



*cmpdi*  
A Mini-Ratna Company

**Central Mine Planning and Design Institute Ltd.  
(CMPDIL)  
(A Subsidiary of Coal India Limited)**

**Tender Notice No.: CMPDI(HQ)/IAD/EoI/2019-20/01 Dated 12.02.2020**

**Open e-Tender  
Tender Document**

**For Appointment of Internal Auditor for a Period  
of 3 years from 2020-21**

**Central Mine Planning & Design Institute Limited  
Gondwana Place, Kanke Road,  
Ranchi – 834008  
Jharkand, INDIA**

## **Invitation for Bids (IFB)**

1. Central Mine Planning and Design Institute Ltd. (CMPDIL), (A Govt.of India Undertaking) having its registered office at Gondwana Place, Kanke Road, Ranchi – 834008, Jharkand, India, invites online bids through e-tender on CIL's e-procurement portal (<https://coalindiatenders.nic.in>) for empanelment of practicing Chartered Accountant or Cost Accountant or a Firm / LLP of Chartered Accountants / Cost Accountants registered with the Institute of Chartered Accountants of India / Institute of Cost Accountants of India for conducting Internal Audit in respect of Central Mine Planning & Design Institute Limited (CMPDIL), Ranchi and its Regional Institutions situated at Asansol, Dhanbad, Ranchi, Nagpur, Bilaspur, Singrauli and Bhubaneswar from which 3 Auditors will be selected for a period of 3 years from 2020-21. The selected candidates have to conduct monthly audit as specified in Scope of Audit (**Annexure-A**) and Terms of Reference (**Annexure-B**).
2. All supporting documents regarding Application Format (**Annexure-D**), such as Firm Profile, Constitution Certificate, Certificate of Practice, Membership Certificate, Mark Sheets/Certificate of IPCC/Inter Examination, Appointment letters and Statement of Accounts (in respect of SI. 13 of Application Format), etc. duly signed with seal must be enclosed. In absence of documentary evidence, no marks will be accorded to a particular criterion, without assigning any reason.
3. A declaration to the effect that all the terms and condition of tender has been accepted unconditionally must be submitted along with the application.
4. The complete offers including Application Format, indicating current status as on date of submission of tender, should preferably be typed in the letter head of the firm. No hand written offer will be accepted.
5. Overwriting / corrections/erasing and use of white ink should be avoided. However, if any correction is inevitable, the same should be authenticated with signature and seal.
6. CMPDIL reserves the right to reject or accept or withdraw the tender in full or part, as the case may, be without assigning any reasons thereof. No conditional offer will be accepted.
7. The complete tender document shall be available in the CIL's e-procurement portal <https://coalindiatenders.nic.in> for downloading and submission of offer. The complete tender document shall also be available on Tender section of CMPDIL website (<https://www.cmpdi.co.in>) for downloading only.
8. There will be no physical/manual sale of tender document. There is no Tender Fee and the bidders can download tender document free of cost from any of the websites mentioned above.
9. Details of tender:-

|    |                                |   |
|----|--------------------------------|---|
| 1  | Tender No.                     | CMPDI(HQ)/IAD/EoI/2019-20/01 Dated 12.02.2020                         |
| 2  | Type of Tender                 | Open Domestic Tender  |
| 3  | Estimated value of Tender      | Rs.185.37 lakh  |
| 4  | Tender Fee                     | NIL   |
| 5  | Earnest Money Deposit          | Not Applicable  |
| 6  | Subject of Tender              | Appointment of Internal Auditor for a period of 3 years from 2020-21. |
| 7  | e-Publishing date of Tender    | 12.02.2020  |
| 8  | Downloading of Tender Document |   |
|    | (i) Starts on                  | 12.02.2020 from 17:00 Hours [IST]                                     |
|    | (ii) Closes on                 | 27.02.2020 up to 17:00 Hours [IST]                                    |
| 9  | Seeking Clarification          |   |
|    | (i) Starts on                  | 12.02.2020 from 17:00 Hours [IST]                                     |
|    | (ii) Closes on                 | 17.02.2020 up to 17:00 Hours [IST]                                    |
| 10 | Online Submission of Offers    |   |
|    | (i) Start Date and Time        | 12.02.2020 from 17:00 Hours [IST]                                     |
|    | (ii) Last Date and Time        | 27.02.2020 up to 17:00 Hours [IST]                                    |
| 11 | Due date of Opening of Tenders | 28.02.2020 up to 17:00 Hours [IST]                                    |

10. The offers have to be submitted online through the CIL's e-procurement portal <https://coalindiatenders.nic.in> . The tenderer has to get themselves enrolled on the above portal and follow the procedure laid therein for submission of offer. The Online Bidder Enrolment is free of cost and one-time activity only.
11. There will be no physical/manual sale of tender document. There is no Tender Fee and the bidders can download tender document free of cost from any of the websites mentioned above. There is no provision to take out the list of parties who have downloaded the tender document from the above referred website. As such, bidders are requested to visit the website once again before the last date of submission of offer/due date of tender opening to ensure that they have not missed out any corrigendum issued against the said tender after they have downloaded the tender document. The responsibility of downloading the corrigendum, if any, will be of the bidder. No separate intimation in respect of corrigendum to the NIT (if any) will be sent to the bidders who have downloaded the tender document from website.

12. The bidders, in their own interest, are requested not to wait till the last moment for submission of bid to avoid last minute rush and local problems related to internet connectivity, law and order, strike, bandh etc. The Company shall not be responsible, if bids could not be uploaded due to such local problems at the bidder's end.

13. The interested bidders may obtain further information from the office as under:

HoD (Internal Audit),

CMPDIL-Hqrs

Gondwana Place, Kanke Road,

Ranchi-834008, Jharkhand

Phone: 0651-2792068 (9:30 AM to 5:30 PM, Monday to Friday)

Email address: [hodiad.cmpdi@coalindia.in](mailto:hodiad.cmpdi@coalindia.in)

HoD, Internal Audit, CMPDIL

For and on behalf of CMPDIL

## **Instructions to Bidders (ITB)**

### **1. Requirements for participation in e-tender:**

In order to submit the online offer on CIL's e-Procurement portal <https://coalindiatenders.nic.in> the bidders should meet the following requirements:

- a)** PC connected with Internet (For details, visit link "Bidders Manual Kit" on home page of CIL's e-Procurement portal <https://coalindiatenders.nic.in>). It will be the bidder's responsibility to comply with the system requirements i.e. hardware, software and internet connectivity at bidder's premises to access the e-Procurement website. Under no circumstances, the Company shall be liable to the bidders for any direct/indirect loss or damages incurred by them arising out of incorrect use of the e-Procurement system or internet connectivity failures.
- b)** Enrolment with CIL's e-Procurement portal <https://coalindiatenders.nic.in> . The online enrolment of the bidders on the portal is free of cost and one time activity only. The registration should be in the name of bidder whereas DSC holder may be either bidder himself or its duly authorized person having DSC indicating name of firm as that of bidder. It shall be the responsibility of the bidder to ensure that they get registered with the CIL's e-Procurement portal well in advance and download the documents before the last date and time for the same.
- c)** Class II or Class III Digital Signature Certificate (DSC) issued by a Certifying Authority authorized by Controller of Certifying Authority (CCA) and which can be traced up to the chain of trust to the Root Certificate of CCA.

### **2. Help for participating in e-tender:**

The detailed method for participating in the e-procurement is available on links "Help for Contractor" and "Bidders Manual Kit" in CIL's e-Procurement portal. The bidders may also seek help from the help-desk on the numbers available on CIL's e-Procurement portal. All queries will be answered in English / Hindi only.

### **3. Communication :**

All communication sent by the Company as well as the e-procurement portal by e-mail/SMS shall be deemed as valid communication. The bidder must provide complete address, corporate e-mail id and mobile number.

### **4. Cost of Bidding :**

The bidder shall bear all costs associated with the preparation and online submission of bid and the Company will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

### **5. Clarification of Bid Documents and Last date for submission of Bid :**

A prospective bidder may seek clarification online through CIL's e-procurement portal after e-Publication of the NIT. The Company will respond to such requests for clarification of the Bid Documents, which are received not later than 10 (Ten) days

prior to the deadline for the online submission of bid. Company's response shall also be put on the CIL's e-procurement portal. Bids must be submitted along with all supporting documents in the CIL e-procurement portal online before or up to the scheduled time and date as mentioned in ITB.

