transfer and posting orders, local & emergency purchase as well as OEM purchases**

The undersigned along with his team made a surprise visit to Orient Area on 13.7.2015 based upon certain source information. Source information relating to issue of internal transfer and posting orders, local & emergency purchases as well as OEM purchases, the irregularities which surfaced during the said inspections are as follows:

- The transfer order issued vide No.MCL/HQ/EE/2015/Trans.2295 dated 04.06.2015 pertaining to the E&M discipline was changed by the Area GM Shri R.J. Choudhury without obtaining the prior approval of the concerned Director. This is not a healthy trend and may set a precedence in the Company to alter the office orders issued by the MCL Hqrs. according to the personnel choice of the Area GMs. This kind of subsequent modification of the office orders relating to the transfer & postings should not arise under any circumstances particularly when the transfer & postings are issued by the MCL Hqrs, keeping in view the requirement for a particular officer for a particular post. The undersigned could smell some ill motive behind such internal modifications carried out by the Area GM. Therefore, in order to prevent any future instances of modification by other Areas we need to issue a circular instructions that the Area GMs should not indulge in such practices. Instead they should held prior consultations with the concerned Director/GM/HoD's of concerned department in the MCL Hqrs. regarding the requirement of personnel in their respective Areas.
- The other irregularity was noticed in about 20-25 tender files which were below `2.00 lakh value in which the gap between the floating of the tender and opening of the price bid was found of just two days. When the concerned Area GM Shri Choudhury, SO(E&M) and Technical Committee members were asked about the lapses committed by them they had no answer. The matter is under investigation since the time gap of two days between the floating of the tender and the bid opening date is indicative of the fact that favoritism is rampant in awarding the work order to the Contractors of their choice.
- The files relating to the OEM purchases are taking a time period of almost 6-8 months i.e. right from the initiation of the file till the procurement of the material. In almost all the OEM purchases, the delivery time has been given as 4-5 months which the undersigned strongly feels that it is too long a time to be given to the OEMs and their agencies in supply of so called critical items. Therefore, it would be appropriate if the rate contract system is followed for those critical items without any further wastage of

time. In case the rate contract is available in the nearby Subsidiaries like SECL/WCL/CCL, the same may be followed in MCL which may reduce the time gap in actual procurement of the goods from the OEMs.

- Another fact which came to the notice of the undersigned is regarding the high cost of repairs & maintenance particularly of Hyva & Pay Loaders. Though the Pay Loaders are very old and commissioned in between 1988 to 1996, it is advisable that before incurring high cost on repair & maintenance, the “Cost Benefit Analysis” should have been made to justify the expenditure and operation in a loss making Area like Orient. The matter is under further investigation.
  
- All the Under Ground mines of MCL are under the administrative control of Orient & Talcher Area and manpower consists of 33% of the total manpower of MCL. It surfaced during the investigation in Orient Area that record keeping of service file of the employees at Orient Area is very poor particularly with regard to date of birth recorded in the ‘B’ form and the service record. In spite of the fact that this is being a vital information and on the basis of which the length of service of employees is being guided, there is a lot of cutting and over writing on recording the date of birth of the employees. It has also surfaced during the investigation that the date of birth mentioned in the matriculation certificate has not been taken into account while recording the same in the ‘B’ Form which attracts vigilance angle. As there are number of such cases of cutting and overwriting of date of birth of employees, the matter needs further investigation.

There have been numerous complaints about the irregularities taking place in the two Under Ground Mines of Orient and Talcher Area from time to time. Therefore, close and proper monitoring of various activities is required to be done meticulously by the concerned GMs and the MCL Hqrs. which would definitely improve the transparency factor and the work cultural of these two Under Ground mines.

Sd/-  
Chief Vigilance Officer

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**Sub : Delay in processing/movement of files**

This has come to the notice of the undersigned that files related to closure of contracts, procurement, dependent employment are being inordinately delayed and many times it is being kept pending at the junior Officers level with a verbal instructions from the immediate senior level Officers to process the file after discussing with the higher ups. Under such circumstances, the junior level Officers became automatically responsible for delayed action on such long pending files due to want of any written instructions from the superior officials. Therefore, there is a need to issue circular instruction in this regard that in such cases where the files are being kept pending for a certain period it should be recorded on that particular file as LOT (Lie Over Till) as instructed by particular senior Officials for a particular period i.e. may be 15 days / 1 month or so and with valid reasons duly approved by the HoD. This kind of system shall not allow the files to lie at lower levels for long time without necessary action.

As a systemic improvement measure, File Tracking System (FTS) has already been designed for immediate implementation on the Coalnet w.e.f. 14<sup>th</sup> August, 2015 which will facilitate the Management for online tracking and movement of the files enhancing the operational efficiency which shall also indicate the status of those files which are under LOT category for proper monitoring and action on those files.

Sd/-  
Chief Vigilance Officer

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**Sub : Requirement of revision of pre-qualification criteria in case of tender for extraction of coal by Surface Miner loading and transportation-reg.**

Tenders invited for extraction of coal contractually in different mines of the MCL are broadly the following types:-

- a) Extraction of coal by deploying Surface Miner.
- b) Extraction of coal by deploying Surface Miner and loading.
- c) Extraction of coal by deploying Surface Miner, loading and transportation by the tippers.

In this regard, it is pertinent to mention here that during the inspection of the CTE from the CVC, New Delhi, in one of the contractual work in Talcher Coalfield for extraction of coal during the year 2009, it was recommended that the tender for extraction of coal may be floated clubbing the loading and transportation part with the extraction of coal by Surface Miner. This was recommended keeping in view the fact that awarding contractual work for the extraction part and loading/transportation part separately attracts controversy as both the agencies pass on the blames to each other in case of slow progress of the work adversely affecting the overall coal production.

In spite of the aforementioned facts, it has been observed that the contracts are being awarded for engagement of Surface Miner only and loading/transportation are being carried out by the ESM/PAPs agencies. In such cases, it is strongly felt that if the extraction, loading and transportation contracts are clubbed together, tender can be floated for a composite work making it more economical and easy for the monitoring purpose.

In this regard, the pre-qualification criteria which is being followed in contractual works for extraction of coal in different subsidiaries of the CIL have been examined on pre-page notes from 1N to 4N. The pre-qualification criteria followed in the MCL was approved long back in the year 2006 i.e. 09 years which is still in vogue. Eligibility condition/pre-qualification criteria which were framed during the year 2006, did not have a mention of work experience which is the mainstay for judging the potentiality of the participating bidders. Non-mentioning of the work experience at that time might have been due to the fact that there would not have been adequate eligible bidders for taking up the work for the deployment of Surface Miner. Now with the passage of time, when the competition has increased manifold, it would be prudent to broaden the pre-qualification criteria keeping in view the CVC guidelines by revisiting the eligibility condition/pre-qualification criteria.

In this regard, this Secretariat has collected the eligibility condition/pre-qualification criteria being adopted by other CIL subsidiaries and it has been found that the criteria adopted by CCL/SECL/BCCL have been more broad and competitive. Therefore, it is advisable that the eligibility condition/pre-qualification criteria may kindly be revisited keeping in view the pre-qualification criteria adopted by other subsidiaries and the new tender may be floated as per the eligibility condition/pre-qualification criteria.

Sd/  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2015/1582 dated 11.08.2015**

**Sub : Issue of corrigendum in respect of e-tender for setting up of Washery at Ib Valley Area and Jagannath Area - regarding**

Two corrigenda were issued vide letter No. 1551 & 1552 both dated 07.08.2015 in respect of e-tender for setting up of Washery at Ib Valley & Jagannath Area respectively by the GM(Washery), MCL. These corrigenda issued were w.r.t. technical capability of the bidder as mentioned in Clause No.10.2.2 of the bid document. Vide the corrigenda issued the modifications proposed under Clause No.10.2.2.1 i.e. "Set up" qualification requirement and 10.2.2.2 i.e. "Operating" qualification requirement have been approved.

It is pertinent to make a mention here that regarding modification of qualification requirement, there was an earlier circular bearing No.273 dated 09.05.2006 issued by the CVO, CIL in which no provision was kept for issuing corrigendum with regard to change in scope of work, quantity and estimated value or any other specific condition.

However, in the new modified manual for e-tendering for Civil Engineering Works issued from the CIL, there is a provision for modification in scope of work and technical parameters with appropriate approval with a condition that date of submission of bid shall be suitably extended. But the said modification in the scope of work provision should have been reflected in the NIT which was not done in the instant case.

In the instant case, the need for issue of corrigendum w.r.t. technical capability has arisen based upon the telephonic request received from the bidders that too after lapse of more than a month's time of publication of the tender and after the last date of seeking online clarification i.e. 23.07.2015. Clarification sought telephonically by the bidders and subsequent modification of the existing clauses is a serious violation of the e-Procurement process being followed in the MCL. When we have been following the provision for seeking online clarification in all the tenders and tender worth approx. ₹7000 Cr has been finalized scrupulously following the e-Procurement norms, seeking clarification offline that too after the period of clarification is over is a matter of great concern.

In view of the aforementioned facts, the concerned officials are required to be warned to avoid any offline clarification w.r.t. procurement of items through e-Procurement portal. Further, it is advised that possibilities may be explored to extend the last date of seeking online clarification for these tenders so that the irregularities which have surfaced during the e-Procurement for setting up of Washeries can be nullified and transparent way of seeking clarification online may be ensured. This Secretariat is investigating the matter and circumstances under which seeking offline clarifications have been resorted to in the e-Procurement process which has been a pioneer Project of MCL.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[RI]/2015/1589 dated 12.08.2015**

May kindly like to recall the petition received from Sri XXXX regarding illegal collection of money from road sale trucks in the Lingaraj Project Area.

The said petition contents were shared with the SP, CBI, Bhubaneswar also besides sending our officials for the spot verification.

The spot verification did reveal that illegal collection of money is taking place from the road sale trucks by the private persons but no linkage of these private persons with MCL officials could be established during the investigation.

The matter relating to the illegal collection of money from the road sale trucks shall be followed up with the CBI, Bhubaneswar and all necessary steps would be taken to instill a moral fear amongst the money collectors.

Detention of large number of road sale trucks varying from 20-90 at times during the right time with the stockyard is another serious issue which was found on earlier occasions also (two years back in Hingula Area). Such a detention of large number of road sale trucks in violation of code of practices issued by the Dispatch Incharge Sri XXXX of Lingaraj Area is indicative of malpractices (pilferage of coal through unmoved exit point with the knowledge of the local Area Management).

Also re-handling of coal through other contractual pay loaders and was noticed which may lead to pilferage of coal through the road sale trucks after the weighment process is over.

Another grey area which was noticed during the spot verification/investigation was passing of road sale vehicles after the completion of the weighment process through the stockyards. This is an add on factor to the pilferage of coal using road sale trucks. Aforementioned facts & circumstances have been of very serious nature on which strict circular instructions are required to be issued to all the Area GM's so that the possibilities of pilferage of coal through road sale trucks are ripped in bud. It would not be art of place to make a mention of the fact that though installation of GPRS in the coal tippers moving within the mine boundaries. We have been able to keep a tab on the pilferage of coal but it appears that the pilferage of coal has started taking place utilizing the road sale trucks. Therefore we need to think about use of similar technology along with the expeditious installation of CCTV cameras at the vulnerable points to curb the possibilities of coal pilferage via road sale trucks.

This Secretariat shall be intensifying its vigilance activities in other Project Area in order to keep the things particularly illegal diversion of coal under checks. However, it would also be advisable to pass on the instructions to the Area Security Officers for maintaining strict vigil over the path & movements of road sale vehicles. Further Sales & Marketing Department need to revisit the DO quantity offered through the road sale keeping in view the infrastructure capacity of the Project Areas. In this regard the Sales & Marketing Division officials are also required to be involved actively in the field for re-assessing the situation w.r.t. road sale. Once the desired circular instructions are issued from the MCL HQ, the Vigilance Secretariat shall re-check/re-verify the irregularities noticed and in case of my lapses found on the counts mentioned on pre-pages, appropriate action by way of fixing responsibilities on the officials shall be done. In addition this Secretariat is also reviewing the postings/placements of officials/non-executives who are hand in glove with the private persons so that such officials/non-executives can be rotated to the non-sensitive locations.

Sd/  
Chief Vigilance Officer

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**MCL/SBP/VIG/[EMD]/2015/1628 dated 17.08.2015**

Earlier the procurement of steel cogs in the Orient Area was being bagged mostly by the single party M/s. XXXX. With the introduction of the new eligibility criteria which was approved by the CMD, MCL on 03.06.2015, the monopoly of M/s. XXXX got nullified. The modified eligibility criteria as approved above read as follows:-

“The tendered item or items of higher specification must have been supplied in the past to any Government/Public Sector Undertakings (indigenous or Global), against two different Firm supply order consisting not less than 33% (cumulative) of tendered quantity”.

Subsequent to this approval, the required specifications were enhanced for the capacity of steel cogs from 30 Te to 50 Te at Area level for procurement of the steel cogs with the approval of the GM, Orient Area on 17.07.2015. With the said capacity enhancement, M/s. Bilaspur Mining Industries Pvt. Ltd. shall now start monopolizing the work since except this party no one shall be fulfilling the modified eligibility criteria as above.

The source information has revealed that the eligibility criteria which have been subsequently modified by enhancing the capacity of the steel cogs from 30 Te to 50 Te has been done at the behest of M/s. XXXX so that the supply order for the 50 Te steel cogs orders can be grabbed by the said party in the MCL which has also been bagging the supply order in the SECL for long time. Therefore, to make the Pre-Qualification criteria broader and competitive for the procurement of 50 Te steel cogs, following amendments in the eligibility condition is suggested / advised:-

1. Omission in the eligibility criteria regarding the 33% (cumulative) of tendered quantity for safety items.
2. Incorporation of the experience of supply in any private industries.

Sd/-  
Chief Vigilance Officer

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**Sub : CAG Report .... Regarding**

The CAG and Internal Audit Report need to be made available to the undersigned for referring and monitoring purpose as per the Vigilance Manual, Clause 11.1(iv) which is reproduced below:-

Quote

11.1 (iv) Information about corruption, malpractices or misconduct on the part of public servants may come to the CVO's notice through various sources, such as, (i) the complaints received from the public, or through the administrative Ministry, CBI and the CVC; (ii) departmental inspection reports and stock verification surveys, (iii) scrutiny of property returns and the transactions reported by the concerned employee under the CDA Rules, (iv) audit reports, (v) reports of parliamentary committees, etc. Information received verbally etc.

Unquote

Recently, a report from the CAG for the year ended March 2014 pertaining to the CPSEs had been circulated in which there were some observations w.r.t. the Mahanadi Coalfields Limited, a copy of which had not been marked to the undersigned. Few pitfalls noticed by the CAG on various operational and technical issues may require vigilance intervention for safeguarding the interest of the Company.

In view of the above, the concerned directorate may kindly be advised to forward a copy of the CAG report to the undersigned for the purpose of perusal and intervention on those areas where there is a perceived vigilance angle, if any. Such an intervention on the part of the Vigilance Secretariat shall be quite useful in devising systems for an effective risk management measures.

Sd/-  
Chief Vigilance Officer

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**Sub : Irregularities in catering tenders in the MCL.**

It has been noticed that whenever there is a tender floated for the works for housekeeping and catering services, either at the Area level or at the MCL HQ level oftenly, complaints pour in the Vigilance Secretariat. It has also been observed that in the MCL, some particular bidders like M/s. XXXX & M/s. XXXX etc. are being awarded the contract for housekeeping and catering services in spite of open e-tender since more than a decade. Keeping in view the cited facts, it was earlier recommended to cover these tenders under Integrity Pact irrespective of their values and accordingly tenders are now being referred to the IEMs. Also, now the NIT has been re-designed to facilitate more eligible bidders to participate in the open e-tender.

But, in spite of the aforementioned precautionary measures, it has been observed that there is always off-line withdrawal of bid after opening of technical bid when all the bidders could know who are the participants in the said tender. The working contractors in the MCL who are one of the bidder adopt unfair means and threaten other participating bidders to withdraw the tender so that the work can be awarded to them. In the last tender for the housekeeping and catering works in the Lakhanpur Area, there was off-line withdrawal of bids and M/s. XXXX emerged as L-1 bidder and he bagged the tender.

In view of the facts as mentioned above, it is suggested that off-line withdrawal of bids need not be entertained after opening of the technical bid (part-1 of the tender) so that unfair means adopted by the working bidders may be checked. Wherever the housekeeping and catering tenders are being scrutinized by the tender committee members, off-line withdrawal of bids after opening of the technical bids need to be deliberated at length before taking a final decision on the tender, since these acts are being adopted with a malafide intent by the participating bidders.

Sd/-  
Chief Vigilance Officer

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**Sub: Requirement for re-visit of some of the provisions in the New Yellow Book.**

The New code for uniform system of maintenance, control and verification of coal stock in all mines of CIL (New Yellow Book) was approved by the CIL Board in its 273<sup>rd</sup> meeting held on 20<sup>th</sup> Sept, 2011 and is being followed since that time in all the subsidiaries. The said Code is comprised of the rules and procedures regarding measurement, reporting and maintenance of coal stock in the underground as well as open cast mines. In addition, the detailed rules and procedures for reporting of coal and OB removal both in contractual and departmental patches have also been prescribed in the said Code. Recently, in one of the investigation into OB outsourcing contract revealed that the method adopted for reporting of OB was not in line with the laid down norms in the New Yellow Book. A considerable variation in the measured quantity and reported quantity of OB was observed which was found to be not within the prescribed limit as laid down in the Yellow Book. In the absence of any guideline to apply the correction factor to the reported quantity, the reported quantity and the measured quantity did not match. As GPS based vehicle tracking system has already been installed in all contractual coal carrying tippers and same is proposed to be installed in OB carrying dumpers, a special provision in the Yellow Book is required to be made for cross checking of the production figures from the number of trips recorded by VTS for both the coal and OB with the face measurement figures in all the open cast mines.

