



## CENTRAL COALFIELDS LIMITED

A Miniratna Company

(Govt. of India Undertaking)

Company Secretariat

Reg. Office: Darbhanga House, Ranchi  
Jharkhand 834 001

Phone: (0651) 2365606, 2360479

Fax: (0651) 2360479

Website: www.centralcoalfields.in

CIN NO: U10200JH1956GOI000581

E-mail: gmcompsectt.ccl@coalindia.com

Ref.No: CS/CCL/DPE/2022/394

Date: 29-12-2022

To  
All GMs/HoDs, CCL, HQ, Ranchi.

The General Manager/Chief General Manager:  
[Argada/B&K/BarkaSayal/Hazaribagh/Dhori/Kuju/Kathara/NK/  
Piparwar/Rajrappa/Rajhara/M&S/A&C/CWS Barkakana]

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

Dear Sir,

Please find enclosed herewith a DPE's Office Memorandum issued with regard to subject matter vide dated 13.04.2021 along with a CVC enclosure with regard to subject matter, which is self-explanatory.

The memorandum reiterates the earlier directives of CVC issued through the guidelines for compliance on the subject matter by all concerned organizations, which is being reproduced as below:

- (i) All works/purchase/consultancy contracts awarded on nomination basis should be brought to the notice of following authorities for information;
  - (a) The Secretary, in case of the ministries/departments
  - (b) The Board of Directors or equivalent managing body, in case of Public Sector Undertakings, Public Sector Banks, Insurance Companies etc;
  - (c) The Chief Executive of the Organization where such a managing body is not in existence.
- (ii) The report relating to such awards on nomination basis shall be submitted to the Secretary/Board/Chief Executive/equivalent managing body, every quarter.
- (iii) The audit committee or similar unit in the organization may be required to check at least 10% of such cases.

CVC has further directed that award of contract on nomination basis should be done only under unavoidable and exceptional circumstances, which can be justified and mere reporting of tender awarded on nomination basis to the Board/Chief Executive of the Organization is not adequate justification for such action.

In view of above, it is requested to kindly submit the details of such award of work in attached format (Annexure-A) with proper justification regarding the exceptional circumstances of your department, for every quarter to this department latest by 10<sup>th</sup> day from the end of the respective quarter. This would facilitate for putting up the required report before Audit Committee for its information and verification.

Thanking you,

Encl: As above

Regards,  
*(Amresh Pradhan)*  
29/12/22  
Company Secretary

**Format for Disclosure of Works/Purchase/Consultancy Contract awarded on Nomination Basis  
(Pursuant to CVC Circular No. 04/04/21)**

**Details of Contracts or Transactions awarded on Nomination basis for the Quarter Ending on 31<sup>st</sup> December, 2022**

Sl. No.	Particulars of Contracts	Date & Duration of Contract	Amount of Contract	Justification/Reason for Awarding on Nomination

F.No. 13(1)/2020-MGMT  
Government of India  
Ministry of Heavy Industries and Public Enterprises  
Department of Public Enterprises

Block No.14, CGO Complex,  
Lodi Road, New Delhi-110003  
Dated the 13<sup>th</sup> April, 2021

**OFFICE MEMORANDUM**

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

The undersigned is directed to state that in order to ensure transparency, to promote healthy competition and to provide fair & equitable treatment to all interested parties in matters of public procurement, Central Vigilance Commission (CVC) has issued various guidelines emphasizing on the need to adopt tendering process as a basic requirement, before award of contract to any party. CVC has observed that in some cases, the guidelines issued by the Commission are not being adhered to by the organizations and the contracts being awarded on nomination basis are neither being reported to the management, nor are being subjected to scrutiny by audit committee.

2. In view of the above, CVC vide their circular dated 6<sup>th</sup> April, 2021 (copy enclosed) has reiterated its earlier guidelines on this subject for compliance by all concerned organizations. CVC has further directed that award of contracts on nomination basis should be done only under unavoidable and exceptional circumstances, which can be justified and mere reporting of tenders awarded on nomination basis to the Board/Chief Executive of the organization is not adequate justification for such action. Further, in the absence of logical reasons, nomination based contracts would amount to restrictive practices, eliminating competition and award of contracts through open competitive bids should remain the most preferred mode for procurement.