**6. Due date of opening of Bid:**

Bids will be opened online at the scheduled time on the due date of opening as mentioned in IFB. In the event of the scheduled due date of opening of bids being declared as a closed holiday for purchaser's office or due to Force Majeure reasons, the due date for opening of bids will be the next working day at the scheduled time.

**7. Extension of due date of tender:**

CMPDIL reserves the right to extend the due date of tender as deemed fit on case to case basis by issue of corrigendum through portal. Further, if at least 3 bids are not received within originally stipulated due date, the due date shall be extended by 2 (two) days by the portal automatically. In case even after one extension of due date by 2 (two) days, less than 3 bids are received, the due date shall again be extended by another 5 (five) days by the portal automatically. If, even after granting two extensions (2 days + 5 days), less than 3 bids are received, the tender shall be opened without further extension. Separate paper publication of corrigendum for extending the due dates shall not be made. In case no offer is received after granting two extensions (2 days + 5 days), the tender will be cancelled.

**8. Language:**

The language of the bid shall be English. All documents enclosed should also be in English language. In case the original document is in a different language, self-attested English translation with signature and stamp of the authorized signatory of the bidder who has signed the LOB, shall be furnished.

**9. Earnest Money Deposit:** Not Applicable.

**10. Letter of Bid (LoB):**

The offers are to be submitted online through CIL's e-procurement portal in 1 (one) cover (Cover - I 'Technical Bid'). Authenticated and Scanned copies of documents shall be uploaded in folders named as "TECHNICAL DOCS".

The Cover -I 'Technical Bid' is to be uploaded in e-procurement portal before the last date and time for submission of online bid. No offline bid shall be accepted. Offer received through Post, Courier, Fax or E-mail will not be considered. format of Letter of Bid (LOB) as given at **Annexure-E** will be downloaded by the bidder and will be printed on Bidder's letter head and duly Signed by a person competent and having the "Authority"/ "Power of Attorney" to bind the bidder. Scanned copy of such a

“Signed & Stamped with the seal of the company” LOB along with “Authority”/ “Power of Attorney” are to be uploaded during bid submission in Cover- I. This will be the covering letter of the bidder for the submitted bid. The content of the “Letter of Bid” uploaded by the bidder must be the same as per the format downloaded from website and it should not contain any other information. If there is any change in the contents of Letter of Bid uploaded by bidder as compared to the format of Letter of Bid uploaded by the department with NIT document, then the bid may be liable for rejection. These documents are to be uploaded in folder named “TECHNICAL DOCS” provided in the e procurement portal.

**Note:** The person who has signed Letter of Bid physically should bid online while submitting the offer with his DSC mapped in the name of bidder. In case the person who has signed LOB is not bidding himself and has authorized another person whose DSC is mapped in the name of bidder, to bid online on his behalf, then the further authorization on non-judicial stamp paper duly notarized (as per **Annexure-F**) by the person signing the LOB in favour of person bidding online is required to be uploaded. This document is to be uploaded in folder named “TECHNICAL DOCS”.

#### **11. Methodology for online Submission of Bids:**

The offers are to be submitted online through CIL’s e-procurement portal in 1 (one) cover (Cover - I ‘Technical Bid’). Authenticated and Scanned copies of documents shall be uploaded in folders named as “TECHNICAL DOCS”.

The Cover -I ‘Technical Bid’ is to be uploaded in e-procurement portal before the last date and time for submission of online bid. No offline bid shall be accepted.

Offer received through Post, Courier, Fax or E-mail will not be considered.

#### **12. Evaluation of Bids:**

- i. After opening of the bid, the documents submitted by firms will be downloaded and shall be put up to the evaluating Committee. The Committee will examine the uploaded documents against information/declarations furnished by firms online. If it confirms to all of the information/ declarations furnished by the firm online and does not change the eligibility status of the firm, then the firm will be considered eligible for next level.
- ii. Bids which has not been submitted with valid documents will not be considered for further evaluation.
- iii. After evaluation of the uploaded documents, shortfall documents, if required, shall be sought from the bidders by the evaluation Committee. For this purpose, maximum 2 chances shall be given. The time period for first clarification will be considered for 7 days and for the subsequent second clarification, if required,

as 5 days. The firm will get this information on their personalized dash board under “Upload confirmatory document” link. Additionally, information shall also be sent by system generated email and SMS, but it will be the firm’s responsibility to check the updated status/information on their personalized dash board regularly after opening of bid. No separate communication will be made in this regard. Non- receipt of e-mail and SMS will not be accepted as a reason of non-submission of documents within prescribed time. The firm will upload the scanned copy of all those specified documents in support of the information/ declarations furnished by them online within the specified period.

iv. The offers will be evaluated in accordance with the criteria mentioned in **Annexure-C** on the basis of documents uploaded by firm online. The firm is not required to submit hard copy of any document through offline mode. Any document submitted offline will not be given any cognizance in the evaluation of offer.

v. In case the firm submits requisite documents online as per tender document, then the firm will be considered eligible for next level.

vi. In case the firm fails to submit requisite documents online as per tender document or if any of the information/declaration furnished by firm online is found to be wrong by Committee during evaluation of scanned documents uploaded by firm, which changes the eligibility status of the firm, then his bid shall be rejected.

vii. In case none of the firms complies the technical requirement, then necessary action as deemed fit by management will be taken.

viii. It is responsibility of firms to upload legible/clearly readable scanned copy of all the required documents as mentioned above.

13. Scanned copy (PDF) of supporting documents duly signed and stamped should be uploaded in the Folder provided for this purpose. However, CMPDIL reserves the right to verify such documents with the original, if necessary. Bidder has to submit the originals to CMPDIL on demand.

14. The offer should be submitted strictly as per the terms & conditions laid down in the tender document, failing which the offer will be liable for rejection. No deviation of the terms and conditions of the tender document is acceptable. Terms and conditions which are in deviations of the tender terms are liable for rejection.

15. CMPDIL reserves the right to reject or accept or withdraw the tender in full or part as the case may be without assigning reason thereof.

16. CMPDIL also reserves the right to short close the contract in case of breach of terms and conditions of the contract by the tenderer.



17. All notices to the bidders shall be sent by e-mail only during the process of finalization of tender by CMPDIL as well as e-procurement portal. Hence the bidders are required to ensure that their corporate e-mail id is provided / updated during the registration of vendor with e-procurement portal. Bidders are also requested to indicate their valid corporate e-mail id and mobile no. of authorized representative at Instruction to Bidders for communications through e-mails / SMS alerts (if any).
18. Modification of the submitted bid shall be allowed online only before the deadline of submission of tender and the bidder may modify and resubmit the bid online as many times as he may wish. Bidders may withdraw their bids online within the last date and time of bid submission.
19. No modification of the bid or any form of communication with CMPDIL or submission of any additional documents, not specifically asked for by CMPDIL, will not be allowed and even if submitted, they will not be considered by the CMPDIL.
20. In case of any technical mistake in online offer and NIC confirming that there is no fault from their side then CMPDIL will not be held responsible for the consequences and no correspondence in this regard will be given any cognizance by CMPDIL.

**Encl.: Annexures**

HoD (Internal Audit)  
CMPDIL-Hqrs

**SCOPE OF WORK**

The list is only illustrative and Internal Auditor is not bound in it. The Auditor is expected to be innovative and deeply review internal controls; compliance of delegation of powers, spending is judicious, look into wastages, pilferages, and theft and fraud prone areas deeply. Sudden check, physical verification, integrity check and suspicious transactions all need to be tracked by the Internal Auditor. The entire operations from all angles is in your scope and those who are innovative and bring to the management notice significant and material issues and solutions will be adequately taken care in the assessment.

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**1 COAL PRODUCTION AND OVERBURDEN (OB) REMOVAL:**

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**1.1 PRODUCTION:**

To Check and Verify the reported production as per the reporting formats as approved by the Board and amended from time to time along with Form-H and to report variations, if any:

**1.1.1 Under Ground**

**Coal Production:**

- a) Checking of Shift-wise coal production as per Form 1-A,
- b) Checking of Form 2-A, daily report of coal production with the Form 1-A,
- c) Checking of monthly report of coal production as per Form 4-A, difference if any to report.
- d) Checking of daily and monthly coal production from outsourced, if any.
- e) Checking of coal loaded in tubs and payment to piece rated workers (in case of manual loading.
- f) Whether conversion factor of coal is reviewed in every third year, if applicable?