Another practical aspect observed in the field which has not been accounted for in the Yellow Book is regarding the volume of the loose & compact OB wherein volume of loose OB shall be certainly more than the compacted one i.e. In-situ volume. The said increase in the percentage of the volume of earth is required to be governed by "bulking factor" which depends upon engineering characteristics and properties of the particular type of soil. This aspect of bulking factor has not been taken in account in any of the provisions of the New Yellow Book.

Keeping in view the aforementioned facts and the present increasing trend in coal and OB outsourcing involving contractual payments, it has been strongly felt that more detailed stipulation is required to be made in the New Yellow Book particularly in case of reporting of OB and Coal in outsourced patches. The following provisions of the Yellow Book needs to be redesigned keeping in view the present scenario and to avoid any legal complicacies, vigilance and audit objections etc. in the contractual payments.

**Point -1:** The relevant Clause No-3(C) of the New Yellow Book is as follows:

**Quote**

In case of opencast mines, where dumpers are used for transporting coal and overburden, carrying capacity of each dumper in tonne/cum shall be determined. This may be called 'Dumper Factor'. The "Dumper Factor" should be determined once in a year.

**Unquote**

Presently, daily overburden removal quantity which is being reported is derived from trip count and then by converting the trips to quantity with the help of "Dumper Factor". The "Dumper Factor" of departmental as well as outsourced equipments are required to be determined once in a year. But the above clause is silent on the methodology to be adopted and the approving authority for approving the dumper factor. The clause is also silent about the application of the "Bulking Factor" which is required to convert the quantity derived from number of trips and dumper factor for cross checking of measured volume and reported volume.

**Point-2:** The relevant Clause No-10(ii)b and Clause No.10(iii) of the New Yellow Book pertaining to OB removal is as follows :

**Clause No-10(ii)b:**

**Quote**

In case of overburden removal, in every quarter where quantum of overburden removal is less than 2.5 lakh cubic mtrs, no corrections need be made so long as the variance is less than ( $\pm$ ) 5%

Where quantum of overburden removal volume is 2.5 lakh - 1.25 million cu m no corrections need be made so long as the variance is less than ( $\pm$ ) 3%

Where quantum of overburden removal in excess of 1.25 million cu. M., no corrections need be made if variance is within ( $\pm$ ) 2%

**Unquote**

**Clause No-10 (iii):**

This permissible tolerance should be considered as measurement tolerance due to instrumental error, error due to measurement of irregular volume and human error etc., and should not be written off.

Presently, the monthly billings of outsourced agencies are made based on the in-situ measured quantity of over burden removed. The variations beyond allowable tolerances of measured quantity with reported quantities are being adjusted by increasing/decreasing the “Dumper Factor”. Also Bulking Factor is not taken into consideration. In fact the reported quantity as per trip reports after considering the “Dumper Factor” is required to be adjusted applying the “Bulking Factor” of the materials and thereafter the quantity to be considered for cross checking with in-situ measured quantity removed. The Yellow Book is required to clearly define the procedure of deciding ‘Bulking Factor’ along with the procedure of its application.

Also, there is no provision in any of the clauses regarding procedure to be adopted when the tolerance limit is beyond the permissible limit as stated above. Suitable clauses are also required to be incorporated in the Yellow Book.

**Point-3:** The relevant Clause No-10(ii) (a) of the New Yellow Book pertaining to measurement of Coal Stock is as follows:

**Clause No-10 (ii) (a):**

In every quarter, in case shortages in the coal stock is more than 5%, the reasons for such variation shall be enquired to fix up the responsibility for such shortages and the reasons for such variation shall be identified by a departmentally constituted committee and write off action and book adjustment shall be made in accordance with the recommendations of this committee, only after it has been approved by the Subsidiary Company Board.

The permissible tolerance as per the aforementioned clause i.e. 5% is very broad and not specific in nature. Coal stocks in different collieries may vary from few thousand Te to Million Te and larger the coal stock, allowed variation quantity shall be more. As an example, a coal stock of 1000 Te shall have allowable limit of shortage of 50 Te while for 1 MTe stock, the same shall be 50000 Te which is a substantial allowable quantity. Secondly accuracy of measurement has been increased through modern technologies & softwares in surveying and volume calculation.

As per clause no 10 (ii) (b) as cited at point no-2, the allowable variation in case of overburden removal appears to be reasonable by fixing a particular tolerance for a particular range of quantity of OB i.e. where quantum of overburden removal is less than 2.5 LCuM, allowable variation is (+) 5%, where the quantum is 2.5 LCuM to 1.25 MCuM allowable variation is (+) 3% and for the quantum of more than 1.25 MCuM the allowable variation is (+) 2%. On similar lines, suitable quantity/slab wise allowable tolerance for coal stock is also required to be devised and incorporated in the “New Yellow Book”.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2015/1969 dated 11.10.2015**

The following modifications highlighted in bold may kindly be considered for incorporated in the circular instruction of proposed office order of Director (Tech./Oprn.).

**Modification:**

- Point No. 1 No road sale truck during night hours (beyond the permissible time) shall be allowed to station within the stockyard/active mine are except in case of breakdown or any emergency situation warranted. The reason of the same shall be recorded in detail in a bound paged book under the signature of Dispatch Officer, Manager & Area Sales Manager or his authorized representative. The implementation of the system shall be monitored by the Project Officer on fortnightly basis and the deviations from the standard guidelines shall also be recorded and signed by him (Project Officer).
- Point No. 2 Installation of weighbridges for road sale trucks should be at entry/exit point only so that after loading the trucks, once final weighment has taken place, movement of trucks cannot be possible through coal stockyard. So the site of weighbridge is also to be examined and relocated accordingly, otherwise it will be an add on factor to the pilferage of coal through road sale trucks.
- Point No.3 Installation of CCTV camera with 360° view & night vision at all vulnerable points including road sale entry/exit points, loading points and inside the weighbridge rooms to curb the possibility of coal pilferage via road sale trucks or otherwise.
- Point No. 5 Security Chief of the Area to engage security personnel at vulnerable points to keep strict vigil over the path and movement of road sale vehicles on day to day basis. Round the clock vigil is also required with dedicated vehicle and adequate number of security personnel to verify the geo-fence violations by the coal tippers effectively. The Chief of Security, MCL HQ as well as the Security Chiefs of the Areas to record their observations during their visits to the mine areas for verification by superior officials.
- Point No. 6 GM of Area must entrust the job to Unit Despatch Officer/Area Sales Officer and other concerned officials so that effective monitoring with accountability is ensured pertaining to road sale system as well as implementation of code of practices.

In addition to the above, following points may also be considered for inclusion in the office order so that any chances for pilferage of coal through the road sale truck may be eliminated.

1. Installation of high mast tower lights to cover the entire active loading areas.
2. Installation of automatic drop gate (as being used in toll gates) with IP camera & arrangement for printing of slips (replacing existing manual loading slips) at entry/exit gates for computerized monitoring of road sale vehicles.
3. Provision of goal post at all other entry/exit path apart from dedicated entry/exit of mines for prevention of unauthorized entry/exit of heavy vehicles.

Further, it has been observed that e-auction dates are not being fixed every month resulting in over-lapping of offered quantity at delivery ends. This causes overcrowding of delivery orders at Project level rendering the situation unmanageable and giving scope for theft of coal. It appears that the Sales & Marketing Division of HQ level has not been serious on this aspect at the Project level. Hence the matter needs to be discussed as on appropriate level to avoid such over lapping of road sale delivery orders.

It has also been noted that in few Projects the offered quantity in a month (though FSA as well as e-auction) does not match with the dispatch capacity through road. It is therefore suggested that the maximum dispatch quantity through road may be determined before issuing delivery orders considering the following parameters.

- a) Availability of coal for sale through road
- b) Timing of road sale
- c) Availability of WBs for road sale
- d) Loading Area, road sale path
- e) Capacity/TPD of loading contract.

Sd/-  
Chief Vigilance Officer

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**Sub: Rotation of officials engaged in sensitive jobs.**

Rotation of officials/employees of those completed their tenure in the sensitive posting has always been on the top priority agenda of the Central Vigilance Commission, New Delhi, Ministry of Coal, New Delhi as well as Coal India Ltd., Kolkata. In almost all the vigilance review meetings of the CVC/MoC/CIL, the subsidiaries where rotation of officers/employees are not being done in consonance with the CVC/CIL guidelines, is being taken very seriously with an instruction to ensure total compliance of the CVC/CIL guidelines.

Though we have been doing the exercise of rotating officials/employees in our Company on routine basis but still few officers/employees have been left out since there have been no initiative on the part of the concerned GMs/HODs in this regard.

When the Vigilance Secretariat was intensively reviewing the road sale auction procedures and related corrupt practices of illegal collection of money by the agents of the loading contractors, it came to our notice that few officers and large number of Technical Inspectors have been continuing in the same locations or just being rotated for name sake and continuing in same area for fairly longer duration leading to deep rooted nexus with the contractors and their agents in lifting of coal from a particular stock, illegal detention of road sale truck, collection of illegal money and giving scope for theft of coal via road sale truck.

Further, several irregularities have been noticed in the recent past w.r.t. Sales & Marketing Division which it seems is a total failure on the part of GM(S&M) to manage the department in a fair and transparent manner. The irregularities being noticed w.r.t. Sales & Marketing are as follows:-

Necessary action has not been initiated by the GM(S&M) to curb over-loading/under- loading phenomena occurring in the railway rakes on quite occasions despite this being a grey area involving financial loss to the Company. During the year 2013-14, 14-15 & 15-16 (till Aug-15) `10.44 Crs, `16.38 Crs & `9.86 Crs (Total `36.68 Crs.) has been borne by the MCL towards idle freight for under-loading. Moreover no account has been maintained for over loading/ under loading charges paid by the purchasers. The under loading charges do indicate a kind of favouritism towards the Loading Contractors which in most probability is occurring due to non-compliance of terms and conditions of loading contracts where the loading contractors are bound to install "True Load System" in the pay loaders to measure/weigh the exact loading quantity in the rail rakes. As the Sales & Marketing division should have been primarily responsible for monitoring and record keeping of over loading/under loading charges at Area levels, GM (S&M) must have assessed this situation and should have taken adequate steps to reduce the over loading/under loading charges. During the course of investigation, a very surprising fact emerged that GM(QC) has procured the details w.r.t. under loading charges borne by the MCL from the Area Sales Manager. Now the basic

issue is that why the Area Sales Manager who administratively reports to the GM(S&M) and are the actual custodian of the under loading/over loading charges should be furnishing the data to the GM(QC), MCL HQ who should not be in any way connected with the under loading/over loading of railway rakes which is purely an issue relating to the S&M division of MCL HQ.

Therefore as seen from the functioning of the S&M division of MCL HQ, GM(S&M) has only responsibility for the issuance of Delivery Orders and signing of the FSAs. These facts do give rise to a suspicion that the S&M division has deliberately been spared from bearing responsibilities relating to under loading/over loading which has been a grey area since long. This arrangement might have been done for the convenience of the S&M Division so that they may escape from the irregularities taking place w.r.t. rake loading which is primarily a responsibility of S&M Division.

Further e-auction dates are not fixed in every month resulting in over-lapping of offered quantity at delivery ends. This causes overcrowding of delivery orders at Project level rendering the situation unmanageable and giving scope for theft of coal. As such the Sales & Marketing Division at HQ level is not sensitive enough about this serious problem being faced by the projects.

Coal Sale Value realization is also a concerning area involving delays in bill preparation by Area Sales Offices and final realization by Sales Office, Kolkata. During the course of investigation it revealed that there was delay of more than a month in realization of coal sale value of `14.05 Cr in respect of M/s GMR Kamalanga Energy Ltd during the period of April-15 to Aug-15 resulting into loss of interest by the Company. More than a week delay was also observed during the same period in preparation of bills amounting `40.23 Cr at Area level. These kinds of approach in delay in realization of Coal Sale Value from the consumer do indicate a kind of extending favouritism to the consumers. Further consumers of e-auctions are being harassed by holding their security deposits for longer period, for which the record maintenance is also very poor which requires independent investigation.

Thus there is an urgent need for reallocation of the job assigned to the S&M division with complete overhauling of the system with new officer as GM(S&M), MCL HQ so that the entire system can be cleaned right from the issuance of Delivery Order to the final delivery of the coal as also curbing the illegal money collection via road sale trucks which has become a major source of corruption in the Company.

With regard to Doctors, a decision may be taken keeping in view their areas of specialization and in case any of the doctors are to be retained, the same is required to be done with justified reasons. In the recent meetings convened by Hon'ble MoS, Coal Power & MNRE as well as Joint Secretary & CVO, MoC, the rotation of officials working in the sensitive locations has been reviewed intensively and CVOs have been asked to ensure its total compliance.

Sd/  
Chief Vigilance Officer

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**Sub : Skill development programme for imparting education and technical training to the land oustees who have been offered appointment in the MCL**

Under Skill Development Programme, MoUs were signed between the MCL Management and 06 (six) Institutions viz. MITS, Raigada, KIITS ITI, Bhubaneswar, Premier ITC, Bhubaneswar, Adarsha ITI, Angul, Pathani Samanta ITI, Angul, IIPM, Kansbahal, Rourkela during 2015 for imparting education and technical training to the Land oustees who have been offered appointment in the MCL.

For quite some time Vigilance Secretariat had been receiving source information that the trainees at these Institutions have not been attending the classes in collusion with the authorities of the Institutions and the Institutions are also not maintaining the requisite infrastructures such as teaching staff, computers, internet etc. The matter was also taken up with the concerned officials of MCL for taking corrective and preventive steps. However, during a surprise inspection of one of the Institutions viz. Adarsha ITI, Angul, the implementation status of various conditions of MoU as observed by the Vigilance Secretariat is furnished below in a tabulated form:-

<b>Clause No. of MoU</b>	<b>Conditions of MoU</b>	<b>Observation made by Vigilance Secretariat</b>	<b>Suggestions</b>
1	The 2 <sup>nd</sup> Party will arrange ITI Course approved by NCVT for a period of 02 (Two) years.	Approval of 2008 was shown.	Current status of approval of the ITI courses by name need to be checked.
2	The 2 <sup>nd</sup> party will ensure quality education so that 100% results in the final examination shall be ensured and all the trainees will clear NCVT examinations on successful completion of the training.	Course material was provided in English with which trainees were not found comfortable and they insisted on providing the course material in Odiya/Hindi language for better understanding. As a result, the quality education cannot be ensured till the course material is provided in Odiya/Hindi for proper understanding by the trainees.	Course material is required to be provided in Odiya/ Hindi languages so as to ensure effective learning by the trainees in their respective technical fields.

Clause No. of MoU	Conditions of MoU	Observation made by Vigilance Secretariat	Suggestions
3	During training period 2 <sup>nd</sup> party will provide necessary infrastructure such as class room, laboratory, workshop, furniture and fixture, machinery & equipments, computer, Internet, teaching aids, uniform/shoes and other necessary infrastructure required to meet the course/ curriculum/ syllabus needs in their Institute for training of the trainees.	Shoes were not provided to any of the student. Computer Lab in first floor as claimed by the Institution had only desk and there were no computers in the Lab. All the computers as shown by the authorities of the Institution were found in completely dismantled condition.	The Computer Lab is required to be well equipped with the computers along with Internet facility immediately as per the MoU condition.
4	During training period the 2 <sup>nd</sup> party will provide standard, neat & clean, hygienic hostel accommodation to all the candidates sponsored by the 1 <sup>st</sup> party within the Campus or nearby location. The accommodation/ hostel for Male and Female candidates shall be arranged separately and availability of Male/ Female wardens shall also be ensured in each hostel on 24 hours basis.	Neat & clean and hygienic hostel accommodation was not provided. Photo enclosed. Male & Female warden were also not provided on 24 hour basis for the hostel of Male & Female trainees.	Neat & clean and hygienic accommodation need to be provided to all the trainees of MCL. Male & Female warden should be provided on 24 hour basis for the hostel of Male & Female trainees.
5	The 2 <sup>nd</sup> Party shall ensure safety, secure and health care of the trainees through insurance coverage and all other facilities as mentioned in thereafter submitted by the 2 <sup>nd</sup> Party on 30.06.2015, throughout the training period. The 2nd party will also arrange First-Aid facilities and Doctor-on-call facility available on 24x7 basis during the training period.	The authorities of the Institutions were unable to furnish details about the insurance coverage of trainees.	The insurance coverage for the trainees need to be ensured.