3. All Ministries/Departments are kindly requested to direct CPSEs under their respective administrative jurisdiction to take note of above directions as well as provisions of CVC circular dated 6<sup>th</sup> April, 2021 and to ensure strict compliance with the same.

Encl : As stated

*Kailash Bhandari*  
13/4/21  
(Kailash Bhandari)  
Deputy Director  
Tel : 2436-6247

To all administrative Ministries/Departments

Copy to :-

- (i) Chief Executives of CPSEs - for information and strict compliance
- (ii) Central Vigilance Commission, (Shri Otem Dai, Secretary), Satarkta Bhawan, GPO Complex, Block - A, INA, New Delhi - 110023 - w.r.t. CVC D.O. No. 005/CRD/19(Pt.)/480279 dated 6<sup>th</sup> April, 2021
- (iii) NIC, DPE - with a request to upload the OM on DPE's website



सत्यमेव जयते



Telegraphic Address :  
"SATARKTA: New Delhi

E-Mail Address  
cenvigil@nic.in

Website  
www.cvc.nic.in

EPABX  
24600200

फैक्स/Fax : 24651186

केन्द्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION

सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,  
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110  
Satarkta-Bhawan, G.P.O. Complex  
Block A, INA, New Delhi 11002

सं./No.....005/CRD/19.....

दिनांक / Dated.....06.04.2021.....

Circular No. 04/04/21

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

**Reference:**

- |       |                                       |                  |
|-------|---------------------------------------|------------------|
| (i)   | Commission's Circular No.15/05/06     | dated 09.05.2006 |
| (ii)  | Commission's Office Order No.23/07/07 | dated 05.07.2007 |
| (iii) | Commission's Office Order No.19/05/10 | dated 19.05.2010 |
| (iv)  | Commission's Circular No.18/12/12     | dated 11.12.2012 |
| (v)   | Commission's Circular No.06/07/18     | dated 11.07.2018 |

Central Vigilance Commission, as part of its drive to ensure transparency, to promote healthy competition and to provide fair and equitable treatment to all interested parties in matters of public procurement, has issued guidelines from time to time emphasizing on the need to adopt tendering process as a basic requirement, before award of contract to any party.

2. Tendering process or public auction is a basic requirement for award of contract by any Government agency. Any other method, especially award of contract on nomination basis would amount to a breach of Article 14 of the Constitution guaranteeing right to equality which implies right to equality to all interested parties. The award of contracts/projects/procurements on nomination basis without adequate justification amounts to restrictive practice eliminating competition, fairness and equity. Hence, award of contracts through open competitive bids should remain the most preferred mode of tendering.

3. However, in some exceptional and inevitable circumstances, the contracts may be awarded on nomination basis; for instance, during natural calamities and emergencies declared by the Government; where procurement is possible from a single source only; where the supplier or contractor has the exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists; where the auction was held on several dates but there were no bidders or the bids offered were too low etc. [Ref: SPL(Civil)No. 10174 of 2006 in case of Nagar Nigam, Meerut Vs A1-Faheem Meat Export Pvt Ltd.].

4. But, it has been observed that in some cases, the guidelines issued by the Commission are not being adhered to by the organizations. Therefore, the Commission would reiterate its earlier guidelines and direct that:

- (i) All works/purchase/consultancy contracts awarded on nomination basis should be brought to the notice of following authorities for information:
  - a) the Secretary, in case of the ministries/departments;
  - b) the Board of Directors or equivalent managing body, in case of Public Sector Undertakings, Public Sector Banks, Insurance Companies, etc.;
  - c) the Chief Executive of the organization where such a managing body is not in existence.
- (ii) The report relating to such awards on nomination basis shall be submitted to the Secretary/Board/Chief Executive/equivalent managing body, every quarter.
- (iii) The audit committee or similar unit in the organization may be required to check at least 10% of such cases.

5. Details of all tenders awarded on nomination basis shall be posted on website of the organization concerned, in public domain, along with brief reasons for doing so.

6. The above guidelines may be noted for strict compliance.



(Rajiv Varma)

Officer on Special Duty

To

- (i) The Secretaries of all Ministries/Departments of GoI
- (ii) All Chief Executives of CPSUs/Public Sector Banks/Public Sector Insurance Companies/Autonomous Bodies etc.
- (iii) All CVOs of Ministries/Departments of GoI/CPSUs/Public Sector banks/ Public Sector Insurance Companies/Autonomous Bodies etc.
- (iv) Website of CVC