**1.1.2 Open Cast:**

**1.1.2. (a) Coal - Departmental**

- i) Checking of Shift-wise coal production as per Form 1-D,
- ii) Checking of Form 2-D, daily report of coal production with the Form 1-D,
- iii) Checking of monthly report of coal production as per Form 4-A, difference if any to report.

**1.1.2. (b) Coal – Outsourced**

- i) Checking of Shift-wise coal production as per Form 1-E,
- ii) Checking of Form 2-E, daily report of coal production with the Form 1-E,
- iii) Checking of monthly report of coal production as per Form 4-A, difference if any to report.

**1.1.2. (c) Overburden - Departmental**

- i) Checking of Shift-wise Over Burden (OB) removal as per Form 1-B,

- ii) Checking of Form 2-B, daily report of OB removal with the Form 1-B,
- iii) Checking of monthly report of OB removal as per Form 4-A, difference if any to report.

**1.1.2. (d) Over Burden - Outsourced**

- i) Checking of Shift-wise Over Burden (OB) removal as per Form 1-C,
- ii) Checking of Form 2-C, daily report of OB removal with the Form 1-C,
- iii) Checking of monthly report of OB removal as per Form 4-A, difference if any to report.

**1.1.3 Washery:**

**1.1.3. (a) Raw coal received**

- i) Checking of Shift-wise coal received as per Form 1-F,
- ii) Checking of Form 2-F, daily report of coal received at Washery with the Form 1-F,
- iii) Checking of monthly report of coal received as per Form 4-A, difference if any to report.

**1.1.3. (b) Production:**

- i) Checking of Shift-wise coal processed in washery as per Form 1-G,
- ii) Checking of Form 2-G, daily report of coal processed in washery with the Form 1-G,
- iii) Checking of monthly report of coal processed in washery as per Form 4-A, difference if any to report.

**1.1.4** Capacity utilization of the washery and comment on the reasons for underutilization if any.

**1.1.5** Percentage of yield and comparison of the same with the target and last year's figures and reasons for variance, if any.

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**2 SALES & MARKETING**

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**2.1** Report on actual off-take with the Annual Action Plan (AAP) target.

**2.2** Checking of records that the coal is dispatched after weighing on electronic weighbridges and if not report thereof.

**2.3** Report on deduction due to grade slippage, deduction due to non-computerized Weighment, quantity deduction and any other.

**2.4** Report on overloading/under loading (quantity and amount) and Demurrage paid to Railways.

(a) For demurrage charges incurred, to report on -

- (i) Whether indent for wagon placed with Railways are more than the capacity of the siding?
- (ii) Whether there is untimely supply of wagons, where manual loading is done?
- (iii) any other reason for such demurrage.
- (iv) Whether any protest lodged with Railways for unreasonable claim.

(b) Whether Demurrage charged is owing to failure of Contractor where wagon loading is done contractually? If so, whether such demurrage has been recovered from contractor's bill?

- 2.5** Report on Maintenance of records for road sales – Delivery Order wise, Party wise Ledger, Weighment register, Gate Pass, etc.
- 2.6** Report on incidences of theft of coal if any.
- 2.7** Report on Performance of weighbridge and % of coal weighed.
- 2.8** Report of unweighted wagons, if any with the name of the party and place of coal despatched, basis of raising of sale bill.
- 2.9** Report on delay in raising invoices for credit sales on the following:
- (a) Time taken by various departments
  - (b) Date of loading
  - (c) Date of receipt of RR
  - (d) Date of billing
  - (e) Date of dispatching the bill.
- 2.10** Report on pending C forms – age wise and party-wise with reason of delay and steps taken to collect the same.
- 2.11** Checking of Monthly reconciliation between billed quantity and dispatched quantity. If any variation report thereof with reasons.
- 2.12** Checking of disputed and undisputed dues of Sundry Debtors, age-wise and reason wise and report on disputed dues and to check the payments are received as per the fuel supply agreement.
- 2.13** Checking of records of BG and timely action taken for renewal and encashment as the case may be and also that the lapsed BG have been returned to the party and all BG have been verified from the Bank through post or through SFMS (Structured Financial Messaging System) mode.
- 2.14** Checking of Sale bills (test check) are raised as per the Delivery order and surface transportation charges are billed with reference to lead certificate with applicable rates.
- 2.15** Report on input tax credit availed correctly and fully against VAT and Central Excise duty on revenue as well as capital items.
- 2.16** Report on incentive/bonus bills has been raised timely and correctly as per FSA and realization thereof and also credit note for penalty for non-supply of coal as per norm, if any, has been given.
- 2.17** Report on forfeiture of EMD from e-auction parties with quantity and value during the period/year. In case failure on part of the Company, competent approval is taken for refund of full value of coal, to report quantity and value thereof.
- 2.18** To check whether debit/credit notes have been issued within 30 days of receipt of analysis report to the customers for settled case of grade variance etc., if not report thereof.

- 2.19** No. of complaints and grievances received from customers and settled during the period/ year.
- 2.20** Checking of Delivery Orders for coal are in accordance with Fuel Supply Agreement or any other agreement/order and full amount is received from the customers.
- 2.21** Check the records for supply of coal through washery mode is as per FSA or any other arrangement and approval of competent authority is taken.
- 2.22** Checking of Quarterly reconciliation of balances in Subsidiary ledger with the General Ledger, if any variance report thereof.
- 2.23** Checking of advance amount received from the customer with the bills raised and in case excess amount, refunded timely, if not report thereof.
- 2.24** Checking of EMD amount received on e-auction of coal and adjusted against delivery orders issued and in case party has not deposited balance value of coal, whether the EMD forfeited and accounted for.
- 2.25** Checking of reconciliation of Billing & realization report.
- 2.26** Report on Weighbridge calibration done by the statutory authority and date thereof.
- 2.27** Checking of under loading charges calculated as per the Railway guidelines and allowed as per the provisions of FSA.
- 2.28** Report on the under loading cost and quantity and reason thereof, its comparison with corresponding period of previous year and previous month.
- 2.29** Railway Siding:
- a) Checking of Shift-wise coal received at Railway Siding and despatch,
  - b) Checking of daily report of coal received at Railway Siding and despatch,
  - c) Checking of monthly report of coal received at Railway Siding and dispatch, difference if any to report.

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### **3. Checking of Quantitative reconciliation:**

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Opening stock, production, off-take (Dispatch + own consumption) and closing stock as per production report and compare the same with Form "H" and variation, if any, should be reported.

Note:

- a) Opening stock should be verified with the closing stock of the same in Form-H of the previous month/period.
- b) Production should be verified from the production report as mentioned herein before.
- c) Dispatch should be verified from Sale Bill Register.
- d) Inter unit transfer should be verified from Stock Transfer statement.

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### **4 PRODUCTIVITY:**

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- 4.1** Analysis of OMS.

- a) Checking of overall OMS and comparison with previous month & target and report thereon.
- b) Checking of departmental overall OMS vis-a-vis total overall OMS and report thereon.
- c) Checking of OMS for departmental coal production and outsourced coal production and report thereon.
- d) Checking of Loader's OMS (Underground) and comparison with previous month & target and report thereon.

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## **5 INPUTS**

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### **5.1 MANPOWER:**

- a) Checking of actual deployment of manpower with the approved manpower. Report on short/excess manpower and report thereon, if possible discipline wise. Also to report on gainful utilization of surplus manpower, if any.
- b) Checking of diversion of piece-rated workers in time-rated jobs, number of such cases and whether approval of competent authority is taken for such diversion, if not report thereon.
- c) Checking of Absenteeism statement with the Attendance Register, if variance report thereon.

### **5.2 MACHINES (HEMM, CHP, SDL, LHD, CM, Surface Miners, High Wall Equipment, Power Support Longwal etc.):**

**5.2.1** Checking of Monthly Performance of the HEMM and UG machines with respect to Last Year's Actual and with previous month.