Clause No. of MoU	Conditions of MoU	Observation made by Vigilance Secretariat	Suggestions
8	During training period the Officers/ Representatives of the 1 <sup>st</sup> party shall be allowed to inspect and verify on any day without any protest and obstructions by the 2 <sup>nd</sup> party and/ or any of its Representative/ Agent.	The authorities of the Institution informed that some officials of the MCL have inspected in the past, but no records of such inspections were found at the Institute.	Regular inspections of the Institutions need to be carried out by the concerned department as per the terms and conditions of the MoU and the inspection reports need to be sent to the concerned Institution for necessary correction/ improvement.
9	During training period the 2 <sup>nd</sup> party will maintain necessary attendance records on day to day basis and the attendance particulars of each candidate for the period 25 <sup>th</sup> (preceding month) to 24 <sup>th</sup> (current month) duly certified by the principal of the Institute will be sent to the 1 <sup>st</sup> party/ Area GM on every 25 <sup>th</sup> of the month without fail for preparation of salary in respect of the trainees.	<p>The timing of the classes was from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm. During the surprise inspection of Adarsha ITI, Angul at about 2.30 pm, while verifying the physical presence of the trainees, it was found that –</p> <p>(i) None of the trainees of Talcher Coalfields were present however, their attendance was marked on that day. It is also quite doubtful whether they were really present on that day or not?</p>	<p>(i) The attendance of trainees need to be marked twice i.e. at the beginning of pre lunch session (i.e. at 10 AM) and at the end of the post lunch session (i.e. at 4.00 PM).</p> <p>(ii) The attendance need to be sent to the MCL HQ only after the marking of attendance in the post lunch session. Presently the attendance of trainees is being sent to the MCL HQ online by 12.00 noon.</p>

Clause No. of MoU	Conditions of MoU	Observation made by Vigilance Secretariat	Suggestions
		<p>(ii) 64% of the total number of trainees whose attendance was found marked in the attendance register were physically not present during surprise inspection.</p> <p>(iii) It was also learnt from the trainees present in the Institution that the status of attendance was all most same on all days.</p> <p>(iv) The attendance is not being totalled just after marking attendance thereby leaving scope for manipulations later on.</p> <p>(v) The extremely poor physical attendance during surprise inspection was indicative of some kind of understanding between the Institution and the trainees and it is quite possible that the MCL authorities are also aware about the same as they have never pointed out this during their past inspections, otherwise it is not possible that 64% of the trainees whose attendance were found marked in the Attendance Register, were actually absentees.</p>	<p>(iii) The MCL authorities responsible for implementation of MoU need to verify the physical attendance on surprise basis and take corrective and remedial measures so as to ensure full attendance of the trainees in the best commercial interest of the MCL.</p> <p>(iv) It would be highly desirable that all the Institutions imparting such trainings to the unskilled manpower of the MCL be equipped with biometric attendance system.</p>

Clause No. of MoU	Conditions of MoU	Observation made by Vigilance Secretariat	Suggestions
10	The 2 <sup>nd</sup> party will ensure availability of experienced principal, Trained Faculties and Administrative Staff throughout the period of training as per guide lines/ requirement of NCVT.	The number of faculties provided by the Institute was much less than the projected figure. Moreover, the salary paid by the Institution is in the band of `6,000.00 - `8,000.00 which is being paid in cash (no Bank Payment). Most of the faculties were pass out from the same Institution and were appearing to be inexperienced on concerned technical subjects.	Adequate number of experienced teaching faculty need to be provided so that quality education is imparted to the trainees and they should be paid salary as per the extant rules.
11	The 2 <sup>nd</sup> party will submit quarterly progress report w.r.t. the performance of the trainees to the 1 <sup>st</sup> party/ Area GM by 5 <sup>th</sup> day of the succeeding month of the quarter.	As disclosed by the authorities of the Institution, the Quarterly Progress Reports w.r.t. the performance of the trainees have not been submitted to the concerned Area GM. In addition, the authorities at MCL HQ who are specifically looking after the Schooling and Skilling appear to be of the opinion that their role ends with the signing of MoUs and the rest is to be ensured by the Areas only. Whereas if the Area Authorities have failed to secure compliance with this clause, the authorities at MCL HQ specifically looking after Schooling and Skilling should have followed up the matter with the concerned Institutions and secured compliance with the clauses of MoU.	The Institutions need to furnish the Quarterly Progress Report w.r.t. the performance of the trainees to the concerned Area GM by 5th day of succeeding month of the quarter. In addition, the Authorities of MCL HQ who are looking after the Schooling and Skilling Project need to monitor this project closely so as to make the training programme utmost effective for enhancing the skills of the Company's future manpower to the best possible extent.

Clause No. of MoU	Conditions of MoU	Observation made by Vigilance Secretariat	Suggestions
		<p>However, it appears that the authorities at MCL HQ specifically looking after the Schooling and Skilling are least concerned with the success of this project as regular submission of the Quarterly Progress Reports w.r.t. the performance of the trainees has not been sought either by the concerned Area Authorities or by the concerned authorities of the MCL HQ.</p> <p>In the absence of any monitoring mechanism for the assessment of the progress of trainees, the success of Schooling and Skilling Project of MCL has been left at the mercy of the Institutions which is really a matter of great concern as these trainees are the permanent employees and would be serving this Company for a very long period.</p>	<p>The Area GM/ APM to be made responsible for non-compliance of this clause as they have never insisted on the submission of Quarterly Progress Report by the Institutions.</p> <p>Similarly the concerned officials of MCL HQ looking after the Schooling and Skilling Project are also required to be held responsible for having failed to follow up with the Institutions for securing compliance with this particular clause of MoU, in absence of which the success of this ambitious project is totally unpredictable.</p>

12	A "Joint Review Committee" consisting of two representatives from each party will be constituted to review the status of training as well as boarding and lodging facilities on monthly basis. The joint committee shall also hear the grievances, if any from the trainees and take remedial measures if required.	Even 1½ years after signing of MoU, no Joint Review Committee has since been constituted till date which is a gross violation of MoU for which the officials of concerned Areas and the MCL HQ are required to be held responsible.	<p>Joint Review Committee need to be constituted immediately and should review the status of training as well as boarding and lodging facilities on monthly basis.</p> <p>The Area GM/ APM to be made responsible for non-compliance of this particular clause of the MoU as Joint Review Committee has neither been constituted nor any review regarding the status of the trainees, boarding and lodging facilities has ever been made by this Committee on monthly basis.</p> <p>Similarly the concerned officials of MCL HQ are also to be held responsible for having failed to ensure the compliance of this clause of MoU.</p>
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In view of the aforementioned facts, there is a need to take immediate corrective measures by the concerned Directorate and also by the concerned Area GMs/ APMs. Further we need to ensure total compliance of the MoU conditions or else despite spending huge money on the Skill Development Projects by the Govt. of India, the said project may not be able to deliver the desired goal which would adversely affect the growth and productivity of the Company in future.

Sd/  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2015/2401 dated 09.12.2015**

**Sub: Delayed on-going coal mining projects with cost over-run.**

As per the Quarterly Project Monitoring Report of MCL for the quarter ending June-15, there are 19 on-going coal mining projects of MCL of 161.33 MTY total capacity with sanctioned capital of `9690.49 Cr of which 11 projects are delayed with time overrun varying from 15 months to 99 months. Details of such Projects are as follows:-

Sl. No	Name of the Project	Cap in Mty.	Capital in ` Crore	PR approval date
<b>TALCHER COALFIELD</b>				
1	Ananta OCP Expn. Ph-III	3.00	207.28	31.08.2008
2	Bharatpur OCP Expn., Ph-II	6.00	95.87	29.03.2003
3	Bharatpur OCP Expn. Ph.-III	9.00	131.39	12.02.2007
4	Balram OCP Extension.	8.00 *	172.08	22.12.2007
5	Bhubaneswari OCP	20.00	490.10	22.12.2007
6	Gopalprasad OCP	15.00	395.87	09.02.2008
7	Hingula-II OCP Expn. Ph-III	7.00	479.53	08.11.2008
8	Jagannath Re-organization	6.00 *	337.66	26.05.2014
9	Jagannath U/G	0.67	80.75	15.10.2001
10	Kaniha OCP	10.00	457.77	22.12.2007
11	Natraj U/G	0.64	92.11	30.01.2001
12	Talcher (W) U/G	0.52	85.08	18.02.2002
	Sub total	71.83	3025.49	
<b>IB VALLEY COALFIELD</b>				
13	Basundhara (W) Extn	7.00 *	479.15	07.05.2014
14	Belpahar O/C Expn. Ph-II	4.50	14.40	04.02.2011
15	Kulda OCP	10.00	302.96	12.01.2005
16	Kulda Expn OCP	5.00	289.03	25.06.2014
17	Talabira OCP	20.00	447.72	29.03.2008
18	Siarmal OCP	40.00	3756.36	29.05.2014
19	Garjanbahal OCP	10.00	1375.38	08.11.2014
	Sub total	89.50	6665.00	
<b>TOTAL (Ongoing projects)</b>		<b>161.33</b>	<b>9690.49</b>	

Further capital expenditure of four opencast mines including various phases has grossly exceeded the sanctioned capital provisions as per the project reports. The details of such Projects are as follows:-

Name of the OCP & its Phases	Sanctioned Capacity MTY	Status	PR provisions (in `Cr)	Capital Expenditure in `Cr (till May-15)	
<b>A. BHARATPUR OCP:</b>					
1	Bharatpur OC	3.50	Completed	158.97 (RCE)	<b>`655.57 Cr</b>
2	Bharatpur OC Ex Ph-I	*1.50 (Incre)	Completed	48.02	
3	Bharatpur OC Ex Ph-II	*6.00(Incre)	On-going	95.87	
4	Bharatpur OC Ex Ph-III	*9.00(Incre)	On-going	131.39	
		<b>20.00 (Total)</b>	<b>Total</b>	<b>`434.35 Cr</b>	

<b>B. BALARAM OCP:</b>					
1	Balram OCP(Erstwhile Kalinga OCP)	8.00	Completed	345.96	<b>`702.69 Cr</b>
2	Balram OC Extn.	8.00(Extension)	On-going	172.08	
		<b>8.00 (Total)</b>	<b>Total</b>	<b>`518.04 Cr</b>	

<b>C. BELPAHAR OCP:</b>					
1	Belpahar OC	2.00	Completed	131.31 (RCE)	<b>`311.53 Cr</b>
2	Belpahar OC Expn Ph-I	*1.50(Incre)	Completed	35.47	
3	Belpahar OC Expn Ph-II	*4.50(Incre)	On-going	14.40	
		<b>8.00 (Total)</b>	<b>Total</b>	<b>`181.19 Cr</b>	

(vide chapter Project Status from pages 92 to 97 of the Monthly Report of MCL for the month of Sept'15)

\*Incre – Incremental

As seen from the above tabulated statement the combined mine wise capital expenditure upto May-15 for aforementioned opencast mines (including all phases) have gone much beyond the approved sanctioned limits which is a matter of great concern.

In view of the above, the appropriate authorities may kindly be directed to furnish the phase wise separate Capital Expenditure (completed & on-going Projects) of the above mentioned projects having multiple phase expansions to the Vigilance Secretariat for further investigation to ascertain the phase wise financial performance.

Sd/  
Chief Vigilance Officer

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**Sub: Improper utilization of Operator Independent Truck Despatch System (OITDS) in MCL.**

CIL Board on its 255<sup>th</sup> meeting held on 17.03.2010 approved the Supply, Installation, Commissioning, Implementation, Operation, training and maintenance for five years after one year warranty period on Turn Key basis of computer software, hardware, telecommunication system of GPS based OITDS for 11 Mines of CIL Subsidiaries. Approval was accorded for award of work to M/s Leica Geosystems Pty Ltd., Australia for 7 mines of MCL and NCL for a total landed cost of `121.277 Cr which included 3 active mines of MCL viz. Lingaraj OCP, Bharatpur OCP and Balaram OCP and for the remaining four mines of CIL, the approval for award of work was accorded to M/s Wipro Limited, Kolkata for a total landed cost of `59.675 Cr. The awarded rates for the three above projects of MCL at the basic prices in `Cr as per the Notification of Award issued on 22.04.10 are as follows:

Name of the Mine	Installation Cost (`Cr)	Maintenance Cost (`Cr)	Total Cost (`Cr)
Bharatpur	7.456	5.494	12.950
Lingaraj	7.976	6.072	14.048
Balaram	7.568	5.618	13.186
<b>Total</b>	<b>23.000</b>	<b>17.184</b>	<b>40.184</b>

The OITDS systems were handed over to Bharatpur OCP on 30.03.14, to Lingaraj OCP on 09.03.14 and to Balaram OCP on 31.03.14. It has been observed that even after handover of the system, it has not been completely installed in all the Dumpers as detailed below:

Project Name	No of dumpers on roll	No of dumpers fitted with OITDS	No of dumpers without OITDS
Bharatpur OCP	27	23	04
Lingaraj OCP	35	34	01
Balaram OCP	58	38	20
<b>Total</b>	<b>120</b>	<b>95</b>	<b>25</b>

As per the General Conditions of the Contract (GCC), there was a provision of Warranty for a duration of 12 months commencing from the date of acceptance. The said warranty has lapsed without the complete installation in all the equipments. Now the entire OITDS have been running under Guaranteed Availability for a duration of 05 years.

The OITDS system was introduced primarily to nullify the human interference in equipment allocation, equipment status, trips made by dumpers, operator wise performance etc. In recognition for the need of transparent mode of functioning of highly complicated field level operations of the company, initiative was taken by this secretariat and due to vigilance intervention during 2013-14 system driven monitoring of departmental HEMMs fitted with OITDS was made operational. At that time the concerned Area General Managers were requested to implement the OITDS and generate computerized data on the departmental OB removal w.e.f. 01.04.13 in letter and spirit.

During the visit of the undersigned to Talcher CF in the month of Oct-15 to review the operation of OITDS, it was observed that neither dynamic allocation is being followed nor the trip counts through OITDS are being accepted by the project authorities. Further, the analysis of the trip data of all the three mines reveal that the numbers of trips of dumpers without OITDS are very high (in some cases abnormally high) in comparison to the number of trips of dumpers with OITDS, which may be indicative of the over-reporting of OB production by the dumpers without OITDS. It is therefore advisable that production report need to be based on the trip reports captured by the OITDS only, as it will enhance greater transparency in the departmental OB reporting by eliminating the chances of over reporting in the departmental OB production. Further necessary action is also required to be initiated for immediate installation of the OITDS in all the HEMMs by January 31<sup>st</sup>, 2016 which are yet not fitted with the system. Till the complete installation is over, the trip-mans' records are to be accepted only for such HEMMs in which OITDS is not installed.

It has also been observed by the vigilance team, which inspected the OITDS during 3<sup>rd</sup> week of Dec, 2015 that the OITDS generated availability as well as utilisation percentages are not being considered for reporting purposes as it lacks the inputs regarding the Maintenance Hours to be fed by the maintenance departments. All HEMM's maintenance scheduling is based on its service meter (Hour Meter) and the OITDS should have direct interface with these service meters. It has not been implemented in the projects causing very glaring variations in the working hours of the Dumpers maintained in three different records e.g. the Daily Production Reports (DPR) register (maintained at pit top office), the Log Books (maintained at HEMM workshop) and the report maintained at OITDS control room. These reports / records are not supposed to be at any variance at all, if OITDS is integrated with the digital hour meter or other suitable option.

As per Special Conditions of Contract (SCC) of OITDS a log book for each shift wherein the working hours, breakdown hours, maintenance hours, idle hours etc. for the installed OITDS equipments are required to be recorded. The said record is also required to be available for examination and signature by the Supplier's representative. In all the projects, properly maintained Log Books were not found available. Non maintenance of such vital record (log book) attracts the vigilance angle as Quarterly Maintenance Charges are based on Guaranteed Availability of OITDS equipment which would be as follows:

- i) For main system at Base Station (Servers) and communication backbone between Base Station, Section Offices - 99% (Contractual Availability).
- ii) For all other Hardware / Software - 97% (Contractual Availability).

In spite of the conditions of contract mandate, the point no (i) and (ii) above shall be complied with before ensuring the payment of Quarterly Maintenance Charges (QMC) to the supplier. The matter is being further investigated in order to verify whether the QMCs' are being paid to the supplier as per the agreed guaranteed availability as above. The operators' performance, dumper utilization, specific fuel consumption etc are mainly dependent on the working hours and trips. While the main purpose of OITDS was to eliminate over reporting of overburden removal and to monitor the performance of dumper as well as the operators; its partial utilization has been defeating the basic purpose of introduction of the system with huge financial expenditure. This may be due to lack of interest on the part of the project management as well as due to the non conforming of the Purchaser's Obligation as per the Conditions of Contract for nomination of the Project Managers not below the rank of M-2, by the respective CGM/GM of the Projects/Mines where the system has been installed and implemented.

Vigilance Secretariat has initiated all necessary steps to prevent over reporting of the OB removal through departmental HEMMs and improve the Capacity Utilisation as well as OB removal output, increase in working hours of dumpers & operators etc. However it would be appropriate if the vigilance findings are shared with the concerned Technical Director(s) so the joint efforts of the Management as well as Vigilance may yield the desired results w.r.t. departmental OB removal, which is the need of the hour for this fast growing company.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2015/2549 dated 26.12.2015**

**Sub : Inordinate delay in processing/movement of files**

In order to avoid inordinate delay in processing/movement of files by the various departments and to facilitate the Management in expeditious decision making process, File Tracking System (FTS) was implemented on the coal net w.e.f. 15<sup>th</sup> August 2015.

