

"Under Jurisdiction of Nagpur Court only"



**WESTERN COALFIELDS LIMITED**  
(A MINI RATNA COMPANY)  
(A Govt. of India Undertaking)

**OFFICE OF THE  
CHIEF VIGILANCE OFFICER**

Phone & FAX . : (0712) 2510300

email : [cvo@westerncoal.gov.in](mailto:cvo@westerncoal.gov.in)

Regd. Off. : Coal Estate, Civil Lines, Nagpur - 440 001.

Ref. No. WCL/GM/VIG/2013/ 68

Dated : 04.01.2013

CONFIDENTIAL

To

1. The Area GMs/CGMs,  
Ballarpur/Chandrapur/Majri/Wani/Wani North/Umrer/Nagpur/  
Pench/Kanhan/Pathakhera.
2. The GM, CWS, Tadali.
3. The HoDs,  
WCL HQ., Nagpur.

Sub : 'Transparency in Works/Purchase/Consultancy  
contracts awarded on nomination basis - reg.

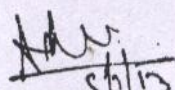
Dear Sirs,

We are in receipt of a Circular No.18/12/12 from CVC on the subject mentioned above.

As advised by CVO, a copy of the aforesaid Circular is hereby forwarded for wide circulation among all the concerned for its compliance.

Yours faithfully,

Encl. : As above.

  
GENERAL MANAGER(MIN.)(VIG.)

- Copy to : 1. CVO, WCL - for kind information.  
2. All Executives of Vigilance Department.



सत्यमेव जयते



केन्द्रीय सतर्कता आयोग  
CENTRAL VIGILANCE COMMISSION

सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स  
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023  
Satarkta Bhawan, G.P.O. Complex  
Block A, INA, New Delhi 110023

सं./No. 005/CRD/19/1112  
दिनांक / Dated 11.12.2012

Circular No. 18/12/12

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

The Commission has been emphasising on the need for observing integrity, transparency, fairness and equity in all aspects of decision making including in tendering and award of contracts. However, the Commission is still receiving complaints regarding adoption of non-transparent methods in tendering and award of contracts. A number of such complaints pertain to award on nomination (single source procurement) basis instead of following a process of open competitive bidding. The Commission in their earlier office order No. 23/7/07 dated 05.07.2007 (copy enclosed) had laid down the exceptional circumstances where 'single source procurement' can be resorted to. These guidelines were consequent to the Supreme Court's judgement in case of Nagar Nigam, Meerut v/s A1 Faheem Meat Export Pvt. Ltd. [SLP (Civil) No. 1074 of 2006].

2. In view of the complaints being received regarding award of contracts on 'nomination basis' without adequate justification, the Commission has decided to reiterate their earlier instructions for strict implementation. The Commission has also observed that there have been instances where government organisations/PSUs obtain contract from other government organisations/PSUs and further award the same to private entities on 'back to back tie up' basis without competitive tendering mechanism and without any significant value addition by the procuring government organisation/PSU. This practice subverts the Commission's emphasis on integrity, transparency, fairness and equity in decision making. It is therefore, necessary to curb this practice. Further, the Commission directs that details of all tenders awarded on nomination basis shall be posted on website in public domain as per Commission's office order dated 5<sup>th</sup> July 2007 alongwith brief reasons for doing so.

3. Kindly acknowledge the receipt and circulate to all concerned in your organization.

*(Signature)*  
(J. Vinod Kumar)  
Officer on Special Duty

- (i) The CMDs of all CPSUs/Public Sector Banks/Insurance Companies/FIs.
- (ii) The CVOs of all the Ministries/Departments/Public Sector Undertakings/Public Sector Banks/Insurance Companies/Societies and other Local Authorities.

विवरण / 1-स.आ.स. / आ.स.क.  
CVO/Secy/No. 07  
दिनांक / Dated 01/12/12

Electronic Address :  
SATARKTA: New Delhi  
Mail Address  
cvgvigil@nic.in  
Website  
www.cvc.nic.in

BPADIX  
11001 - 07  
Phone/Fax : 24616286

*Handwritten notes:*  
copy to CMD, WCL  
and Div. Secy - Pl. also  
circulate copy to all Com/Coms  
for wide circulation.  
To, 82  
ref. Jn. (ii)  
2012

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

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Satarkta Bhawan, Block 'A',  
GPO Complex, INA,  
New Delhi- 110 023  
Dated the 5<sup>th</sup> July 2007

Office Order No.23/7/07.

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

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

2. A perusal of the queries and references pertaining to this circular, received from various organizations, indicates that several of them believe that mere post-facto approval of the Board is sufficient to award contracts on nomination basis rather than the inevitability of the situation, as emphasized in the circular.

3. It is needless to state that tendering process or public auction is a basic requirements for the award of contract by any Government agency as any other method, especially award of contract on nomination basis, would amount to a breach of Article 14 of the Constitution guaranteeing right to equality, which implies right to equality to all interested parties.

4. A relevant extract from the recent Supreme Court of India judgement in the case of Nagar Nigam, Meerut Vs A1 Faheem Meat Export Pvt. Ltd. [arising out of SLP(civil) No.10174 of 2006] is reproduced below to reinforce this point.

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

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

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Satarkata Bhawan, GPO Complex,  
INA, New Delhi,  
Dated 19<sup>th</sup> May, 2010

OFFICE ORDER No.19/05/10

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

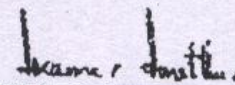
Commission vide Circular No.15/5/06 dated 09/05/2006 had prescribed certain measures to be followed on works/purchase/consultancy contracts awarded on nomination basis by PSUs. These instructions have since been reviewed in the Commission and the Commission is of the view that the Board of the PSU is not required to scrutinize or post facto vet the actions of the operational managers and their decisions to award work on nomination basis.

2. Therefore, the following amendment is being made in sub-para (i) of Para 2 of Commission's above circular:-

"All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post facto"

Read as

"All works awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for information".



(Vineet Mathur)  
Director

All Chief Vigilance Officers of CPSUs.

Copy to:

- (i) All Secretaries of Govt. of India
- (ii) All CEOs/Heads of Organizations