**5.2.2** Checking of HEMM and UG Machines under breakdown for more than three months, more than three months to one year and more than one year, separately for machines and recovery made for break down, if any:

- (i) Under MARC
- (ii) Under Warranty
- (iii) Others

**5.2.3** Report on HEMM and other Machines –

- i. Report on mismatch of Equipment in case of Opencast mines - digging and transporting of coal/ OB with quantitative details.
- ii. Checking of HEMM and UG machines which have completed its life as per norms and whether the same is surveyed off or machine is still in operation, report thereon.
- iii. Checking of replaced machines in place of surveyed-off during the period under audit.
- iv. Checking of Machines surveyed off and grounded during the period under audit.
- v. Checking of productivity of the machines and in case it is less than the norms, report thereon.

**5.2.4** Maintenance of Logbooks of HEMM and other Machines:

- i. Checking of log books:
  - a) All columns are filled up,
  - b) Entry of POL is done on regular basis and in case of variation from previous day reasons to be recorded,
  - c) Hour/service meter of the machines are in working order, if not working, report thereon.
  - d) Entry of major sub-assemblies and spares fitted in the machine.
  - e) Maintenance of HEMM as per maintenance schedules is done, if not, report thereof.
- ii. Logbooks are signed by the concerned authorized person and operator.
- iii. Checking the performance of individual machine from logbook viz. working hours, breakdown hours, available hours, progressive hours on test check basis and report thereof.
- iv. Checking of time lag between the date of issue of main spares and date of its fitting in the machine.

**5.3** Burnt Oil: Checking of section wise burnt oil received and disposed.

**5.4** Checking of actual Performance of the Equipment under maintenance contract (MARC) Vis-à-vis terms of the contract.

**5.5** Workshop – checking of jobs assigned and completed within time schedule if delayed report thereof and checking of amount charged for jobs and bills raised, test check.

**5.6** Rehabilitation of Equipment

- i. Report on the machines rehabilitated and completed useful life (in terms of years and hours) as per norms, if not report thereof.
- ii. To check that the equipment rehabilitation norms of CIL have been followed, if not report thereof.

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## **6 EXPLOSIVES:**

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**6.1** Checking of statutory records required as per rule, if not report thereof.

**6.2** Checking of Actual powder factor separately for Coal and OB party wise and compared with benchmark. To check that deductions for variances are pointed out and recovered from Suppliers bills.

**6.3** Checking of records for supply of Site mixed slurry (SMS) explosives as per statutory requirement and recording of actual supply, party wise Powder factor for Coal and OB (For Powder factor calculation, total OB should exclude loose un-blasted OB and quantity of OB re-handled) is calculated separately and the same is signed by the authorized person, if any discrepancy report thereof.

- 6.4** Report on comparison of Powder factor and Detonator factor with norms, previous month and previous year's figures.
- 6.5** Report on variance analysis of cost per CuM/Tonne of OB and coal respectively, in comparison with Budget showing details of volume variance and price variance.

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**7 UTILISATION OF MATERIALS FOR SUPPORT IN UNDERGROUND MINES FOR SAFETY:**

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- 7.1** Checking of records for receipt, issue & stock of support material.
- 7.2** Checking of consumption of all underground support and safety material e.g. timber, steel bolt, roof bolt, cement capsules etc. is vetted by the Safety department.

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**8 OIL & LUBRICANTS (earlier POL):**

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- 8.1** Checking of internal control regarding receipt, issue & stock of POL.
- 8.2** Physical verification of quantity of diesel on test check basis in tankers as well as storage tanks and report thereof.
- 8.3** Consumption of diesel per CuM of composite production in Open Cast Projects (excluding production by Dragline) and comparison with CMPDIL norms for specific diesel consumption and previous year's figures, report on variance.
- 8.4** Consumption of diesel per working hour of the machine and comparison with previous month and previous year's figure and report thereof.
- 8.5** Report on consumption of POL – volume and price variance.
- 8.6** Report on short supply of HSD and recovery thereof.
- 8.7** Checking of records of Dip stick measurement of diesel tank before receipt and after decantation from diesel tanker.
- 8.8** To check all credit notes / discount given by IOCL as per the agreement between CIL & IOCL.

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**9 POWER:**

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- 9.1** Report on consumption of Power per unit of production and comparison with previous month and previous year's.
- 9.2** Report on contract demand (CD) of power and actual contract demand utilized.
- 9.3** Report on penalty imposed due to:
- a) Delay in payment.
  - b) Low Power Factor
  - c) Recorded Maximum Demand
  - d) Any other
- 9.4** Report on variance analysis of power cost per CuM/tonne as compared to budget and previous year.
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- 9.5** Report on concessional tariff for domestic consumption is availed of, in case commercial tariff to be reported.
- 9.6** Checking of records that the separate Meters are installed for industrial consumption and domestic consumption, if not report thereof.
- 9.6** Report on Energy Audit and its compliance.
- 9.7** Report on Power Factor and comparison with previous month and previous year.

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**10 FINANCE:**

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**10.1** Utilisation of Fund:

- a) Checking of budgetary control for indenting, release and utilization of funds under major heads.
  - b) Checking of the funds utilization immediately on receipt for the purpose indented for, any deviation to report.
  - c) Checking of cash receipts and payments and reasons as why in cash and not through digital mode/bank.
  - d) Checking of unsettled amount returned by bank on failure of RTGS/NEFT.
  - e) Checking of payment made through account payee cheque or demand draft, whether approval from competent authority is taken.
  - f) Checking of bank reconciliation statement and report if any unreconciled amount lying unadjusted for more than one month.
  - g) Payments to contractors and suppliers are made in serial/chronological order, any deviation report thereof.
  - h) To report on whether CLTD (Corporate Linked Term Deposit) facility with a reasonable threshold limit has been obtained against current account of the unit/Area with the concerned bank?
- 10.2** Bank and cash book is signed by the authorized signatory on daily basis, if not report thereof.
- 10.3** Checking of balances of subsidiary ledgers with General ledger and any variance report thereof.
- 10.4** To report on the age-wise break-up of all advances & receivables appearing in balance-sheet on quarterly basis. Also to report on the balances lying for more than 5 years and the possibilities of their being written back/written off.
- 10.5** Checking of bills as per Supply/Work Order/Agreement/Manual on test check basis and if any deviation report thereof.
- 10.6** To report on overdue payments to MSME. To report whether payment is made to MSME suppliers/contractors within 45 days of acceptance of their bills.
- 10.7** Verification of Investment of Surplus Fund:
- (a) Whether CIL Deposit Policy, as approved by the Board is being followed?
  - (b) Opportunity of Investment of surplus fund in best possible alternatives.

- (c) Timely realization of Investments and credit to proper accounts.
- (d) Reinvestment after maturity of the Term deposits/Mutual funds in time.
- (e) Timely investment of surplus fund and report if any idle fund not invested.
- (f) Checking of Fixed Deposits physically and with the banks statements and interest accrued certificates are collected quarterly and accounted for, if not report thereof.

**10.8** Checking of Bank draft/Bankers Cheque, received towards EMD and Security Deposits from contractors/ suppliers are accounted for and deposited timely in the bank, if not report thereof.

**10.9** Bank Guarantee: Checking for-

- (a) To check the procedure regarding acceptance, custody and disposal of bank guarantee etc. in accordance to the provision laid down under Finance manuals and time to time guidelines issued by the management.
- (b) Whether Bank Guarantee submitted against security deposit and performance guarantee has sufficient coverage for period of work?
- (c) Whether Bank Guarantee has been properly recorded and realized in case of default?
- (d) Whether genuineness of Bank Guarantee has been confirmed as per prevailing rules by the issuing bank and verified on SFMS platform?

**10.10** Checking of payment vouchers on test check basis.

**10.11** Gratuity claims amount received from LIC as per One Year Renewable Group Term Assurance (OYRGTA) policy and checking thereof:

- (a) Whether claim for reimbursement has been lodged with LIC in time following the month of payment of gratuity to employees, if not report thereof?
- (b) Whether reimbursement from LIC has been received timely and paid to the authorized nominee of deceased employee, if not report thereof.

**10.12** Checking of legal bills whether paid as per schedule of legal fee to the empaneled advocates.

**10.13** Report on Trade Payables outstanding more than 3 months.

**10.14** To verify that supply order /work order are signed by the authorized officer empowered and verified with the specimen signature of these official.

**10.15** To check that the cashier is authorized to operate cash has been appropriately covered by Fidelity Guarantee Insurance and adequate Insurance for cash-in-safe & cash-in-transit is taken.