A team of Officers from the Vigilance Secretariat made a surprise inspection in some of the departments of the MCL HQ on 19<sup>th</sup> & 20<sup>th</sup> November 2015 in order to check the status of movement of files through the FTS. During the surprise check, several lacunas were noticed in the movement of some very important files, some of which is being produced below as an example:-

- i) Not a single file related to dependent employment has been found recorded in FTS.
- ii) The FTS reflects that the file relating to the payment of installation and balance 20% of hardware was initiated by the Systems Department on 06/10/2015. The file had moved from one Department to another and on 04.11.2015, the Finance Department forwarded it to Systems Department. The same was again forwarded to the Finance Department vide letter no 961 dated 05/11/2015 by the Systems Department without recording the same through FTS.

As the file was not recorded earlier by the Systems Department, the Finance Department had also forwarded the file to the Systems Department on 14/11/2015 without recording. The entire file was resent to the Finance Department on 16/11/2015 along with above mentioned letter by the Systems Department without recording the same in FTS. Thus due to the non-recording of files in FTS, the system reflects that the file has been still lying with the Systems Department since 04.11.2015.

- iii) The file relating to extension of contract for Housekeeping and catering service of Sr. Guest House, Transit Camp was initiated by Administrative Department without recording the same in FTS. Due to non recording in FTS by the Administrative Department, the file has moved from one Department to another without recording of the same in FTS.
- iv) The file relating to Hingula CHP with SILO was initiated in January 2015 and the same was under advance stage of approval on the date of inspection by the vigilance team. However, the movement of the file was not found recorded in FTS even after the date of implementation of the FTS.

- v) The file relating to different Health Awareness Camp under CSR activities was forwarded from the Finance Department to the Medical Department on 19.09.2015 without recording the same in FTS as the file was not recorded in FTS by the Medical Department while initiating the proposal prior to implementation of FTS. Thus due to non-recording of movement of files in FTS at the time of initiation, the file has moved from one Department to another without recording in FTS. However, on 11/12/2015, the file was received in the Medical Department from the D(P) secretariat. The file has now been recorded in FTS by the Medical Department and forwarded it to GM (CSR) on 21/12/2015 as can be seen from File Tracking System. In the meanwhile, `17.00 lakh have been sanctioned by the competent authority for different health camps during 2015-16.
- vi) The file relating to the installation of CCTV at 11 locations, termination of contract for the work of construction of haul road at Bharatpur Project and procurement of fire extinguisher for Lingaraj Area has moved from one department to another without proper recording in FTS.

Further, during the surprise checks, it has come to our notice that the system is effective to some extent at MCL HQ but it is not fully operational at the Area/ Project level except Lingaraj Area resulting into lack of tracking of the movement of files. Thus the system of continuous monitoring/follow up of the files by the initiating department is not becoming possible. The detailed status as on 21.12.2015 regarding the various files pertaining to various departments being tracked on line are as follows:-

i) MCL HQ	
a) Contract Management Cell	... 117
b) E&M Department	... 76
c) E&T Department	... 38
d) D(T/O) Secretariat	... 14
e) CMD Secretariat	... 94
f) IED Department	... 18
g) Personnel Department	... 81
h) Manpower & Recruitment	... 12
i) Public Relation Department	... 7
j) HRD Department	... 22
k) P&P Department	... 177
l) Excavation Department	... 85
m) Safety & Rescue Department	... 29
n) Administration Department	... 142
o) D(T/P&P) Secretariat	... 15
p) Welfare Department	... 5
q) L&R Department	... 146
r) E-Procurement Cell	... 4
s) EE Department	... 99
t) D(P) Secretariat	... 3
u) Security Department	... 4
v) MM Department	... 133
w) Legal Department	... 26

x) Systems Department	...	18
y) Medical Department	...	179
z) Finance Department	...	5
aa) Civil Department	...	214

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1763

ii) Orient Area	:	13
iii) Talcher Area	:	31
iv) Ib-Valley Area	:	16
v) Jagannath Area	:	44
vi) NSCH, Talcher	:	15
vii) CWS, Talcher	:	05
viii) Basundhara Area	:	05
ix) Lingaraj Area	:	355
x) Lakhanpur Area	:	10
xi) CWS, Ib-Valley	:	03
xii) Bharatpur Area	:	94
xiii) Hingula Area	:	18
xiv) Kaniha Area	:	06

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Total : 2378  
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Out of the above mentioned 2378 files, 207 files have been seen pending in various places for more than 21 days as on 21/12/2015, the details of which are as follows:-

i) CMD Sectt.	:	17
ii) Finance	:	73
iii) MM	:	71
iv) E&M	:	14
v) CMC	:	18
vi) Excavation	:	<u>14</u>
Total	:	<u>207</u>

The above vigilance findings are being brought to your kind notice with an objective for issuing necessary directives to the concerned authorities for effective implementation of the FTS so that none of the files remain untracked as also its disposal is ensured within the definite time frame for expeditious decision making process.

Sd/-  
Chief Vigilance Officer

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## **MCL/SBP/Vig/[SM-Washery]/2016/292 dated 10.02.2016**

### **Sub : Delay in setting up of Basundhara Washery**

For setting up of Basundhara Washery (10 MTY) on Built-Own-Maintain (BOM) concept, the RFP (Request for Proposal) document was prepared on the basis of surface layout plan, which was submitted to the GM, Washery of MCL HQ vide letter no 4777 dated 21.03.13. of the General Manager, BG Area. As per the dimensions of the site given in the plan, the required forest area was about 20 Ha. Accordingly fencing & trench cutting was also done by the BG Area. Based on the land details provided by the BG Area the RFP Bid was finalised and tender of washery was floated on 20.05.13 and subsequently Lol was issued on 27.05.14, details of which is as follows:

■ Lol issue date:	<b>27.05.14</b>
■ Lol issued to:	<b>M/s Aryan Coal Beneficiation (India) Limited.</b>
■ Set-up cost:	<b>`334.72 Cr., Operating Cost: ` 71.91/Te.</b>
■ Commitment of yield:	<b>74.56%.</b>
■ Construction period:	<b>18 months from date of handover of site.</b>
■ Bid validity:	<b>Extended upto 18.07.2016.</b>
■ Price Escalation:	<b>W.e.f. 18.01.15 (last date of Original Bid Validity).</b>

Based on the same land schedule Basundhara Area, as the project proponent, submitted the Form-I for obtaining EC for setting up the washery. In anticipation of diversion of 1.2 Ha of the forest land involved in the clean coal corridor from proposed washery to the proposed silo, the ToR was received from MoEF in Sept-2014. During verification of land Schedule required for preparation of the EIA/EMP based on the ToR, it was observed that the demarcated & fenced land on which the tender of washery was finalised was not fully in possession of the MCL and moreover large track of the land was forest land.

During the field visit of the top management officials on 20.04.15 it was again confirmed that the demarcated and fenced land on which the tender was finalised was not fully in possession of MCL and it was suggested to finalise about 15 Ha available forest land instead of 20 Ha forest land on which RFP Bid was floated. Further it was also decided that the width of clean coal corridor to SILO would be widened to accommodate requirement of all washeries to be built in the Area in future which should also be located near the Basundhara Washery.

Since the area and location of site for the proposed washery based on which the tender was finalised and for which the Lol was issued was not in the possession of MCL and considering the change of site as post tender deviation and also apprehending delay in finalisation of the land related issue, the Chief manager (E&M), Washery deptt, MCL HQ initiated a note on 12.08.2015 for competent approval, recommending the cancellation of the Lol issued to the Lowest Bidder along with approval for initiation of following major activities:

- Return of Bid Security furnished by the lowest bidder in the form of BG.
- Re-tendering for setting up Basundhara Washery.
- Withdrawal of earlier received ToR from MoEF in Sept-2014.

Considering the recommendations of the Dir(Tech/Op) and also of the Dir(Tech/P&P), in-stead of cancellation of Lol, the then CMD, MCL decided to go-ahead with the original site (20 ha forest land, on which RFP Bid was floated) since Stage-I & II FC would again be required in both the cases of forest lands involved. Subsequently EIA/EMP with changed land schedule had been approved and it is understood that the activities for forestry clearances have been initiated.

The only point of concern is the delay of about 18 months for execution of the agreement with the selected L-1 party from the date of issuance of Lol i.e. 27.05.14. Moreover it is seen from the related records that the construction period as per NIT document is 18 months from date of handover of site which is yet to be decided in the instant case.

Considering all the facts as mentioned above the appropriate authorities may kindly be directed to furnish the action taken report on the various pitfalls noticed in the instant case along with the name of the officials against whom the appropriate action has been initiated for the lapses in certifying the land schedule which has been the prime cause for delay in the execution of the agreement and commencement of the work. Further the possible date of completion of the project may kindly be intimated to the vigilance secretariat so that future progress in this regard may be monitored.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CMD Ref.]/2016/502 dated 12.03.2016**

**Sub: Delay in implementation of Jagannath U/G and expenditures against the approved capital of the project reg:-**

As per the Quarterly Project Monitoring Report of MCL for the quarter ending Sept-15, the Jagannath U/G project with rated capacity of 0.67 MTY was Sanctioned on 06.03.02 by the CIL Board with Capital Outlay of ` 80.75 Cr. The scheduled date of completion as per the Project Report was March-08.

It is learnt that the project was delayed in implementation stage from 2002-06 due to delay in tendering process and no response from bidders. Subsequently as a part of the Action Plan 2007, to augment the underground production from CIL mines, this project was earmarked for introduction of mass production technology on turnkey basis, global tender for which was floated in 2009 in which no party participated. The CMPDI was then asked to prepare the Revised Project Report (RPR) for departmental development and extraction of coal by deploying Continuous Miner in July-2010 which was prepared in Dec-2011 with additional capital provision of `290.08 Cr.

Considering the scheduled date of completion of the project as per original PR as Mar-08, it is observed that the project is already delayed by nearly 08 years. Now the matter of concern is the project cost which may increase by manifold, without getting project underway. Moreover while the RPR of the project has been prepared long back, it is surprising that neither the RPR has been approved nor the old PR has been dropped.

The tabulated statement as below is indicative of the financial status of the said project:

**(All figures are in ` Lakh)**

<b>Particulars</b>	<b>PR Provision</b>	<b>Invs as on 31.03.15</b>	<b>Prog in 15-16, Aug-15</b>	<b>Cum.Invt up to Aug-15</b>
Land	0.00	0.00	0.00	0.00
Building-res	55.00	0.00	0.00	0.00
Building-nres	108.00	0.00	0.00	0.00
Rds & Cul	0.00	0.00	0.00	0.00
HEMM	0.00	0.00	0.00	0.00
P&M	6543.00	0.00	0.00	0.00
F&F	8.00	0.00	0.00	0.00
Vehicles	47.00	0.00	0.00	0.00
Rly. Siding	0.00	0.00	0.00	0.00
Prospecting	55.00	231.35	0.00	231.35
Development	1259.00	903.92	21.00	924.92
<b>Total</b>	<b>8075.00</b>	<b>1135.27</b>	<b>21.00</b>	<b>1156.27</b>

It has also been observed that `11.5627 Cr has been incurred upto Aug-15 towards the prospecting and development heads, which has further increased to `11.9024 Cr upto Dec-15. This indicates that in-spite of the Jagannath U/G being a stalled project; expenditures are still being made against the capital provisions under Development Head, which are a kind of infructuous expenditure.

In view of the above, the appropriate authorities may kindly be directed to review the superfluous expenditures being made against the capital provision of the above mentioned project. Suitable decision is also required to be taken towards continuation of the project or otherwise, which has run into time over-run by several years.

Sd/-  
Chief Vigilance Officer

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**Sub : Handling of major contracts – report / advisories, regarding**

Based on the source information, a detailed CTE (Chief Technical Examiner, Central Vigilance Commission) type study was conducted in the contract of “Construction of Mahanadi Institute of Coal Management, MICM (presently known as MINREM-Mahanadi Institute of Natural resources & Energy Management) at Tamando, Bhubaneswar. The said contract was given on nomination basis to the National Buildings Construction Corporation Limited (NBCC) to undertake construction from “Concept to Commissioning” as per “**Memorandum of Understanding**” dated 06.02.2013 signed between GM (Civil), TA & CSR and Sr. General Manager, NBCC Ltd. As per MoU, the scope of work included providing of Consultancy as well as execution of the works as Contractor.

Even after the lapse of almost 39 (thirty-nine) months from the date of signing of MoU the construction work has not been completed due to extremely casual handling of this major contract by MCL Bhubaneswar Office and the Civil Department Officials which has resulted into abnormal delay in the completion of the project as is evident from the following facts :

The following lapses/irregularities were observed in obtaining statutory approval for the construction of MINREM, Bhubaneswar by the concerned authorities of the MCL w.r.t. the lease deed signed on 05.02.1996 between the Collector, Khurda, acting in the premises for and on behalf of Governor of Orissa, the **lessor** and the then HOD, MCL Bhubaneswar Office for and on behalf of Mahanadi Coalfields Ltd, the **lessee** :

(i) The lease deed for the land of 30.00 Ac. Area under mouza Bizipur, Khata No. 298, Plot No. 735 (part), Tehsil : Bhubaneswar, Dist. : Khurda of the lease hold land was concluded between the lessor and the lessee stipulate that the lessee which expression shall unless excluded or repugnant to the context include its **successors**, executors, administrators and assigns on the other part. The said lease deed also stipulates that the lessee has applied to the lessor for lease of land to be used for the purpose of establishment of Divisional Office and Residential complex.

(ii) The said lease hold land has been made over to or placed under the control of the lessee by the lessor for the aforesaid purpose only. The lessee had applied to the BDA authorities for construction of an Institute viz. MICM, i.e. **Mahanadi Institute of Coal Management** which was subsequently registered under Societies Act and named as MINREM, i.e. **Mahanadi Institute of Natural Resources and Energy Management**.

(iii) The lessee shall not make or permit to be made any building or works which is/are not ancillary for this specific purpose on or under the said lease hold land for which the lease is granted. It also stipulates that the lessee shall not in any way bequeath, mortgage, transfer, assign or part with the possession of the demised land or any portion thereof except as authorized by the lessor in writing. Though a letter dated 26.03.2014 addressed to Dr. A K Samantray, Dy. GM (Env.) / HoD, MCL Bhubaneswar

Office of the Asst. Town Planner, BDA had requested to submit the following statutory documents:

- a) NoC from the Revenue Authorities to use the lease hold land for establishment of Institute of Coal Management as against the purpose of lease for establishment of Divisional Office and Residential complex.
- b) NoC from Ministry of Environment & Forest, Govt. of India.
- c) NoC from PHED for drinking water.
- d) Submit the drainage and sewerage plan duly vetted by C.E.-cum-E.M., BDA.

(iv) Further, from the letter dated 09.04.2015 of Planning Member, BDA addressed to Mr. XXX it transpires that Mr. XXX did not respond to the previous letter of BDA dated 26.03.2014 and the construction of MICM / MINREM continued without the approval of the BDA authorities as apparent from the Utilisation Certificate submitted by the NBCC. Planning Member, BDA vide letter dated 09.04.2015 called upon to show cause as to why the application shall not be refused on the ground of non submission of NoC from the Revenue Authorities to use the lease hold land for establishment of Institute of Coal Management as against the purpose of lease for establishment of Divisional Office and Residential complex within fifteen days.

(v) Mr. XXX vide letter dated 19.08.2015 furnished the documents at sl. no 02, 03 & 04 above and stated that the subject lease hold land has been leased by Govt. of Odisha to Mahanadi Coalfields Limited for the purpose of establishment of its Divisional Office and Residential Complex. The project that is to come up on the leased site is part and parcel of Mahanadi Coalfields Limited and shall be in the form of an Institute having an aim to provide large scale training and executive education to the executives of Central and State PSUs. Such aim is incidental to the main business and core objective of the Company. It was thus contended by Mr. XXX that the project is well within the purpose for which the lease of the lease hold land is granted. The submission of HoD, MCL Bhubaneswar Office was not accepted by the BDA Authorities as evident from the letter dated 15.09.2015 of Planning Member, BDA and specifically sought for NoC from the Revenue Authorities. The NoC from the Revenue Authorities is yet to be received and consequently the approval of BDA is still pending.

(vi) As per the Gazette Notification vide no. 11199 / BP / BDA dated 15.12.2008, Form – V, form of notice for commencement of work as well as Form – VIII, periodic progress report of the work were not notified/submitted/intimated to BDA authorities by the MCL or the NBCC authorities.

As per the power conferred to Bhubaneswar Development Authority (BDA) vide the said Notification under the heading 'definitions' define "owner" 'as means a person, group of persons, a Company, Trust, Institute, Registered body, State or Central Government and its **departments**, undertakings and the like in whose name the property stands registered in revenue records'. In the matters relating to the vesting of land for the purpose of construction of MINREM, as per the lease deed, HoD, MCL Bhubaneswar Office, the lessee is the official holder of property of the leasehold land (copy of the relevant excerpts of BDA).

Further, as per lease deed the lessee shall construct houses or other buildings of such descriptions and dimensions as may be approved by the BDA, Bhubaneswar. It also stipulates that the leasehold land to be used for the purpose of establishment of Divisional Office and Residential Complex as the said land has been made over to or placed under the control of the lessee by the lessor for the aforesaid purpose only and shall not be utilized for any other purpose.

Therefore as part of the responsibility and duty of the owner as defined by the said notification of BDA, it was obligatory on the part of the lessee to obtain from the competent authority permission/clearance required in connection with the proposed work and subsequently give written notice in Form – V to the BDA authority before the commencement of work on building site which was not complied.