**10.16** To check that the amount of laptop/tab value (WDV) with perquisite tax has been realized from the executives on superannuation/ resignation/ termination.

Log books of vehicles:

- (a) To check that the log books are maintained properly giving relevant details such as the places travelled, purpose, meter readings, fuel filling etc. signed by the driver and the Authorized person.
- (b) To check that the recoveries have been made for use of vehicles for personal use.

**10.17 Air Tickets:**

- (a) Whether booking in respect of Air tickets is done on the basis of requisition slip duly approved by the competent authority?
- (b) Whether the bill of service provider (Traveler Agent) is passed as per terms & Condition of the contracts?

**10.18 Booking of Hotel Accommodation:**

- (a) Whether booking of accommodation is done in the empaneled Hotel and as per entitlement of the person concerned?
- (b) Whether the bill of Hotel is passed as per terms & Conditions of the contracts?

**10.19 Vehicle:**

- (a) Whether hiring of vehicle is done as per terms & Conditions of the Contract?
- (b) Whether bill of service provider is passed as per terms & Conditions of the contracts?
- (c) Whether insurance covered of the company owned vehicle is renewed in time?

**10.20 Leased Properties:**

- (a) To check that the lease rent is recovered as per the agreement.
- (b) To check that the revision of rent is done on due dates and in time as per the terms of the agreement, if not to report.

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**11. GST:**

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**11.1 Registration:**

1. Whether registration is obtained in every state from where supply is made?
2. Whether registration for ISD has been obtained for transfer of ITC in respect of goods and services?
3. Whether additional places of business within a state are added in the registration certificate?

**11.2 Invoice verification:**

1. Whether invoice has all the prescribed particulars as required under Section 31 and rules made thereunder?
2. Whether bill of supply is issued as per requirement of GST Law?

3. Whether the time limit for issue of invoice has been adhered to?
4. Whether "Self Invoice" is raised in case of RCM transactions?
5. Whether Credit note/ Debit notes are issued and incorporated in GSTR as per the provisions of the GST law?
6. Whether document as per books of accounts match with Returns?

**11.3 GST Return & Payment:**

1. Whether returns as applicable have been filed within the due dates?
2. In case of late filing whether late fees have been paid?
3. Whether supply as per books of account matches with supply as per GSTR?
4. Whether change in tax rates has been dealt with correctly?
5. Whether tax has been paid within the prescribed due dates?
6. In case of late payments whether interest has been paid?

**11.4 Input Tax Credit:**

1. Whether input tax credit is taken based on eligible documents having all the prescribed particulars as per the Rules made in this regard?
2. Whether the goods / services on which ITC is claimed has been received by the entity before taking ITC?
3. Any Reversal of input tax credit for the goods sent for job work?
4. Whether Input tax credit is reversed against the receipt of Credit Note?
5. Whether wrong ITC availed has been reversed along with interest?
6. Whether the vendors (other than RCM) have been paid within 180 days from the date of invoice?

**11.5 TDS on GST:**

1. Whether TDS on GST deducted as per GST Law and timely payment of TDS?
2. Whether TDS certificates issued timely?

**11.6 RCM:**

1. Whether Reverse Charge has been paid on all inward supplies notified u/s. 9(3) of the CGST Act and u/s. 5(3) of the IGST Act?
2. Whether ITC has been availed of the tax paid under reverse charge?

**11.7 Misc:**

1. Whether books of accounts are maintained at each place of business?
2. Whether the Register E-way Bill/Delivery challan is maintained as per the law?
3. Are there any departmental inspection proceedings for Transitional Credits or any other demands created?
4. Any adverse remarks by Statutory Auditor has been raised and whether those are rectified?

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**12. PURCHASES:**

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- a. Checking of Purchase orders placed are as per Purchase Manual and competent approval is taken and necessary formalities as per manual are complied with, if any deviation to be reported.
- b. Report on repeat Orders placed, are based on orders placed earlier with proper tendering and other conditions governing the placement of Repeat Orders are complied with.
- c. To check that no attempt has been made to split the tenders, to keep the value of the contract within the delegated powers of the approving authority, if any report thereof.
- d. Checking of non-availability certificate and consumption pattern of last 3 years has been obtained from both Regional & Central Stores before raising indent for any material.
- e. Report on delay in placement of supply orders from the date of approval of indent beyond prescribed time.
- f. To check that the material is received within the stipulated time; if not, whether liquidated damages have been imposed, if not report thereof.
- g. Report on maintenance of records such as Tender Register, TCR files, Supply orders, Bill Passing Register, etc. are in order, in case of any discrepancy report thereof.
- h. To check that the local purchases are made within the powers delegated to the approving authority. In case of local purchase, whether the materials purchased have been consumed immediately, if not report thereof?
- i. To check if any advance payment is made to suppliers is as per the NIT/Order and has been adjusted as per the terms of advance payment. Any outstanding for a long time; list of such advances (separately for P&M and Spares) with age and reason for non-adjustment is to be reported.
- j. Checking of Modules Orders placed for rehabilitation of equipment/HEMM. Also to check that the spares/ materials received are utilized for particular rehabilitation of equipment/HEMM, any discrepancy to report.
- k. Checking of procurement of centralized items at Area/ Project/ HQ is done with proper justification and with the approval of competent authority.
- l. Checking of deletion or insertion of terms and conditions in the standard NIT, whether proper justification has been recorded and competent approval has been obtained.
- m. To check that the e-tenders are floated and reverse mechanism has been followed.

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### **13. STORES**

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- a. To check & verify proper maintenance of records such as Day Book, Stores Receipts, Issue Voucher, Kardex posting, Store Return Voucher, etc. To check that the entries are made on daily basis in computer system. In case OMMS (On line Materials Management System), all entries are made immediately to check and report.
- b. Physical verification of certain items of stores at random and basis of sample size and report the exception, if any.

- c. Checking of claims lodged for receipt of short material and damaged material and whether settled, pending such cases to be reported.
- d. a) Checking of non-moving and slow-moving store items and to check the details thereof has been circulated to other Areas and Headquarters for gainful use at other places.  
b) Material purchased on local purchase basis, and not consumed within one month is to be reported and also to check that the items purchased frequently through “Local Purchase” are covered in Material Budget.
- e. Checking of records maintained for scrap & disposal thereof.
- f. Checking of relevant records of Charge-off Stores & spares lying for a period exceeding 3 months and to check that the charge off stores is also recorded through OMMS (Online Material Management System). To check the records for transfer back of charge-off stores lying for more than 30 days to Regional Stores.
- g. Checking of reconciliation of materials issued from the Main Stores tally with **that** received in the Charge-off Stores.
- h. Checking of reconciliation between Price Stores Ledger and Financial Ledger is done timely and accounted for quarterly/ yearly.
- i. To check that the obsolete and non-moving stores & spares have been identified and accounted for.
- j. To certify the list of obsolete, non-moving stores & spares which are not in use for last 5 years and to report on the steps taken by the company to dispose-off such obsolete and non-moving stores and spares.
- k. In case of any agreement of buy-back of stores, the Auditor has to certify whether the process has been followed.
- l. Checking of errors in Store ledger and report thereon.
- m. Checking of inspection reports on test check basis of material and the same is in conformity with provision in the Supply Order. Reporting on List of those material lying in stores waiting inspection for a period exceeding one month.
- n. Checking of records of used tyres, battery and other recoverable items against the issue of new item.
- o. Checking of records of warranty spare parts/ spare parts provided with equipment is kept separately and proper record is maintained for the same.
- p. To check that all material received in stores is having material code.
- q. Checking of records of grounded/surveyed off vehicles that the De-registration of the same has been obtained from the RTO.

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**14. SERVICE CONTRACTS AWARDED BY CONTRACT MANAGEMENT CELL OR BY ANY OTHER DEPARTMENT:**

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This covers coal transport, sand transport, hiring of pay loaders for loading of coal, hiring of HEMM, surface miner, drills, continuous miner, high wall for over burden removal and coal production, Mine Developer & Operator (MDO) contracts, hiring of vehicles, Turnkey basis contracts etc.