Further, the said notification defines ‘Unauthorized Construction’ which means the erection or re-erection, addition or alternation which is not approved or sanctioned by the Authority. It further states that only after receipt of the NoC from the local authority, the go ahead for commencement of the work for construction of the main building shall be given by the BDA.

In light of the aforementioned definition of ‘Unauthorized Construction’, the existing structure of MINREM falls under this definition and the BDA Authorities might take suitable action against the ‘Unauthorized Construction’ including rejection of the application of the MCL resulting to demolition of the ‘Unauthorized Construction’ and / or regularization of the construction after levying heavy penalty on the MCL. For both the circumstances, Mr. XXX, HoD, MCL Bhubaneswar Office shall be solely responsible.

Further, the following lapses/irregularities were observed in monitoring/ handling of the project by the concerned authorities of the MCL:

(i) After signing of MoU, a formal Work Order/Agreement should have been issued / concluded wherein the details of procedures of execution alongwith Engineer-in-charge of the project, Paying Authority etc. should have been laid down.

(ii) As per clause 2 (iv), (v), (vi) & (vii) of the MoU, against a **Corporate Guarantee**, 10% of the preliminary estimated value was agreed upon to be released and further lease of advance was agreed upon to be released on utilisation of 80% of the advance, subject to the submission of Utilisation Certificates along with the relevant documents as mentioned in the MoU by the NBCC.

It is to be noted that the Corporate Guarantee issued by Director (Finance), NBCC has **expired on 05.08.2015**. Moreover, this Corporate Guarantee takes care of the running advance @ 10% only of the preliminary estimated value made by the MCL to the NBCC. Thus, there is no provision for deduction of the penalty amount to be imposed on any count liable to the NBCC as per MoU.

(iii) As per clause 2 (xiv) of the MOU, the completion time is 30 months which shall start from the date of receipt of specific requirements of the projects from the MCL. Further, it states that any delay in receipt of statutory approval with regard to plans etc. shall be duly considered by the MCL and if necessary extension upto a period of 03 (three) months shall be granted by the MCL. It transpires that vide letter no. 130 dated

20.05.2013, GM (Civil), TA/CSR communicated the approval of the competent authority of preliminary sanction and requested to proceed in the matter. Hence, the start date and end date remains open ended as these crucial dates have not been mutually agreed upon by both the parties. In addition, the examination of the file relating to the extension of time (EoT) reveals that the officials of Civil Department who have initiated the proposal for EoT are not firm of commencement date of work as 02 (two) different dates of commencement, i.e. 06.02.2013 and 09.09.2013 have been mentioned which is however different from the one mentioned in letter no 130 dated 20.05.2013 issued by GM (Civil), TA / CSR.

(iv) As per clause 5.5 of the MoU which stipulates that the NBCC shall submit to the MCL the PERT network/BAR chart based on PRIMAVERA/ MS Project for each work and subsequent monthly report indicating progress thereof. In addition the NBCC shall submit to the MCL monthly report indicating physical and financial progress. No such records in the form of Hindrance Register/Work Progress Register based on PERT network/BAR chart is maintained between the MCL and the NBCC to justify the extent of EoT and assessment of the penalty amount, if any, to be imposed on the NBCC.

(v) As per clause 5.14 of the MoU, the NBCC shall not be considered a defaulter if delay in completion of the work occurs due to the causes beyond their control such as acts of God, Natural Calamities, Civil Wars, Fire, Strike, Frost, Floods, Riot and acts of unsurpassed power. It is also stipulated that the NBCC shall notify the MCL in writing within 10 (ten) days from the date of such occurrence. From the relevant records, it is evident that no such communication was made by the NBCC to the MCL. Then how the extent of EoT has been decided while processing the proposal for EoT and that to without determining any penalty, if applicable.

(vi) As per clause 5.12 of the MoU, the damages shall be calculated @ 0.5% of the balance value of work for each week of delay solely attributable to the NBCC. It is specified that the NBCC shall be liable to pay the said damages, if any, to the MCL, but the MoU is not specific about the mode of the recovery of such liability. Further in the absence of Hindrance Register/Work Progress Register based on PERT network/BAR chart it is not possible to assess the extent of balance value of work on weekly basis and hence the penalty, if any, to be imposed on the NBCC.

Though it was very well mentioned in the Board note amongst other requirements that a Detailed Project Report (DPR) shall be submitted for approval before going into tendering process, the same was conspicuously not made part of the MoU defying Board's directive. Further, statutory approvals / clearances required prior to the construction of MICM were not obtained. When the same were brought to the notice of concerned officials of Civil and Finance Deptt. at MCL HQ. vide reference no. MCL/SBP/ VIG/[HQ Civil-NBCC]/2016/331 & 332 both dated 15.02.2016 only then they became active for obtaining necessary Statutory Approval / Clearances etc.

(vii) Integrity Pact as per clause 6.0, was not concluded between the MCL and the NBCC to resolve matters arising out of difference between the two parties which was supposed to be executed immediately after the signing of MoU. This was concluded on a much later stage when question was raised in this regard by the Vigilance Secretariat.

Apart from the above mentioned major lapses/irregularities, it is revealed that the concerned officials of the MCL have neither carried out the field inspections nor recorded the progress of the construction. They have also not done any inspection/certification of materials. Further, as per clause 2 (ix) & (x) of the MoU the MCL officials should have participated in the verification of the credentials of the Architect/Contractor or take part in the selection of the Architect/Contractor which they have failed to do. No record of engagement of multi-disciplinary Project Organization Team as envisaged in the MoU could be found out in the relevant records.

As per Civil Engineering Manual applicable for all major works, a designated Engineer-in-Charge, a Site Engineer and an Overseer/Engineering Assistant/Sub-Ordinate Engineer is mandatory for proper execution/ supervision and measurement recording of the work. In the instant matter though an Engineer-in-Charge was deputed on a part time basis to operate from MCL HQ. with instruction to visit the site once in a month by the General Manager (Civil)/HoD. No intermediate order of supervision was available for this work. Hence, the important link for supervision of work, i.e. Site Engineer is absolutely missing.

One Sub-Ordinate Engineer (Civil) posted at MCL Bhubaneswar Office, under the administrative control of Dr. Samantray was authorized for supervision of civil works of MICM which in itself is indicative of the fact that the entire activities of the Civil work w.r.t. MINREM took place under the active guidance and knowledge of HOD, MCL Bhubaneswar Office, Dr. A K Samantray who dealt the entire matter in a very reckless manner leading to a situation which could put the MCL in a highly embarrassing situation before the State Govt. of Odisha.

Further, Rule 126 (2) of General Financial Rules, 2005 Government of India, Ministry of Finance, Department of Expenditure has been quoted to justify the engagement of the NBCC for the construction of MINREM. The instance of construction of Corporate Building of Coal India Limited by the NBCC has also been cited for the engagement of the NBCC for the construction of MINREM.

It is pertinent to mention here that the GFR Rule 126 (2) has been misinterpreted which it appears shall not be applicable to PSUs of the Ministry and there was no urgency for the construction of MINREM, as in the case of Corporate Building of Coal India Limited which has been cited as one of the main reasons for awarding work to the NBCC on nomination basis. Hence it is advised that the work may be awarded by either competitive bidding or by at least calling for '**Expression of Interest**' from the agencies of Govt./ Public Sector Undertakings at least in the instant case. Statutory Audit Observation for Quarter Ending December, 2015 by the Statutory Auditor, M/s PAMS & ASSOCIATES, Chartered Accountants, Bhubaneswar may kindly be referred in this regard.

It would not be out of context to mention here that the Statutory Audit Observation was not made available to Vigilance Secretariat as per the direction mentioned in advisory note vide no. MCL/SBP/VIG/[CMD ref.] 2015/ 1640 dated 19.08.2015. Based on discreet information, Vigilance Secretariat came to know regarding some note of dissent by Statutory Auditor as mentioned above which was available with Dr.

Samantaray, Dy. GM (Env.) / HoD, MCL Bhubaneswar Office. On repeated demand of Vigilance Secretariat, the record was made available through FAX by Dr. Samantaray.

May also kindly like to refer to the relevant excerpts of the letter of CMD, MCL vide no MCL/HQ/CMD/ 2015/7379 dated 31.08.2015 to define the role and responsibility of Dr. Samantaray, Dy. GM (Env.) / HoD, MCL Bhubaneswar Office is as below :

Mr. XXX heading the MCL Bhubaneswar Office is discharging following functions efficiently and effectively with due diligence and proficiency' :

(i) Functioning as Chief Executive Officer for MINREM (MCL Institute of Natural Resources and Energy Management) instituted to impart advance training in the field of Natural Resources and Energy Management.

(ii) Liasoning with State and Central Government Authorities for timely execution of works at different offices.

Further, Office Order vide no. MCL/HQ/EE/2013/514 dated 01.04.2013(copy enclosed as is specific on his job assignment which reads as "He will also coordinate various activities of MICM, Bhubaneswar as Nodal Officer". In view of the circumstances, specifically those narrated at **NS/2 & 3**, it is evident that Mr. XXX / HoD, MCL Bhubaneswar Office has acted in a manner prejudicial to the interests or image of the Company and has not discharged his assigned duties effectively with due diligence.

Before concluding here are following observations w.r.t. hiring consultant/ contractors for necessary compliance :

(i) Once the Consultant was appointed all the responsibility has been abdicated to the Consultant, i.e. NBCC by the MCL and there has been lack of proper supervisory arrangement by the MCL in placing total reliance on the consultant.

(ii) Often the scope of work entrusted to the consultant is either not defined properly or the consultant has been given a free hand to handle the project. The MCL officials displayed an over-dependence on the consultant, i.e. NBCC and invariably abdicate their responsibility completely to the latter.

(iii) The appointment of consultant should be absolutely need based and for specialized jobs only. The selection of consultants should be made in a transparent manner through competitive bidding. The scope of work and role of consultants should be clearly defined and the contract should incorporate the clauses having adequate provisions for penalizing the consultants in case of defaults by them at any stage of the project including delays attributable to the consultants. As far as possible a "Project Implementation Schedule" indicating maximum permissible time for each activity should be prepared with a view to arrest time overruns of the projects. There should be no major deviation in the scope of work after the contract is awarded and the consultant should be penalized for poor planning and supervision if the deviations result in excessive cost overruns. The role of the consultants should be advisory and recommendatory and final authority and responsibility should be with the departmental officers.

(iv) A Company / Consultant hired to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment for the same project. Consultants or any of their affiliates shall not be hired for any assignment, which by its nature, may be in conflict with another assignment of the consultants.

In view of the above, following are the advisories, which are required to be followed scrupulously for having clarity in the implementation of major contracts:

i) Proper justification within the frame work of extent rules and guidelines for awarding works on nomination basis.

ii) Incorporation of defined start and end dates of the project with competent approval.

iii) Preparation of Detailed Project Report (DPR) for approval before going into the tendering / implementation process.

iv) Maintenance of Hindrance Register/Work Progress Register/Online Project Management System for expediting the completion of major contracts.

v) Clarity on penalty clause having in order to avoid any future complications.

vi) Compliance of all necessary statutory approvals / clearances /Board directives prior to the onset of implementation process.

vii) Nomination of designate Engineer-in-charge, Site Engineer with specific duties and responsibility for the purpose of ensuring qualitative and quantitative works.

viii) Quarterly review of all major contracts at the concerned Director Level/HoDs in order to weed out any chances of irregularities/complications in the execution and completion of the major contracts.

Sd/-  
Chief Vigilance Officer

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**Sub : Status Report of initiatives taken by Vigilance Secretariat to curb irregularities in House Keeping and Catering tenders, regarding.**

The Status Report of initiatives taken by Vigilance Secretariat to curb irregularities in House Keeping and Catering tenders vis-a-vis petition of one Shri XXX dated 21.03.2016 addressed to PMO Office, New Delhi is placed for kind perusal for the necessary compliance to the reference received vide MoC letter no. 49028/14/2016–PWIW-1 dated 22.04.2016 addressed to Chairman-cum-Managing Director, Mahanadi Coalfields Limited.

In the instant complaint, the complainant has broadly raised the following issues:

- i) To withdraw the modified eligibility criteria of having experience of having provided catering/housekeeping in Central Govt./State Govt./ Central PSUs/Three Star Hotels only and enabling private firms to participate in the tendering of Housekeeping and Catering Contracts.
- ii) Consideration for treating the tender of Housekeeping and Catering Contracts a non specialized nature of job on the plea that the major value of the contract involves labour component.
- iii) Execution of past such contracts only by few parties for the last 20 years.
- iv) Frequent cancellation and re-tendering of the said tenders.
- v) Enhancement of the contract period from 02 (two) to 03 (three) years.

The **petitioner in the concluding paras has suggested for investigation by any neutral agency so as to ascertain how a few numbers of bidders are awarded such contracts and suggested to outsource the said contract to reputed Govt. agencies like Indian Coffee House or Indian Railways Catering and Tourism Corporation (IRCTC).** In the said petition, the petitioner has also made allegations against the action taken by the CVO of the Mahanadi Coalfields Limited.

Now putting the facts straight the undersigned would like to state that it has been experienced in the Mahanadi Coalfields Limited, Sambalpur that the **catering & housekeeping tenders have always been a ground for unhealthy competition amongst the local bidders for the sake of grabbing tenders by all means. This kind of situation has led to resorting to various malpractices like paltering pressure on the eligible bidder/JV to withdraw the bid, shadow bidding, fake bidding besides showing of muscle power by the existing service providers leading to a piquant situation in the MCL where almost all the housekeeping and catering tenders have been cancelled at the first go.**

It would be pertinent to make a mention of the initiatives taken by the Vigilance Secretariat for streamlining the housekeeping and catering contracts. The contents of the advisories given to the CMD would itself address the allegations/ concern raised by the complainant, which is as follows:-

The undersigned in its advisory note vide no. MCL/Vig/[System Improvement] 2014/1979 dated 21.11.2014 had **made suggestion to explore the possibilities of running the house keeping/ catering services departmentally in the Project areas by the Management.**

The aforementioned Vigilance Advisory was given to the then CMD in the matter based on the outcome of the structural meeting held with the prospective bidders/contractors during the Vigilance Awareness Week, 2014 for **improving transparency and eliminate the entry of small / petty vendors having no experience of housekeeping and catering based work which is a specialized nature of work as per the “Civil Engineering Manual” (CEM 2015).** Further, the undersigned had advised the MCL Management vide the aforesaid note for **exploring the possibility of re-designing of the NIT in consultation with the IEMs.** Based on the said advisory, decision for modification of the NIT was taken by the Administrative Department with the approval of Competent Authority which is purely a Management action and Vigilance has no role to play.

In order to take care of complicacies in such tenders, **catering and housekeeping tender irrespective of the value was brought under the ambit of Integrity Pact due to vigilance intervention,** so that element of objectivity & transparency can be attained as evident from the advisory note vide no. MCL/ Vig/[CMD ref.] 2015/1641 dated 18.08.2015. In the said note **it has been specifically mentioned that some bidders, viz. M/s YYY and M/s ZZZ were being awarded the contract for housekeeping and catering services in spite of open e-tender since more than a decade.**

Even though all the possible measures were suggested for healthy competition of the House keeping and catering tenders, still there had been a kind of leg pulling and adoption of malpractice which have been noticed in the recently floated tenders by the bidders, viz. M/s YYY, M/s ZZZ, M/s PPP, M/s QQQ, M/s RRR, M/s SSS & M/s TTT.

In case the investigation is made by any other independent agencies also as pointed out by the complainant Shri XXX, the facts of malpractices / unfair means along with the modus operandi being adopted by the interested parties which inter-alia includes the complainant, Shri XXX would surface in a more exhaustive manner.

In order to avoid such complexities and weed out possible cartel formation by the bidders, **it is high time to explore the possibility of running Housekeeping and catering services departmentally or outsourcing the services to proven and reputed Govt. agencies, within the permitted frame work as has been done at Coal India Corporate Office and leading PSUs, viz. NTPC.**

Sd/-  
Chief Vigilance Officer

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**Sub : Vendor Development Scheme for award of transportation contracts in MCL through the Co-operative societies to be formed with the Project Affected People (PAP) - regarding.....**

The scheme for “Vendor development for award of Transportation contracts through co-operatives of PAPs” was approved by the MCL Board in its 108<sup>th</sup> meeting held on 13.06.09 for development of new vendor base and for the promotion of PAPs and local people who have not been given any employment in MCL. The said scheme stipulates that at least 80% of the members of the cooperative society should be PAPs and rest 20% of the members may be non-PAP members from the periphery of 30 KMs of a particular coalfield.

Subsequently the MCL Board extended the distance limit for the 20% non-PAPs members of the Co-operative Society from 30 KMs to 75 KMs for a particular coalfield for wider participation and encouragement of formation of new Co-operative Societies. Consequent to the repeal of the Odisha Self Help Co-operatives Act-2001 on 22.08.2013, amendments to the scheme were approved by the MCL Board on 26.05.14, in which the Board directed that the existing Co-operative societies registered under Odisha Self Help Co-operative Act, 2001 & already registered in MCL be allowed to continue to work subject to submission of Registered Partnership Deed with the same members, who constitute the Co-operative Society.

During the systemic study conducted by the vigilance secretariat based on the representations made by the PAP societies relating to the delay in re-registration of different co-operative societies/partnership firms, it was observed that the deletions/additions of members had been made by many societies in both the Coal Fields without intimating the projects/areas and the MCL HQ. In the absence of clear-cut guidelines/directives, many societies continued with the changed membership without obtaining the approval of the competent authority even though the registration of the Co-operative Societies in MCL had been done with the approval of the competent authority at MCL HQ.