#### **14.1 Coal Transport:**

- (a) To check that the CMC manual is complied with in finalizing relevant tenders of coal transportation awarded by Contract Management Cell or by any other department.
- (b) Checking of route map of coal transportation, which is certified by IED as shortest possible route of transportation.
- (c) Checking of work order executed is as per the terms of contract and deviation of time/quantity has been approved by the competent authority and payment released is as per terms of contract/ work order.
- (d) Checking of monthly target quantity for transport and penalty for short fall, if any is recovered from the contractor as per the work order. In case waiver of penalty, the same should have competent approval.
- (e) Surprise checks are to be carried out during weighment of trucks/ tippers/dumpers and discrepancy, if any, to be reported.
- (f) Checking of monthly reconciliation of coal transported with Dispatches + Closing Stock – Opening Stock and also to check re-handled quantity, if any.
- (g) To check the quantity re-handled and approval of competent authority.
- (h) Checking of records maintained at weighbridge e.g. Gate Pass, Bill, MB, Bill Passing Register etc. on test check basis.
- (i) Checking of bills of transporters and it is as per the terms and conditions of the work order and based on the certificate of the concerned authority regarding satisfactory performance and to check that all recoveries such as Security Deposit, Income Tax etc., have been made correctly.
- (j) Checking of escalation/de-escalation is calculated correctly and the same is adjusted/ paid to the transporter, any delay more than one month to be reported.
- (k) Checking of reconciliation of coal transported from quarry and coal received at dispatch point.
- (l) Checking of records of coal transportation done by both departmental and contractual means from the same mines and to check that separate identification of the quantity transported by both the means has been made.
- (m) To check that the GPS (Global Positioning System) installed in all the Trucks/ HEMMs deployed in the mine is operating effectively and monitored, if not report thereof.

#### **14.2 Sand Transport:**

- a) To check that the CMC manual is complied with in finalizing relevant tenders of sand transportation awarded by Contract Management Cell or by any other department.

- b) To check the total quantity transported is within the awarded quantity and prior approval of competent authority has been obtained for any excess quantity and approval of competent authority has been obtained for excess in the value of work on account of price escalation.
- c) Checking of reconciliation statement (reconciliation of receipt quantity and dispatch quantity) (Opening stock of sand+ Sand transported from River / Stock to Bunker – Sand stowed) = Closing stock of sand.
- d) Checking of book stock with physical stock of sand and any difference to report.
- e) Checking of records of Sand stowing and also to check that the claim for sand stowing has been made regularly.
- f) Checking of sand stowing ratio and comparison with norms and variance if any to report.
- g) Checking of Shortest route for sand transportation has been identified by a Committee and approved by the competent authority.

**14.3 Hiring of HEMM for OB Removal:**

- (a) To check that the CMC manual is complied with in finalizing relevant tenders of OB Removal awarded by Contract Management Cell or by any other department.
- (b) To check that the estimate is supported with shortest lead certificate, non-availability of departmental capacity.
- (c) To check and report on contracts of time and quantity extension granted and reasons thereof and to report.
- (d) Whether there is any splitting of contract in terms of quantity/time to accommodate the tender value within specific delegation of power?
- (e) Whether Personnel Dept. certified regarding fulfilling requirement of labor laws specifically for correct wages and PF/CMPF?
- (f) No. of contracts extended for time / quantity and whether such extensions is supported with proper justifications.
- (g) Whether payment of escalation/de-escalation has been properly calculated?
- (h) Checking of initial and final measurement document of contractual OB removal.
- (i) Reconciliation with survey report and OBR reported.
- (j) Whether Uniform practice has been followed for acceptance / rejection of offers including the time period for such decision on test check basis?
- (k) OBR removed during the year with bill paid and reconciliation with physical measurement.
- (l) Checking of the closing advance stripping with Surveyor's Report.
- (m) Verification of OBR measurement and accounting. Verification of initial profile and final profile with the billed quantity for payment.
- (n) Whether Hindrance Register is maintained and updated for every Coal, Sand transport and OB Removal contracts.



#### **14.4 Other Contracts:**

To check that the CMC manual is complied with in finalizing the relevant tenders and to check all other details while making the payment.

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### **15 CIVIL CONTRACT WORKS (CAPITAL & REVENUE)**

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It covers all construction works under capital head, revenue works and turnkey contracts etc.

- 15.1** To check that the Civil Engineering Manual / Contract Management Manual / Schedule of Rates are complied with in finalizing the relevant tenders.
- 15.2** To check that no attempt has been made to split the tenders to keep the value of the contract within the delegated powers of the approving authority.
- 15.3** To check that the works awarded have been completed within the scheduled time, if not to check that the competent approval is taken for time extension.
- 15.4** To check that there is no failure on part of the management, due to which the work could not be completed in time resulting in escalation of value of contract.
- 15.5** To check that for completed works, final bills have been prepared in time and accounted for. To check that the details of running and final bills are recorded in the Measurement Book (MB) and any material issued to the contractors has been recovered. Test check of MB with bills. To report where final bills are pending for completed work for more than 3 months. To report for capital works in progress after the completion of work period as per contract.
- 15.6** To check and report for abnormal variations in quantities as per estimates of awarded work.
- 15.7** To check that the advances, if any paid against contract are adjusted as per the terms of the contract and in case interest bearing, correct interest has been recovered from the contractor.
- 15.8** To check that the payments have been made as per the terms and conditions of the work order and on the basis of satisfactory performance as certified by the concerned authority; whether recoveries towards security deposit, secured advance, income tax, etc. have been made correctly.

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### **16. ESTABLISHMENT**

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#### **16.1 Manpower:**

- (a) To check the reconciliation of manpower on roll and manpower paid as per Pay-sheet.
- (b) Checking of fixation of basic pay on promotion, revision of basic pay in disciplinary action, subsistence allowance and other allowances sanctioned time to time and pay fixation of new recruitments etc.

- (c) To check the details and documents submitted by the new recruitments executives/ non-executives.
- (d) To check the complete records for employment given to land oustees and suitable compensation paid as per the statutory requirement e.g. CIL R&R Policy/State Level Policy.
- (e) To check that on death and in medical unfit cases whether competent approval is taken before giving the employment.
- (f) To check the records of vacancies to be filled up by promotion of existing employees and report thereof.
- (g) To check the records of transferred employees as transferred and not released and report thereof.
- (h) To check the cases of retirement on medical ground and female VRS and to check that the competent approval is obtained.

**16.2 Form B:**

- (a) Whether photographs of the employees have not been affixed and attested?
- (b) Whether Form B has been signed by the employees and countersigned by the authorized person?
- (c) Whether date of birth and all other columns have been filled up?
- (d) Whether there are any discrepancies in the date of birth of the employees with regard to Service Records?
- (e) Whether any case is pending for age or qualification dispute

**16.3 Attendance (Form C and D):**

- (a) To check that the Bio-Metric attendance system is in operation and pay sheets are prepared after taking attendance directly through system and without manual interference, if any to report. If manual to check that attendance is marked daily and cross totaled are made in the attendance register. The attendance register is signed daily by the authorized person.
- (b) In case of Underground, cross-check the attendance with Cap Lamp Register.

**16.4 Leave Records (Form G and H):**

- (a) To check that the leave records are maintained in the statutory format.
- (b) To check that the balances of leave are correctly carried forward and added for the current year as per eligibility, leave availed are correctly recorded.
- (c) Leave availed is supported by applications and duly sanctioned.
- (d) To check that the leave register is updated and corrected regularly and not once a month.
- (e) To check the instances where leave has been availed but having no leave balance.

- (f) To check the instances where leave has been availed but attendance is also marked and paid accordingly.
- (g) To check that balance leave given in Last Pay Certificate is as per leave record.
- (h) Quarterly Reconciliation should be done between leave balance mentioned in Pay slip and leave balance appeared in Leave records, any variance to report.

**16.5 Overtime and rest day workings records (Form I):**

- (a) To check that proper record for overtime is maintained, specifying the engagement of hours with reasons.
- (b) To check that the OT sanctioned is within the delegated powers.
- (c) To check that the OT/Rest Day wages paid have been duly sanctioned.
- (d) To check the instances where the employee was on leave / rest day but OT is paid.
- (e) To check the instances where employees have been engaged on over time continuously for more than eight hours.
- (f) To check that compensatory rest has been availed in all cases, if not to report.
- (g) To report for Variance in cost of normal overtime and Sunday / Holiday workings with Budget and previous year in terms of hours/days and financial.
- (h) To Report on Sunday deployment vs Normal deployment.

**16.6 L.T.C. Records:**

To check that the LTC/LLTC register is maintained properly giving all the relevant information like details of the employee, members of his family, age, address (updated time to time on receipt of applications from the employees for any changes), details of previous LTC availed, date & amount of advance taken and subsequent adjustment thereof etc. and to check the rates of fare are as per applicable rates of mode of travels.

**16.7 Salary & Wages Audit:**

- (a) To check that the provisions of NCWA in case of non-executives and in case of executives -Executive Pay Revision are followed in preparation and payment of wages and salary.
- (b) To report whether payment of salary & wages is made only through Bio-metric attendance system.
- (c) System & transaction audit to be carried out on sample basis in respect of each element of salary & wages including arrear salary & wages and PRP paid and to report weaknesses and deficiencies in internal control.
- (d) Checking of all deduction, recoveries and adjustments are made and reconciled e.g. CMPF, Family Pension and 7% Pension, HBA, conveyance loan etc.

- (e) Checking of pay fixation arising out of promotion/up-gradation, annual increment and stagnation increment and on implementation of NCWA and Executive Pay Revision as and when due. Also to check arrears arising out of such fixation/ revision.
- (f) To confirm that discontinuation of billing of departed employees is made in the same month and no payment through system is generated thereafter.
- (g) To check fall back wages, whether the competent approval has been obtained.
- (h) To check that all the terminal benefits have been settled and paid to superannuated/ resigned employees, any pending case to report.
- (i) Checking of arrear salary & wages and arrear PRP bills before making final payments to separated employees.
- (j) Whether a Memo of Difference (reason for head wise difference of salary with reference to previous month) is made by the system department and checked by the finance dept.
- (k) Whether employees have necessary approval for joining after long absenteeism, if not to report.
- (l) Checking of register for recovery of rent and reporting on outstanding amount.
- (m) To check the records relating to occupancy of quarters and rent is recovered as per rule of the company.
- (n) Unauthorized occupancy of company accommodation, if any, should be reported.
- (o) Reconciling HRA payment against respective sanction order.

#### **16.8 Advances to Employees:**

- (a) To check that the advances are adjusted and in case of recovery the same is regularly done, no second advance unless first one is adjusted.
- (b) To check the schedules of advances under various heads duly tallied with the balances of General Ledger.
- (c) To check that the Debit Memos for the Transfer TA and other advances for the transferred employees have been issued timely to the place of transfer and recorded in the LPC.
- (d) List of advances (other than House Building and Conveyance advance) outstanding for more than three months, more than 6 months, more than 1 year, more than 2 years with Date of advance & reason for non-adjustment.
- (e) To check that the interest on House Building and Conveyance advances has been calculated correctly and recovered regularly.

#### **16.9 Other Payments:**

- (a) Checking of other expenditures like TA, Transfer TA, LTC, Medical reimbursement, medical reimbursement to retired employees under CPRMS etc. has been made as per the relevant circulars of the company and if any irregularities to be reported.

- (b) To check the Performance Related pay (PRP) and production incentive etc. is calculated correctly.

**16.10 Outside Repairs:**

- (a) To check that major outside repair has been resorted after obtaining “No objection Certificate” from concerned Regional Workshop/Central workshop.
- (b) To check that the relevant manuals are complied with for awarding such works.
- (c) To check that the proper records is maintained for all such works e.g. details of work order, bill passing details, deductions etc.
- (d) To check that the equipment/ machines sends for repair have been received in time and to report if there is any delay for more than three months.

**16.11 Statutory Payments & Returns:**

- (a) Verification of receipts/acknowledgements for the payment of statutory dues like Income tax, Sales tax, Royalty on coal and sand, Stowing, Road tax, Insurance etc.
- (b) To check that the statutory dues have been deposited in time and reconciliation of collections/receipts as the case may be and payments of statutory levies and if any penalty due to late payment to report.
- (c) To check that all Statutory Returns have been filed in time, in case not complied to report.
- (d) To check that all statutory deduction made from the bills of contractors are deposited to the appropriate authorities within the time schedule like PF, ESI etc.
- (e) To prepare a status of old pending cases at various levels and report on action being taken/necessary including suggestion on how to ensure that litigation is reduced.

**16.12 Corporate Social Responsibilities Expenses (CSR):**

- (a) To check the activity-wise budget and actual expenditure under Corporate Social Responsibilities (CSR).
- (b) To check that works undertaken under CSR are within the allocated budget and also as per CSR policy of Coal India Limited.
- (c) To check and report unspent amount and also to check that the works undertaken by outside agencies, utilization certificates are received in time.
- (d) To verify the CSR spent including physical verification of outcome as well as sample cases to verify the genuineness of expenditure incurred and assets created. Also whether conditions laid are being followed or need revision.
- (e) Report age analysis and reasons for time over run and action required.

**16.13 Mine Closure Plan Expenditure (MCP):**

- (a) To check the progressive mine closure expenses are identified and charged to a separate head of account.
- (b) To check that the amount is withdrawn from Escrow account at the interval of every five years for the expenditure incurred for mine closure.
- (c) To check that proper record is maintained for mine closure expenses.

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## **17 SYSTEM**

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- (a) To check that A.M.C's exists to protect the hardware and software installed.
- (b) To check that all software installed are fully utilized, if not to report.
- (c) To check that the company is having approved IT strategy/plan.
- (d) To check the existing software in the operation are fully utilized e.g. financial accounting, sales accounting, personal information, pay roll, material/inventory management etc.
- (e) To check the areas, where the inbuilt check exists in the computer environment and needs to be reviewed.
- (f) To check the document retention policy to eliminate the problem of extracting information from computer file due to lack of back up of past records, exists or not.
- (g) To check that a system of proper documentation of software program exists.
- (h) To check that corrections made in master data are done by authorized person and complete record centrally in computer department is being kept and having the approval of head of System department.
- (i) To check that the backup of data is being taken regularly and kept as per the policy of the company and carried out by the designated and authorized employees.
- (j) Whether there is a system of identifying and disposal of e-waste?
- (k) To check the verification of creation of master records of employees transferred in /newly joined during the month & elimination of master records of employees, who have left the organization during the month on account of transfer, retirement, resignation, death, dismissal, removal, etc., if not to report.
- (l) To check the anti-virus software is installed and working effectively.
- (m) To check schedule of authority (SOA) and ensure that the delegated has sufficient control for discharging his responsibilities.
- (n) To check and ensure that hardware access control have fully been implemented so that remote user has proper authority to see, create & delete data and confidential/ payment related data, if shared, are encrypted or not, if not to report.
- (o) To check and report the existence of software password control along with periodic modification are in operation.
- (p) To check the existence of disaster recovery and business continuity plan along with periodic testing and review of the procedure.

- (q) To check the existence of software base control to block the access immediately after cessation of service like superannuation/ dismissal/ death/ termination etc.

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## **18 FIXED ASSETS**

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- (a) Checking of Fixed Assets Register having all required details e.g. Quantity, unit, Location, Identification Number, Original Cost, Date of Capitalization, Life of the Assets, Rate of Depreciation, Depreciation for the year, Additions, Deletions, Accumulated Depreciation, WDV etc.
- (b) To check that the Physical verification of fixed assets has been carried by the management during the year and discrepancies, if any observed have been accounted for.
- (c) Verification of title deeds of Lands. Whether title deeds of immovable properties are held in the name of Company?
- (d) To check the reconciliation of balance as per Fixed Assets Register and General Ledger and report for any difference.

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## **19 HOSPITAL / DISPENSARY**

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- (a) To check the receipt of the medicines and issue is recorded properly.
- (b) Physical verification of medicines and other related material on test check basis with a sample size and to tally with the book stock, any deviation to report.
- (c) To check the record of expiry medicines with reference to date of purchase, if purchase is within three months, to report, also to check the disposal thereof with the approval.
- (d) To check the equipment purchased and not installed within three months.
- (e) To check and to report on the brake down of major equipment and that Annual Maintenance Contract exists or not.

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## **20 CENTRAL/REGIONAL WORK SHOPS**

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- (a) To check the records of shop wise, for expenditure incurred during the month/ quarter.
- (b) To check the jobs undertaken and completed within scheduled time if delay for more than two months to report.
- (c) To check that the work undertaken by the workshop after obtaining formal work order.
- (d) To check that the material received and used for repairing of the machine / equipment is accounted for.
- (e) Physical verification of stores and spares on test check basis to reconcile with the book stock, any deviation to report.