In view of the afore-mentioned circumstances it would be advisable that such Societies which are registered with MCL, may furnish the names of members proposed to be added / deleted at least a month in advance with proper justification in a proper format to the concerned Area authorities for taking necessary approval of the competent authority in advance to have uniformity in the functioning of PAP's Societies in the Coalfield. Further the following systemic measures may be considered for necessary action to streamline the functioning of the PAP's Societies.

(i) The PAPs who had not been given any employment or whose case is not under consideration for any employment in MCL, may only be made eligible for becoming members of the Co-operative Societies.

(ii) To consider restricting the PAPs within their home Projects/Areas due to the overlapping of areas, especially in the Talcher Coalfield where situation is arising that PAPs of one area are becoming members of the Society registered for other area. With the introduction of PAP members from other areas, the unrest amongst the PAPs of the home Projects/Areas is likely to increase because of the deprivation from getting benefits under the scheme. Also the cross-verification of the members of PAP Societies of other areas may get difficult for the area in which the Society is working.

(iii) Formulation of suitable guidelines for exercising a kind of control over a situation where a PAP member after giving resignation from the society may become a Non-PAP member of another society in other nearby area within same coalfield, resulting into getting the advantage of the scheme for more than 5 years.

(iv) Re-visiting of Board directive pertaining to extension of periphery of 30 KM to 75 KM in the absence of any well defined boundary of the coalfields, and particularly when the scheme was introduced to help the PAPs in regular earnings and improvement of their economic condition, allowing the Non-PAP members within the co-operative society from places which are far away from the Areas (up to 75 Km from the periphery of the coalfield) may defeat the basic purpose.

It also came to the notice of the vigilance secretariat during the systemic study conducted in this regard that the PAP members of societies/partnership firms are being deprived from proper sharing of profits by the non-PAP members thereby defeating the very purpose for which the scheme had been implemented. This aspect also needs to be addressed by the concerned authorities. In order to inject the element of transparency it would be advisable that the payment to the partners of the Society/Partnership Firm may be made through Bank Accounts so as to keep a track of proper distribution of profits and to avoid the non-payment/ under payments issue of the PAP members.

Sd/  
Chief Vigilance Officer

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**MCL/SBP/Vig/[CTE Report]/2016/963 dated 24.05.2016**

**Sub: Inordinate delay in execution of the contractual works --- Regarding.**

The Quarterly Progress Report relating to major contractual works is being sent quarterly to the CTE, CVC, New Delhi based upon the reports received from the concerned departments. While scrutinizing the reports received from different departments for the quarter ending March'2016, it was found that the progress of several contracts has not been satisfactory probably due to lack of periodic monitoring of the works by the concerned HODs'. In addition, few works had been completed long back but the closure of the contracts has been badly delayed due to non-finalization of RE/DE and other reasons.

In this regard, it is pertinent to make a mention that the Chief Technical Examiner (CTE) wing of Central Vigilance Commission, New Delhi selects the work for CTE inspection based upon the quarterly report furnished by the CVOs'. The reasons for the delay in the implementation of the ongoing contracts have been mentioned under the remarks column obtained from the concerned departments which is indicative of the casual approach on the part of the officials leading to poor implementation of contracts. The Vigilance Secretariat is looking into the matter where the delay in finalization of contracts has gone much beyond the stipulated time line and where the reasons for such delay are directly attributable to the officials concerned.

Further, while sending the QPR to the Central Vigilance Commission, New Delhi, it has been specifically mentioned that the list of the contracts is being forwarded to the CMD, MCL for the purpose of review & monitoring on periodic basis to expedite the implementation of long pending projects.

Sd/-  
Chief Vigilance Officer

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**MCL/SBP/Vig/[RDA-05/14]/2016/964 dated 24.05.2016**

Sub : Difference in age as per school record and age assessment made by the Age Assessment Board in respect of the land oustees of village Kalamchhuin, Solada, Teleisingha, etc. in Talcher Coalfields who are employed in MCL

Based on a complaint received from the Central Vigilance Commission (CVC), New Delhi regarding furnishing false date of birth by the employees of village Kalamchhuin, Solada etc. in the Talcher Coalfields appointed under land oustee scheme, an Action Taken Report was furnished to the CVC, New Delhi vide Vigilance Secretariat's ref. No.1760 dated 09.09.2015. The CVC, New Delhi vide No.013/COL//049/301452 dated 04.12.2015 advised the undersigned to get the views of the DA finalized for initiating penalty proceedings against the members of the Medical Board (Age Assessment Board).

Accordingly, after investigation and obtaining versions from the concerned Medical Doctors, the case was forwarded to the CMD, MCL vide No. 527 dated 16.03.2016 for expert opinion of the CMS, MCL before taking a decision w.r.t. the negligence, if any, in the age determination by the Doctors.

Subsequently, the matter was also discussed with the Director(Personnel) and consequent to that the Dean & Principal, VIMSAR, Burla was requested for constituting a Committee consisting of specialists from (i) Forensic Medicine & Toxicology (ii) Radio diagnosis (3) Dental and any other speciality vide letter No.213 dated 30.04.2016 of the CMS, MCL.

It is pertinent to mention here that in the review meeting held on 11.05.2016 at Central Vigilance Commission, New Delhi the complexity of the issue was intimated to the Addl. Secretary, Central Vigilance Commission, New Delhi and time extension upto 15.06.2016 had been sought.

As the matter is getting delayed, probably due to lack of consistent follow up with the Principal, VIMSAR, Burla, it would be advisable to depute senior officials at the level of E7/E8 from the Medical/Personnel department in order to expedite the process of expert opinion w.r.t. age assessment by 30<sup>th</sup> May, 2016 so that the Vigilance Secretariat can finalize the report and submit the IO's report along with the DA's view latest by 10<sup>th</sup> June, 2016, to the Central Vigilance Commission, New Delhi.

Sd/-  
Chief Vigilance Officer

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In view of the 'X' on pre-page, the following are observations/advisories of the undersigned:-

- Schedule-cum-Action plan as attached in the file for the proposed four number of washeries is not found updated. Stipulated timeline indicated for completion of desired activities have been missed out and the Company is lagging behind the schedule w.r.t. completion of certain critical paths as highlighted by the undersigned. The timeline is required to be updated so that Vigilance Secretariat may also keep tab on the progress of the major contracts.
- In one of the tender (Basundhara Washery) the L<sub>1</sub> bidder is declared even when the land proposed for the said washery is yet not free from all encumbrances. In this regard no administrative action has since been initiated against the serving officials.
- In another tender (Jagannath Washery), the award of work has been delayed due to lack of vital confirmatory documents from the L<sub>1</sub> bidder. It has been observed that the offline mode of communication has been resorted to in seeking clarification from the holding/subsidiary company of the JV/consortiums for a particular document i.e. letter of undertaking (as per Clause 6.1(d) of the NIT terms & conditions), when the said document has not been furnished or uploaded by the L<sub>1</sub> bidder as per the NIT conditions. In this regard it is opined that in case the L<sub>1</sub> bidder would have submitted / uploaded the letter of undertaking as per the Clause 6.1(d) of the NIT, the same could have been got verified from the Subsidiary/Holding Company which would have been a right and logical step.
- In case of Hingula Washery, inspite of the LOA being accepted by the L<sub>1</sub> bidder on 01.01.2016, the bidder has yet not deposited the Performance Bank Guarantee resulting into delay of the said Project. The appropriate decision as per the NIT terms & conditions is required to be taken expeditiously in order to prevent further delay in the matter.
- Tender Committee members have been in-consistent in deliberating on the core issues and in taking timely decisions, which has been one of the prime reasons for the delay in finalization of the washery tenders.
- As the delayed decision making is now one of the priority concern of the Vigilance Secretariat, delay analysis is being undertaken by the vigilance in order to find out the delay that has occurred due to the casual approach of the officials in processing the files w.r.t. tenders relating to washeries and other major infrastructural investments.
- In the Quarterly Progress Report being sent to the CVC, New Delhi for the major contracts i.e. `5.00 crore and above, the status of the proposed washeries which are major investments are not finding place as these washeries have not reached to the award stage even after a lapse of 1-2 years due to various administrative reasons which is a matter of concern for the Vigilance Secretariat.

In order to circumvent the shortcomings noticed as above, it would be highly appropriate to initiate “**online monitoring of projects**” (Project Management System module in the Coalnet) so that the fixed/scheduled time line is strictly monitored and corrective/rectifiable measures are immediately taken for the time bound implementation of the major contracts. It is further advised that for the major contracts/investments to yield desired results/objectives, quick decision needs to be taken to either continue with the existing tender or go for retender in order to save time which is an essence of any contract. In this regard, file tracking system need to be used effectively in monitoring of movement of files relating to washeries & other major contracts so that the files do not get stuck up with one officer for more than 4-5 days, which otherwise would invite vigilance intervention for pushing the files.

For favour of kind information and necessary action please.

Sd/-  
Chief Vigilance Officer

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**Sub : Non-finalization of tender for procurement of Surface Miners  
within the “original bid validity period”**

Based on the source information, the Tender Committee Report (TCR) file pertaining to the NIT No 97 dtd 14.11.2015 for the procurement of 02 nos of SURFACE MINERS in MCL was temporarily seized by the vigilance secretariat. During the examination of the said file it was observed that there has been inordinate and unexplainable delay in the finalisation of the tender as seen from the following facts:

a) Date of publication of e-NIT	<b>17.11.2015</b>
b) Bid submission end date:	<b>22.12.2015</b>
c) Techno Commercial Bid Opening date:	<b>23.12.2015</b>
d) Price Bid opening date:	<b>13.01.2016</b>

It was surprising to take a note of the fact that even after the opening of the Price Bid on 13.01.2016 the said tender has not been finalised. Further while the Bid Validity of the L-1 bidder was upto 19.04.2016 which is 120 days from end of bid submission date, the bid validity has not been extended by the tendering authority (the MM Deptt, MCL HQ) till the date of intervention by the vigilance secretariat as on 20.07.2016.

As per the Clause no-12 of the NIT document, the Bid validity period of the tenders shall be minimum 120 (one hundred twenty) days from the end date of submission of bid. The bidder shall not, during the said period or within the period extended by mutual consent, revoke or cancel his tender or alter the tender or any terms/conditions thereof without consent in writing of the company.

In the instant case due to the non-extension of the bid validity, as on date, the quoted price of the L-1 bidder has become void and null. Further it has been observed that the tender is being dragged for months by the Tender Committee without the extension of the bid validity for arriving at a conclusive decision. Surprisingly the Tender Committee in its meeting dated 05.07.2016 which is about 06 months after price bid opening date, in-spite of observing different discrepancies/shortcomings in the documents submitted by the L-1 bidder, has not taken any conclusive decision and met with the representative of the L-1 firm which is highly irregular & objectionable act.

It is pertinent to specifically mention here that the CVC, New Delhi vide letter No. 008/CGL/083 dtd 06.11.2008 has directed that there should be time bound processing of procurement within original validity of the tender without seeking further extension of validity. While the Commission has advised to fix a reasonable time for the bids to remain valid while issuing tender enquiries, to fix a reasonable time for the bids to remain valid while issuing tender enquiries, keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the competent Authority, etc., and to ensure the finalisation of tender within the stipulated original validity.

The circular also clearly states that any delay which is not due to unforeseen circumstances should be viewed seriously and prompt action should be initiated against those responsible for non-performance. It has also mentioned that the cases requiring extension of validity should be rare. And in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time valid and logical grounds, justifying extension of the said validity.

As has been observed from the TCR file w.r.t. procurement of surface miners that the tender finalisation has been badly delayed due to the non-performance of the TC members, leading to expiry of the original bid validity and non-finalisation of this major tender within the original bid validity period. Further it appears that the negotiation/seeking clarification is being done with the L-1 bidder without getting the extension of the bid validity period from the L-1 bidder. These type of gross irregularities could have been easily avoided by being alert and vigilant during the tender evaluation process. Therefore without prejudice to the merit of the case in the instant tender file, it is requested to direct the concerned Directorate for expediting the finalisation of all the tender processes strictly as per the NIT terms & conditions.

Forwarded for favour of kind information and necessary action.

Sd/  
Chief Vigilance Officer

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**Sub : Non-finalization of tender for procurement of Surface Miners within the “original bid validity period”**

The Tender Committee Report (TCR) file pertaining to subject tender (e-NIT No 97 dtd 14.11.2015) for the procurement of 02 nos of SURFACE MINERS in MCL was temporarily called by the vigilance secretariat. During the examination of the said file it was observed that there has been inordinate and unexplainable delay in the finalisation of the tender as seen from the following facts:

a) Date of publication of e-NIT	<b>17.11.2015</b>
b) Bid submission end date:	<b>22.12.2015</b>
c) Techno Commercial Bid Opening date:	<b>23.12.2015</b>
d) Price Bid opening date:	<b>13.01.2016</b>

It was surprising to take a note of the fact that even after the opening of the Price Bid on 13.01.2016 the said tender has not been finalised. As per the Clause no-12 of the NIT document, the bid validity of the L-1 bidder was 120 days from the end of the bid submission i.e. upto 19.04.2016 and thus the bid validity of the L-1 bidder had expired w.e.f.20.04.2014. It was only after the intervention of the vigilance secretariat on 20.07.2016, that the tendering authority took initiative to extend the bid validity on 25.07.2016, with bid validity till 31.08.2016. It also appears that the tendering authority did not inform the tender committee about the expiry of the original bid validity, which is a serious lapse on the part of tendering authority.

Surprisingly the Tender Committee in its meeting dated 05.07.2016, i.e. about 06 months from the date of price bid opening, despite having observed different discrepancies/shortcomings in the documents submitted by the L-1 bidder, did not arrive at any conclusion and had face to face interaction with the representatives of the L-1 bidder, which, neither is in conformity with the NIT conditions, nor a ethical & acceptable way of dealing with the sensitive matters. Now, due to expiry of the bid validity w.e.f. 20.04.2016, the bid of the L-1 bidder became null and void since the entire tender procedure prior to the award of the work to the L-1 bidder should have been within the original bid validity period.

Here, it is pertinent to specifically mention that the CVC, New Delhi vide letter No. 008/CGL/083 dtd 06.11.2008 has directed that there should be time bound processing of procurement within original validity of the tender without seeking further extension of validity. While the Commission has advised to fix a reasonable time for the bids to remain valid while issuing tender enquiries, to fix a reasonable time for the bids to remain valid while issuing tender enquiries, keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the competent Authority, etc., and to ensure the finalisation of tender within the stipulated original validity.

The circular also clearly states that any delay which is not due to unforeseen circumstances should be viewed seriously and prompt action should be initiated against those responsible for non-performance. It has also mentioned that the cases

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

Further, it has been observed that the tender has been dragged for months by the Tender Committee without the extension of the bid validity for arriving at a conclusive decision. In view of the aforementioned circular of the CVC, New Delhi, it is quite evident that by continuing to act on the expired bid of the L-1 bidder, the TC members and tendering authority have violated the above mentioned guideline of the CVC. It has also been observed from the TCR file that the tender finalisation has been abnormally delayed due to the non-performance on account of the TC members, leading to expiry of the original bid validity and non-finalisation of this major tender within the original bid validity period in gross violation of the aforementioned CVC Circular. Further it appears from the TCR file that the negotiations/seeking clarifications were done with the L-1 bidder during the expired period.

Therefore, it has been seen in the instant case file, that all the actions of the tender committee were in the gross violation of the CVC Circular no 008/VGL/083 dtd 06.11.2008 as also the NIT conditions. These lapses could have been easily avoided by being alert and vigilant during the tender evaluation process. The undersigned has taken a serious note of the violation of the CVC circular instructions.

Therefore the vigilance secretariat has been left with no option rather than to proceed against the responsible officials of the MM Deptt, MCL HQ and also against the TC members for gross violation of the CVC circular instructions so as to send a deterrent message to the officials whose acts of non-performance result in delayed decision on matters concerning vital commercial decisions.

For favour of kind information.

Sd/-  
Chief Vigilance Officer

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**Refund of EMD pertaining to the sale of coal through road at Lajkura OCP under e-auction during the period 2012-13 and subsequent recovery of excess EMD refunded, regarding...**

In the year 2012-13 a total amount of 2.50 Lakh Te coal was offered from Lajkura OCP of Ib-Valley Area of MCL under Forward e-auction as well as Spot e-auction during the months June-12, July-12 & Aug-12. EMD amount @ `400/Te was deposited by the successful bidders in advance as a part of the full coal value which is partly/fully refunded/forfeited after completion of the delivery period taking into consideration of the day to day reasons of non-delivery of coal to the consumers either due to the fault of MCL or of consumer or of both or of other causes.

In this instant case the total quantity offered to the different consumers at Lajkura OCP could not be delivered due to different reasons inclusive of faults from management's side as well as consumer's side or both. The refund note, involving a total refund of `4.171 Cr out of the total EMD value of `5.005 Cr, was not vetted by the then GM(Fin) or Director(Fin), rather only the calculation part of the refund note was vetted by a junior rank officer of E-1 Grade with designation as the Officer(Fin). After initiation of the proposal by the then Dy Manager(S&M), it was vetted by the then GM(S&M), recommended for approval by the Director(Tech/Op) and approved by the then CMD on 29.12.2012. Accordingly refund of `4.171 Cr was made to the different consumers.

During investigation it was observed that the statement of refund /forfeiture of EMD had not been prepared in judicious and proper manner with negligence on the part of the concerned executives. Considering that the then Dy. Manager(S&M), Shri XXX, who had prepared the proposal and the then GM(S&M), Sri YYY who had agreed and forwarded the proposal had retired on superannuation; the undersigned had advised the management vide note dtd 27.01.2015 for review of the whole case by a committee so as to calculate the exact DO wise amount which could have been actually refunded/forfeited so that the possibilities of deducting/ refunding the amount from/to the DO holders can be explored.

Subsequently a Committee was formed by the Director(Tech/Op) vide office order dtd.21/23.02.2015 comprising the then GM(Fin), GM(QC), & GM(S&M) as committee members to look into the irregularities pointed out by the Vigilance Secretariat and submit a report. The committee, in its report submitted on 27.06.2015 had recommended for the EMD refund of only `2,33,93,483.49 against the already refunded amount of ` 4,17,17,689.71, thus making a total amount of

`1,83,24,206.22 (i.e. `41717689.71 minus `23393483.49) as recoverable from the consumers.

The consumer wise recoverable EMD amounts are tabulated below:

SI	Name of e-Auction Consumers	RDO No	Recoverable Amt ( ` )
1	M/s Sterlite Energy Limited & M/s Vedanta Aluminium Limited <i>(Presently Vedanta Limited)</i>	101315 & 101930	51,55,555.67
2	M/s Bhushan Power & Steel Ltd	101931,101216, 101068 & 100862	1,29,62,251.74
3	M/s Tulsi Commotrade Pvt. Ltd.	100850	1,37,919.10
4	M/s Shivani Coal Transport	100895	17,054.45
5	Mr Pradumna Kumar Lath	100838	12,575.25
6	M/s Vikash Traders	100839	38,850.00
		<b>Total</b>	<b>18324206.22</b>

Consequent upon the vigilance intervention till date, `51,55,555.67 has been recovered from M/s Vedanta Limited (at sl no 1 of the above table) after their consent for recovery.

Considering the delay in recovery of the balance amount of `1,31,68,650.55, majority of which is recoverable from M/s Bhushan Power & Steel Ltd as evident from the above table, it is apprehended that MCL may fail to recover the balance recoverable EMD amount unless and until some drastic action is initiated against the erring consumers. It is not out of place to mention here that most of the consumers as per the above table may have regular business with MCL while few have entered into FSA with MCL. Therefore it would be advisable that appropriate action for recovery of excess refund of EMD amount may be undertaken expeditiously and a compliance report in this regard may be sent to the vigilance secretariat for information.

Forwarded for favour of kind information and necessary action.

Sd/-  
Chief Vigilance Officer

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**Test Checks on Electronic In-Motion Weighbridges (EIMWB) at Talcher Coalfield by the Railway Vigilance, regarding...**

As communicated by the Dy CVO(Traffic), East Coast railway, Bhubaneswar, in accordance with the Railway Board advise, a check was conducted by Railway vigilance at various EIMWBs of following railway sidings of MCL located at Talcher CF on 23.05.16 and 24.05.16 with a test train comprising of 05 BCN wagons having reference weights of 90.30T, 70.25T, 24.46T, 50.30T, 40.30T:

- *Jagannath siding (1A&1B) of Jagannath Area.*
- *Lingaraj siding (1&2) & Deulbera siding of Lingaraj Area.*
- *Ananta siding (1&2) & Bharatpur siding (7) of Bharatpur Area.*
- *Balaram siding (9) of Hingula Area.*

With regard to the RDSO specifications No WD-29-MISC-O5, the following irregularities were noticed:


(i) The EIMWB no. 1A of Jagannath siding showed maximum readings up to (+)16% for individual test wagons and upto (+)5.0% for test train which was beyond the maximum permissible error for wagon weighing and train weighing of (+/-)1 % & (+/-)0.5% respectively. Further, the EIMWB was able to weigh wagons only up to 100 Te instead of Railway Board specifications of 120 Te circulated vide Railway Board Letter No 99/TC-I/108/5 dated 01.07.1999.

(ii) Excepting EIMWB no-1B of Jagannath siding, the weigh rail lengths of all the EIMWBs of the above sidings were found to be 4.0 mts against 5.5 mts of RDSO specifications.

(iii) No slab type concrete foundation along with concrete sleepers was found underneath the weigh rails at Deulbera siding and Bharatpur siding.

(iv) The EIMWB No-9 of Balaram siding was found to be pit type instead of pit-less type.

The variations in recording of weighment at these weighbridges were found >16 times in case of wagons weighing and >10 times in case of train weighing which were much beyond the limits stipulated by the Railways. The said testing is indicative of the fact that more weight may be getting recorded for the coal being dispatched from these railway sidings, i.e. the weighment figures recorded by these weighbridges may be more than the actual weight and the customers may be incurring loss due to likely unethical practices by the MCL. Due to the facts mentioned as above following two probabilities may arise:

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- (1) A part of the coal production is being fiddled at these projects and the same is being made up by manipulating these weighbridges and causing loss to the coal consumers taking coal through rail route.
  - (2) Less coal production than the reported ones by the projects mentioned at pre-page and more dispatch of coal by manipulating the railway weighbridges leading to a situation where more coal production is being shown out of these projects.

In either of the possibilities, there may be a situation where large quantity of coal is being fiddled having huge financial implications. The matter was taken up by the Vigilance Secretariat with the concerned Area GMs as well as the GM(E&M), MCL HQ vide letter no 2179 & 2180 dtd 22.07.2016 and reminder no 1376 & 1377 dtd 09.08.2016 (copies enclosed). Hence, it appears that till date no concrete action has been taken up by the project/area authorities w.r.t. the compliances as pointed out by the Railway Vigilance.

Therefore, it is requested that necessary directive may kindly be issued to the concerned Area GMs & to the GM(E&M), MCL HQ to take rectifiable measures expeditiously and comply with the stipulations as per the RDSO specifications No WD-29-MISC-05. The concerned authorities may also be directed to furnish a compliance report in this regard to the vigilance secretariat for taking up the matter with the Railways Vigilance, for further appropriate necessary action in this regard.

For favour of kind information and necessary action please.

Sd/-  
Chief Vigilance Officer

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**Sub : Verification of MARC (maintenance And Repair Contract) for Departmental Surface Miners deployed at Ib-Coalfield, regarding....**

Based on a discrete information, a Vigilance Team conducted surprise inspection at Lakhanpur OCP & Belpahar OCP of Lakhanpur Area and Samaleswari OCP of Ib Valley Area on 31<sup>st</sup> Aug-2016 for the verification of facts and figures pertaining to the execution of **MARC (Maintenance And Repair Contract)** for the departmental Surface Miners (SM) deployed at Lakhanpur Area and Ib Valley Area.

Various documents like the Terms & Conditions of the Agreements, monthly bills, log books etc. in respect of 05 surface miners, two each from Samaleswari OCP & Lakhanpur OCP, all of L&T make, and one from Belpahar OCP of Wirtgen Make pertaining to the maintenance under the MARC were scrutinised by the Vigilance Team and followings observations are made:

- A.** The performance of MARC is based on the guaranteed annual percentage availability of the said machine and for 80% & beyond availability, no penalty clause is applicable. In few instances, it was observed that though there was more than 80% annual availability of the machine, but the monthly availability % in some months were less than 80%. Though the average annual availability was as per the stipulated norm of 80%, in the months where the availability was less than 80%, invoices for full payment for the month has been raised. The apparent reason for the same is that there is no penal provision in the agreement for imposition of penalty for not achieving the monthly % availability.
- B.** The agreement stipulates that the MARC Holder may deposit the monthly invoices of previous month within 5<sup>th</sup> of every month for payment. It has been observed that there were abnormal delays on the part of the MARC Holders to raise the invoices. Sometimes, invoices were raised clubbing multiple months. Unreasonable delay in submission of bills gives rise to suspicion of possible modification in the availability % of the Surface Miner.
- C.** During on-the-spot verification of the documents, it was observed that the compliance of different clauses like Oil Sampling, Joint Structural Stability checks as per the T&C of the agreement by the MARC Holder were not being done. There is no provision of penal action in the agreement in case of non-compliance of the same.
- D.** The Terms & Condition of the agreement stipulates that the MARC holder shall prepare a yearly programme to carry out the maintenance as per the OEM

recommendations, every year, for the entire tenure of this contract and shall submit the same to MCL for approval. Further, the MARC holder shall also provide the schedule on a monthly basis for the maintenance of the supplied equipment as per the equipment usage. During the surprise inspection it was observed that both were not being complied with. There is no provision of penal action in the agreement in case of such non-compliance.

- E. As per the agreement, the MARC holder is entitled to get payment @ `580.00/Hr for L&T make & `550.00/Hr for Wirtgen make as the *supervision charges* for available hours which also includes the idle hours of the machine. As has been observed from the Annual Availability Statement for the year 2015-16 pertaining to the L&T-16 of Lakhanpur OCP, out of 8760 total Shift Hr the Idle Hr was 3046 Hr i.e. 34.5% for which about `17,66,680.00 ( $580.00/Hr \times 3046 Hr$ ) was paid to the MARC Holder. High idle hours of the machines inflict direct losses to the MCL not only in respect of loss of coal production but also by the way of idle hour payment to the MARC Holder.

In view of the above facts, it is felt that there ought to be systemic improvement for monitoring the compliances of the T&C of the agreements of the MARC along with on-line daily entry of Working Hrs, Idle Hrs, and Breakdown Hrs & Maintenance Hrs with reasons thereof in a suitably designed format in the Coal-Net. Rectifiable measures are required to be initiated to arrest aforementioned shortcomings so as to avoid any possibility of irregularities in future.

For favour of kind information and necessary action as deemed fit.

Sd/-  
Chief Vigilance Officer

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**Sub: Common irregularities/lapses observed in procurements through the Material Management Deptt.**

The Vigilance Secretariat while examining various types of procurement contracts pertaining to complex machineries/equipments by the Material Management Deptt, MCL HQ, observed certain lapses/ negligence/irregularities in the award and execution of the tenders resulting in delay in arriving in the final outcome of the tender.

In a Tender Committee Report (TCR) file relating to the procurement of Gas Chromatographs, there was about one and half months avoidable delay on the part of the tender committee for taking decision for re-cycle which subsequently delayed the decision of cancellation of tender. Initially, the L-1 bidder was intimated for the on-line submission of the confirmatory documents as per the NIT clause and the time period allowed was 7 days, and after verification of the uploaded documents the TC observed that the documents uploaded by the L-1 bidder did not conform to the NIT requirements. Hence, the TC again recommended for re-cycling and allowed additional 07 days time for online submission of confirmatory documents, but the decision of the TC for re-cycling was taken after a lapse of 48 days which appears to be avoidable. The tender was finally cancelled due to the non-conforming documents. In the meantime, precious 48 days were lost for verification of the documents as uploaded at the first instance.

Similarly, during the examination of the TCR file pertaining to a tender for the procurement of 02 nos of Surface Miners, it was observed that even after the opening of the Price Bid on 13.01.2016 there has been inordinate and unexplainable delay in the finalisation of the tender due to the Tender Committee members not arriving at a final decision, leading to expiry of the original bid validity which was upto 19.04.2016. The TC continued the tendering processes even beyond the expiry of the original bid validity for about 03 months till 24.07.2016. Thereafter, on 25.07.2016, the bid validity was extended till 31.08.2016 with retrospective effect. This was also done only after the intervention of the Vigilance Secretariat on 20.07.2016. Investigation is being done to fix the responsibilities on the officials based on the degree of lapses committed by them.

The CVC, New Delhi, through its circulars/instructions, issued from time to time, has suggested different guidelines/remedial measures to prevent recurrence of such instances so that the tenders are finalised within the specified time for better technical and financial control. It has been observed that the circular of the CVC, New Delhi relating to the 'Time bound processing of Procurements' and 'Tendering Process-Negotiations with L-1' issued vide circular no 008/VGL/083 & 005/CRD/012, respectively, have been violated by the tender inviting authority as well as the tender committee in respect of the directives like time bound processing of procurement within

original validity of the tender, no post-tender negotiations with the L-1 bidder which may lead to delays in decision-making etc.

It has been felt that the observed lapses in the tenders could have been easily avoided by being alert and vigilant during the NIT formulation as well as tender evaluation processes. Based on the examination of the procurement tenders of the MM deptt, it is felt that the following advisories can be issued so that the similar lapses do not recur:-

- ❖ The bid validity may be decided more reasonably during the NIT formulation process considering the complexity of the tender so as to complete the tendering procedure upto the hoisting of the final decision on the website well within the original bid validity period. This is itself in line with the circular instructions of the Commission to ensure the finalisation of the tender within the stipulated original bid validity.
- ❖ In the exceptional situations where the bid validity period is sought to be extended, it should be brought on record in real time with valid and logical grounds, justifying extension of the said validity and this extension procedure may be completed within the original bid validity period with the approval of the tender approving authority.
- ❖ The NIT documents of both the aforementioned tenders stipulate that, the Bid validity period of the tenders shall be minimum 120 (one hundred twenty) days from the end date of submission of bid. Considering the aforementioned circular of the CVC, New Delhi, the term 'minimum 120 days from the end date of submission of bid' seems open ended and needs to be more specific like 'Maximum XXX days from the end date of submission of bid or less', thereby adopting a fixed tender completion date.
- ❖ Keeping in view of the complexity of the equipment/machineries under procurement with wide range of technical parameters which includes procurement of proprietary items, items with limited sources of supply etc.; conducting the Pre-NIT meetings are advisable with the prospective/ known bidders to arrive at the befitting technical parameters based on the requirements. This exercise may also increase the number of bidders in the tender.
- ❖ Similarly, Pre-bid meetings can also be a wise option to identify the shortcoming in the NIT of such high value complex equipment, machineries. Therefore the Material Management as well as the concerned user deptt can be suitably advised to conduct the pre-NIT meetings as well as pre-bid meetings as and when required during procurement of complex equipments/machineries.

- ❖ As per the prevailing system of tendering, once price bids are opened and L-1 bidder is selected, only the L1 bidder is required to upload confirmatory documents and there ought not be any scope for the TC for any interaction/ negotiation with other participating bidders including the next lowest i.e. L-2 bidder. In both the tenders under examination, there were only two bidders in each tender, and during the evaluation processes, the L-2 bidder has raised complaints/observations in off-line mode pertaining to the shortcomings in the documents of the L-1 bidder. In both the cases, it has also been observed that the TC has taken cognizance of the complaints of the L-2 bidder and has acted on the points raised by them in the complaints/representations which is corroborated by the facts that the TC has deliberated about the same in the TCR, which subsequently delayed the tender in reaching its final outcome. Therefore it is very essential for the TC members to avoid entertaining any representation from the L-2 bidder during evaluation of the tender documents which may otherwise influence their impartial decision making during the evaluation.

For favour of kind information and necessary action as deemed appropriate, please.

Sd/-  
Chief Vigilance Officer

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**Sub: Recovery of under loading charges from the bills of wagon loading contractors, regarding....**

This secretariat received a copy of representation on 17.09.2016 from MCL Mining Contractor's Association, Hatatota, Angul addressed to the Director (Tech/P&P), MCL pertaining to recovery of under loading charges from the contractors involved in wagon loading operation at different sidings of MCL and failure of the contractors to install 'True Load' system in the Pay Loaders on technical ground.

As per the FSA (Fuel Supply Agreement) with different coal consumers receiving coal through rail the penal freight for over loading charged by railways shall be payable by the Purchaser whereas any idle freight for under-loading below the stenciled carrying capacity shall be payable by the Seller.

The idle freight charges for under-loading imposed by the railways on MCL are being recovered by MCL from the loading contractors following the General Terms & Condition (GTC) of the NIT. But it is not out of place to mention here that as per the Clause No-25.00 of the GTC of the NIT the loading contractor shall ensure loading upto proper level keeping in view the stipulated carrying capacity of the wagons and the loading will be done as per the direction of Colliery /Project/Area officials responsible for the supervision of the loading of wagons at siding. It is therefore felt that there exists role of MCL personnel also in proper loading of wagons.

Further, the Clause No-25.01 of the GTC of the NIT stipulated that all pay loaders which are engaged for mechanical loading of coal into wagons are to be fitted with 'True Load' system. But there was no penalty clause in case of non-compliance. Here also MCL may be at fault because while allowing the Pay Loaders of the contractors for commencement of the works concerned Area/Project Authorities could have verified the non-compliance.

Thus the system of recovery of under-loading charges is required a re-look and needs to be seen in consonance with the responsibilities of the Colliery/Project/Area officials, entrusted with the subject supervision. Further, the GTC of the NITs need to be made more specific to deal with such type of instances.

Submitted for favour of kind information and necessary advice, as deemed fit, to the concerned please.

Sd/-  
Chief Vigilance Officer

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**Sub : Non-compliance of conditions of MoU pertaining to coal transportation by private washeries, regarding....**

Based on discrete information, undersigned along with the Vigilance Team conducted inspection at Jagannath Area on 13<sup>th</sup> Oct-2016 for field verification of the compliance of conditions of MoU pertaining to transportation of coal from mines to Private Washeries for coal beneficiations. The MoUs were executed in between MCL and different coal consumers for transportation of coal from MCL Mines to dedicated Private Washeries, from which the coal is lifted by the consumers after beneficiation.

During the inspection, the following measures as stipulated in the MoU were observed as not being complied with by the private washeries for carrying out the coal transportation works from mines to their plants.

a) *Quote:*

*All these vehicles shall have a specific colour different from the colours of those engaged in siding transport.*

*Un-qoute:*

Non-compliance of this vital condition was noticed leading to difficulties in identification of washery transport vehicles from the other transport vehicles.

b) *Quote:*

*Vehicle registration number as well as the embossing of name of the washery operator on both side of 'dalla' shall be displayed in fluorescent colour in font size of at least 30 cm height.*

*Un-qoute:*

In most of the vehicles the embossing of name on the 'dalla' were missing.

c) *Quote:*

*Further all these vehicles should be equipped with GPS vehicle tracking system along with RFID tag subject to compatibility with i3MS system, which will be implemented, once the system is put in place in the Area.*

*Un-qoute:*

It was observed that all the transactions of the washery vehicles were made at weighbridges through the dedicated i3MS software of Govt of Odisha. But no RFID tag has been installed in any of the vehicle to introduce automatic vehicle identification at weighbridges as being followed in case of internal coal transportation. It was also surprising to note that the area/project authorities are

not having access to the GPS vehicle tracking system which has been installed in all the vehicles by the washery operators.

It is not out of place to mention here that there is a well established system of round the clock monitoring by e-surveillance unit of Jagannath Area which is well equipped for the job. But, the persons engaged for monitoring in the e-surveillance unit are not having any access to the SMS through mobile for geo-fence violations. Further, there exists no modes to monitor the coal transportation vehicles of private washeries.

Vigilance secretariat has taken different e-initiatives during last couple of years to prevent pilferage of coal through road. Non-compliance of aforementioned measures pertaining to coal transportation from MCL mines by the private washery operators is a serious issue. Therefore it is felt that following preventive action needs to be undertaken expeditiously on urgent basis:-

- Complete compliance to the aforementioned conditions of MoU.
- Dedicated coal stockyard, transport path and entry-exit gate for loading and transportation of the washery vehicles.
- Daily reconciliation of Weighbridge report with GPS vehicle tracking report by the nodal officers of Area/Project.
- Introduction of RFID tags in all washery vehicles with RFID readers at weighbridges and entry-exit gate (for automated drop gate facility).
- Installation of CCTV cameras inside the weighbridges dedicated for washery transportation.
- Exploring the possibilities of including the Washery transportation route under active geo-fence area so that the washery vehicles could be monitored through MCL's own e-surveillance units.

For favour of kind information and necessary action as deemed fit please.

Sd/-  
Chief Vigilance Officer

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**Subject :** Notes taken on the inspection of Central Hospital, Ib-Valley-Regarding.

The Vigilance Team led by the undersigned inspected the Central Hospital, Ib-Valley Area along with Dr. Ambastha, CMS/In-Charge.

The following are the observations:

- The security personnel deployed at Hospital were found unshaven and ill-dressed. Personal Badge was absent and having lack of discipline/ fitness. The visitors and indoor patients were found loitering inside the Hospital premises including the indoor wards without restriction either from the Hospital Authorities or the security personnel, primarily for which they are deployed.

There is a running contract for deployment of private security guards awarded by the Chief of Security, MCLHQ. with well-defined scope of work. There is lack of monitoring of such deployed security personnel with regard to their attendance, dress, discipline etc. though there is provision of monthly allowances for uniform and its maintenance. It was also brought to the notice that there was an incident of theft of copper duct connecting the outer unit and the inside unit of the split ACs of the physiotherapy section resulting in the ACs being inoperative since December, 2015. No action / deduction has been done from the running bills / final bill of the Security Agency till date though there is provision for the same in the Agreement.

The Area Security in-charge as well as the Personnel Officer posted at the Hospital and the Area Personal Manager of Ib-Valley Area are accountable for such lapses.

- There is no proper civil maintenance resulting in seepage at many places in the wall from the roof-top. The same is the condition in the cabins and laboratories. Some diagonal cracks were also visible in the laboratory and kitchen.

Though there is an existing Annual Maintenance Contract (AMC) for the repair of Central Hospital building, the same is not being executed properly resulting in dampness/seepage and cracks in the Hospital.

The Town Administration Department of Ib-Valley Area is accountable for execution of such jobs as and when required.

- Sanitation was not up to the mark as required for a Hospital. The general house-keeping of the premises, gardens etc. were very poor.

Though there is a Sanitary Inspector posted in the Hospital as well as existing AMC for civil repairing/maintenance and house-keeping, the same is not monitored rigorously resulting in shabby condition.

- The electrical installations/connections/wirings were not properly maintained. There is no valid AMC for Air-Conditioners (AC). The majority of the AC machines are quite old. Some of the comparatively new AC machines were also found defunct.

- The Steam Cooking System meant for preparation of hygienic meal is found defunct.

Further due to absence of AMC, the ACs could not be put to operation. The job of AMC for ACs was initiated early this year with financial concurrence on 25.02.2016 which is yet to be awarded. It revealed that the Tender Committee has recommended for award of the work on 07.11.2016 which is pending for approval of the Competent Authority of the Area.

It may also be mentioned that for procurement of new ACs against surveyed-off ACs, capital indent along with AMR scheme for procurement and installation of 1.5 Te & 4.5 Te Air-Conditioners against surveyed-off was initiated on 17.02.2016 which is also pending with the GM (E&M)/ HoD, MCL since 01.11.2016.

One Sr. Manager (E&M) along with a team of foreman and electricians are posted exclusively in the Hospital for the purpose.

- The X-ray machines are not operational.
- It revealed that even the ECG machines are not functional.
- The Intensive Care Unit is inoperative since a long period.
- The condition of the beds for patients was also not of the desired standard. Even number of beds was less than the capacity of the Hospital.
- There are 03 (three) nos. of Ambulances on roll and 01 (one) no. Mobile Medical Unit but due to shortage of drivers, patients are allowed to hire private ambulances for emergency/referred cases. The condition of the vehicles is not road-worthy and fit to carry emergency patients due to poor routine maintenance.

In spite of there being Annual Maintenance Contract, the X-ray machines are defunct. The terms and conditions specified in the work order stipulates that the deficiency to be rectified within 05 (five) days failing to which a compensation shall be charged @ 0.5% per week. Though the machines are out of order for quite a significant period, the authorities have not taken any concrete action except sending reminders. The Hospital Authorities are accountable for such lapses.

It has been noticed that in front of the Hospital building unauthorized market complex with several pharmaceutical stores, pathology laboratories, X-ray centres etc. have cropped up. Preponderance of malafide cannot be ruled out.

- In absence of Anesthetist. General Surgery Department is handicapped. The lone Anesthetist is on prolonged child care leave. The Dental and Eye Department which are running effectively but intermittently because the departments are managed by single doctors.
- There is no fire fighting arrangement in the Hospital.

It is noteworthy to mention here that there was an incident of fire on 23.10.2016 in the X-ray room from the AC causing damage to the X-ray cable resulting in closure of the unit. In spite of this incident during the inspection, no fire fighting arrangement was noticed in the Hospital. The verbal statement of CMS revealed that the fire extinguishers were very old and not usable. Responsibility for looking after the fire fighting system has not been defined by the Hospital Authorities.

The Central Hospital, Ib-Valley, having a capacity of more than 100 beds, catering treatment for out-patients, critically-ill patients, accident and trauma patients in addition to voluntary services to peripheral villages under CSR. The Hospital also undertakes routine medical check-ups such as IME, PME etc.

In view of the above the followings are suggested for immediate improvement:

- a. Deployment of professionally trained security personnel under departmental supervision to deal with exigencies and to restrict visitors inside the Hospital. This will enhance the safety and security standards as required for a sensitive place like Hospital.
- b. Fire-fighting plan/automatic fire suppression system to comply with the requirement of the OHSAS. The Hospital may be brought under the CCTV surveillance. The Personnel Executive posted at Hospital may be made accountable for Security and Safety arrangements including fire-fighting in addition to his regular job assignment.

Further for long-term improvement, a study may be undertaken to increase the effectiveness of-the Hospital by improving/adding/replacing amenities, viz. ICU, X- ray unit, Ambulance/Mobile Medical Unit/Steam Cooking System and General and Specialist Doctors/Professional Hospital Manager and adequate number of technicians. Steps for eviction under Section PPE Act, 1972 may be initiated to curb the influence of the outside players involved in catering private medical facilities for gainful utilization of the Hospital.

For favour of kind perusal.

Sd/-  
Chief Vigilance Officer

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**Sub : Non-finalization of tender for procurement of Surface Miners within the “original bid validity period”**

During the examination of the investigation file it has been observed that even after the opening of the Price Bid on 13.01.2016 the subject tender has not been finalised. Further while the Bid Validity of the L-1 bidder was upto 19.04.2016 which is 120 days from end of bid submission date, the bid validity was not extended by the tendering authority (the MM Deptt, MCL HQ) till the date of intervention by the vigilance department as on 20.07.2016. Subsequently the Bid Validity was extended upto 31.08.2016 and later it was further extended till 31.01.2017. Further, it has been observed that the tender has been dragged for months by the Tender Committee for arriving at a conclusive decision.

It is pertinent to specifically mention here that the CVC, New Delhi vide letter No. 008/CGL/083 dtd 06.11.2008 has directed that there should be time bound processing of procurement within original validity of the tender without seeking further extension of validity. It has also been mentioned that the cases requiring extension of validity should be rare.

The violation of the aforementioned CVC Circular has been noticed in respect of the followings:

- a) Failure to fix a reasonable time for the bids to remain valid while issuing tender enquiries.
- b) Failure to ensure the finalisation of tender within the stipulated original bid validity.
- c) Failure to extend the original bid validity before expiry of the original bid validity as on 19.04.2016.

The tender inviting authority, i.e. the GM(MM), MCL HQ has extended the Bid Validity only after intervention of the Vigilance Deptt. The aforementioned lapses could have been easily avoided by being alert and vigilant during the tender formulation and evaluation process.

Further, it has been observed that the Tender Committee not being satisfied with the documents uploaded by the L-1 bidder, had recommended constituting a separate internal committee to verify the authenticity of those documents, which reportedly visited the premises of the L-1 bidder. In addition to the above, the Tender Committee had also face to face interacted with the representatives of the L-1 bidder. These types of activities, neither is in conformity with the NIT conditions, nor an ethical & acceptable way of dealing with the sensitive matters and against the spirit of e-tendering.

In the tendering system in vogue in MCL, once the price bids are opened and L1 bidder is selected, only the L1 bidder is required to upload the confirmatory documents and there is no scope for any interaction/ negotiation with other participating bidders. Thereafter, all tendering activities will be carried out only in relation to L1 bidder. But in this instant case, the TC members took action based on the representation of another bidder, which subsequently delayed the decision making resulting in non-finalisation of this major tender till date. It has also led to the expiry of the original bid validity. Therefore, it is requested to advise the concerned Directorate for expediting the finalisation of this **tender strictly as per Terms & Conditions of the NIT** and to send a deterrent message to the officials whose acts of non-performance have resulted in delayed decision on matters concerning vital commercial decisions.

Further, it has also been observed in numerous instances that the Tender Committee Members are failing to take decisions within a reasonable time limit due to lack of experience and expertise. It may also be due to fear of committing mistakes in the minds of the officials dealing with tenders. Therefore it is felt that the concept of a dedicated Tender Cell at HQ as well as at Area levels to exclusively deal with all types of tendering activities may be taken into consideration. These Cells may include experts from major departments.

Forwarded for favour of kind information and necessary action.

Sd/-  
Chief Vigilance Officer

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**Subject : Inspection of Balanda Old Work Shop and Jagannath Regional Store, Jagannath Area, MCL–Regarding.**

A Vigilance Team inspected the Balanda Old Workshop Site and Jagannath Regional Store, Jagannath Area during 05.12.2016 to 07.12.2016. The following are the observations:

- As per the advice of the GM, Jagannath Area the Scrap Materials lying in and outside of the Balanda Old Workshop were handed over to the Depot Officer, Central Store of Jagannath Area vide letter dtd 23.09.2015 of the Project Officer, Jagannath OCP.

**The handing over of the Scrap was made without any Joint Verification of Materials either by the Area Authority or by the Receiver which is not an appropriate method of hand over.**

- The SO(MM), Jagannath Area vide his letter dtd 25.09.2015 requested the Project Officer, Jagannath Area for formation of a Committee at Project Level to identify & estimation of the Iron & Steel Scrap items of Balanda Work Shop for survey-off/disposal.

It is not understood why the Project level Committee was requested to be made instead of Area Level Committee while the Central Store, Jagannath Area is under the administrative control of Jagannath Area and the Scrap Materials were already under the custody of the Central Store, Jagannath Area. **It is indicative of shifting of responsibilities by the SO(MM), Jagannath Area to the Project level by playing safe. It is felt that the formation of the Committee should had been made with Senior Officials from Area level including the Area Security Officer and SO(MM) himself.**

- Subsequently, the Scrap Materials were brought into account by a Committee constituted by the Project Officer consisting of the project level officers. The Committee, in its report dtd 14.10.2015 identified Tyres, Iron & Steel Scrap items and civil structures at Balanda Work Shop Site. During the inspection of the vigilance team, the verification of the Tonnages of the Scrap Materials lying viz-a-viz the Committee report could not be made due to the materials being very heavy and of large sizes.

**It was stated by the available Committee Members that the Tonnages were arrived with a consensus of average eye estimation amongst the Committee Members. This particular clarification was not incorporated in the Committee Report dtd 14.10.2015, which is ambiguous at present.**

In view of the aforementioned observations it is very clear that a large amount of Scrap Materials were lying un-accounted at the Balanda Old Workshop site for long durations.

Therefore siphoning of scrap materials cannot be ruled out. To arrest recurrences of such instances following systemic improvement measures are advised:

- A. Audit of the all the Scrap Materials (accounted and/or unaccounted) lying at Old Workshop Sites, Colliery Stores etc. in all the areas of MCL though a dedicated and preferably HQ Level Committee.**
- B. If unaccounted scraps are identified, it should be brought into account and charges to be framed against responsible officers for keeping unaccounted scraps.**
- C. Expedite the disposal of the scrap materials in a time bound manner to avoid pilferages.**

Further, during the course of inspection of materials and documents at the **Central Store, Jagannath Area** following major observations was made:

- Large numbers of rubber items like Hoses & Belts are lying in the store for more than 05 years of its receipt. Considering the shelf-life of rubber items as 05 years, the aforementioned items valuing total ₹ 11,47,882.00 is useless as on date. As informed, the disposal of these items could not be made in lack of proper directive from the MCL HQ.

Though the Store is regularly sending the list of Non-Moving items including these rubber items to the MCL HQ, the MM deptt, MCL HQ should have been more proactive **for disposal of the Non-Moving Rubber Items which are supplied with Self Life. It is also felt that separate 'Norm' is required to be framed at the HQ level for the same.**

- In the Scrap Yard one DRUM SHEARER was found lying in rusted and unusable form. The cost of the DRUM SHEARER as per the records is ₹29,08,224.37. This SHEARER could otherwise have been utilised in other subsidiaries of CIL also.

**Though the equipment is expired and it is lying in open condition for last 25-30 years, still it is yet to be declared obsolete & scrap for disposal.** The matter of non-utilisation of the costly DRUM SHEARER and the responsibility thereof, needs to be deliberated.

Put up for favour of kind perusal.

Sd/-  
Chief Vigilance Officer

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**Sub : Communication received from Sri Rama Kishore Singh, Hon'ble Member of Parliament (Lok Sabha), regarding....**

A copy of letter addressed to the CMD, MCL received from Sri Rama Kishore Singh, Hon'ble Member of Parliament (Lok-Sabha) on 05.01.17 pertaining to procurement of mining equipment with probable deficient quality parameters (Flag-A).

In the aforementioned letter the tender vide NIT No: MCL/SBP/MMD /SEC-II/R-66/SM/GTE/15-16/97 dated 14.11.2015 has been mentioned specifically. It has been observed that the aforementioned NIT was floated for procurement of 02 nos of SURFACE MINERs and the tender is yet to be finalised.

It is therefore advised that the issue raised in the aforementioned letter (enclosed herewith) may be got examined by the concerned for further needful action.

It is also pertinent to mention here that the Clause-5 of Annexure-J of the NIT i.e. 'Personnel of MARC-Holder' has defined that within seven (7) days of the commencement of this Agreement, the MARC Holder shall submit to MCL in writing 'The Personnel who shall be Project-in-Charge for the MARC Holder at MCL Mine Site. The MARC Holder's project-in-Charge and other maintenance personnel shall have relevant technical qualification and experience in their respective fields to perform their duties to discharge the MARC Holder's obligations under this Contract (Flag-B).

The SURFACE MINER, being a special type of Mining Equipment requires dedicated maintenance team with specialized qualification. As MCL is entering into MARC (Maintenance and Repairing Contract) for long tenure along with the procurement of the machine, it is therefore felt that the above details about the requisite qualification of the personnel to be deployed needed to be more specific. Further, MARC being a major component of the contract, it is also felt that whether the Eligibility/Terms & Conditions for MARC is required to be more elaborated is needed to be examined by the concerned experts in the interest of better clarity.

For favour of kind information and necessary action as deemed fit please.

Sd/  
Chief Vigilance Officer

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# MCL

Vigilance Secretariat

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