- (f) To check that the proper record is maintained for surveyed off equipment at workshop with the disposal.

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## **21 CENTRAL MINE PLANNING & DESIGN INSTITUTE LIMITED**

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### **21.1 Sales Billing & Realization:**

- (a) Checking of records of jobs undertaken by CMPDI as the work orders received from subsidiary companies of CIL and outsiders.
- (b) Checking of bills raised as per the estimate submitted / work order– Deviation if any to report.
- (c) Checking of customer ledgers any payment due for more than 3 months to report from the date of bill issued.
- (d) To check the records related to verification of Quantum of drilling block-wise and subsidiary-wise.
- (e) Periodical reconciliation with different subsidiary companies for settlement of disputed outstanding bills, if any.
- (f) To check the Variation if any, between actual numbers of Engineering Day (ED) booked vis-à-vis budgeted.
- (g) To check that the statutory payments are made in time and returns have been filed in time, delay if any to report, in case any penalty for delayed payment to report.

### **21.2 Business Development Division:**

- (a) To examine the Tenders or quotations received in response to the Tender from outside parties other than Coal Companies.
- (b) Rates arrived at for above.
- (c) Deviation if any.
- (d) Examine standard % over the estimated expenditure as margin is added to arrive at rates.

### **21.3 Drilling Camp:**

- (a) Maintenance of Vehicle log book.
- (b) Maintenance of drill machine log book.
- (c) Actual hours run during the shifts, breakdown hours and machine maintenance hours.
- (d) Consumption of POL.
- (e) Machine-wise consumption of POL.
- (f) Actual consumption of power, POL, stores vis-à-vis targeted consumption as per approved budget.

### **21.4 Machine Utilization of Drilling Camps:**



- (a) To check the actual machine utilization at drilling camps:
- i. Actual shift hours
  - ii. Breakdown hours.
  - iii. % of breakdown hours to shift hours.
  - iv. Available hours.
  - v. Production hours.
  - vi. % of production hours to shift hours.
  - vii. % of non-production hours to shift hours.
  - viii. Total utilization hours.
  - ix. % of utilization hours to shift hours.
  - x. Idle time hours.
  - xi. Break-up of idle hours.
- (b) Available capacity of meterage of individual drilling machine and utilization. Deviation if any.
- (c) Excess and shortfall of meterage drilled by individual machine.

**21.5 Costing:**

- (a) To check the cost arrived at for calculation of rate per meter.
- (b) Examine all expenditure incurred have been duly incorporated in the Cost Sheet.
- (c) Consumption rate of the items complied in the Cost sheet like Power, POL, Explosive, stores etc. and compare with the consumption rates targeted in the approved annual budget.
- (d) Comparison of actual controllable expenditure vis-à-vis budgeted expenditure any deviation to report.
- (e) Examine the percentage added over the actual cost is correct or not.
- (f) Calculation of rates for Planning & Designing jobs.
- (g) Calculation of rate for drilling jobs.
- (h) Checking of different MIS reports regularly prepared.

**21.6 CDS Barkakana:**

Internal Auditor of CMPDIL Hqrs will submit an Annual Store Audit Report as on 31<sup>st</sup> December of every year. The Report should covered minimum following points.

- (A) PHYSICAL VERIFICATION OF STORES & SPARES:-
1. The physical verification shall be done at Central Drilling Stores Barkakana.
  2. Audited physical balance statement as on 31st March, of the previous year if any, shall be taken as opening balance.
  3. Checking and verification of physical balances as on the day of verification, which Includes counting / measuring / weighing etc.

4. Tracking the receipt and issue of the material between the intervening periods with reference to Cardex / bin card / stores ledger along with necessary adjustment to arrive at the derived physical balance as on the date of verification.
5. Item-wise discrepancies, if any, between book balance as on the date of verification, and derived physical balance as on the date of verification, to be submitted to the Depot officer for verification and acceptance.
6. List of stores and spares for which no D.S.R / D.R.R has been prepared as on the date of physical verification is to be submitted separately with reasons thereof.
7. Whether action taken by the management against the discrepancies observed in the physical verification report of last year is to be reported by the auditor.
8. Statement of physically verified obsolete / non-moving stores and spares beyond three years and five years, if any, to be reported separately along with last date of movement.
9. Whether the records maintained in respect of scrap material are satisfactory and complete is to be reported.
10. To report the status of recovery of store materials issued on loan, if any, to the employees and contractors.
11. Statement of insurance claims lodged with insurance company for shortage /damaged material received in store should be submitted.
12. The auditor has to report whether the materials lying in the stores have been properly stored to avoid damage and pilferage.

(B) RECONCILIATION BETWEEN NUMERICAL STORES LEDGER (NL) & PRICED STORES LEDGER (PL) OF CENTRAL DRILLING STORES BARKAKANA:-

1. Reconciliation of the difference in quantity between the Cardex / Numerical Ledger (NL) and Stores Price Ledger (PL) as well as difference in value between NL & PL as on 31<sup>st</sup> December of every year with suggested accounting entry for such reconciliation.
2. Verification of the Cardex / Numerical Ledger(NL) in respect of the receipt of the Materials with the help of Daily Receipts Register (DRR) and Depot Transfer Receipt (DTR) strictly as per Material Code and the corresponding checking of the same into the Stores Price Ledger(PL).
3. Verification of the Cardex / Numerical Ledger(NL) in respect of issue of the materials with the help of Daily Issue Voucher (DIV) and Depot Transfer Issue (DTI) as per Material Code and the corresponding checking of the same into the Stores Price Ledger (PL).
4. Preparation of statement of differences arising out of such reconciliation in quantity, price and material code between the Cardex / Numerical Ledger (NL) and Stores Price Ledger (PL) with corrective accounting entries.

## **21.7 Closing of Accounts :**

1. Did you review the design and implementation of key controls?
2. Have you checked physical verification procedure of fixed assets & adjustment of discrepancies found on verification of fixed assets?
3. Have you checked capital work in progress (including capital advances) along with the current status of the projects and expected time of completion of the project?
4. Have you checked intangible assets under development along with the current status of development and expected time of completion?
5. Have you ascertained capital commitments as appropriate?
6. Is there any loan or advance due from directors, other officers of the company or any of them jointly or severally with any other persons, firms in which a director is a partner or private limited company in which such director of the company is interested as director or member?
7. Has the Company assessed the amount due to Micro and Small Enterprises as on date on the basis of intimation received from such suppliers? Whether interest payable, if any, due to such suppliers have been computed as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006?
8. Have you ensured that all employee dues have been paid or adequately provided in the books of account?
9. Has the Company made adequate provisions for all known and material losses, claims, contractual obligations and constructive obligations? Have you checked the evidence/basis of such provisions to ensure that each provision fulfils the recognition criteria? Have you ensured that such provision have not been made on the basis of Internal Budget of the Company? Whether TDS has been deducted on provision amount wherever applicable?
10. Have you checked all undisputed statutory dues, including provident fund, ESI, income tax, goods and service tax, duty of customs, duty of excise, cess, and other statutory dues have been paid within the due date of payment of such dues? Have you checked the appropriateness of such statutory liabilities on the basis of reconciliation with income / expenses schedules and relevant returns?
11. Have you checked the Closing Balance Confirmation from the respective banks?
12. Whether the company has computed its current tax liability in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, Ind AS 12 and ICDS?
13. Are there any material matters about which the company is in dispute with the tax authorities? If so, please give details and indicate the extent to which the company has made provision in the accounts?

14. Have all inter-company/ inter unit balances been agreed in writing by the companies concerned? If not, how did the company deal with such difference in the accounts?

15. Have you ensured whether revenue from operations has been recognised on the basis of following steps as per requirement of the Indian Accounting Standard 115 - revenue from contracts with customers (Ind AS 115)?

>Identifying the contract

>Identifying performance obligations

>Determining the transaction price

>Allocating the transaction price

>Revenue recognition

16. Whether Payroll/ Salary sheet has been prepared on the basis of 'Biometric attendance'? Whether salary details has been reconciled between Payroll records/salary register with books of accounts? In respect of Contractual employee have you checked the process of recording attendance (biometric/manual) and whether payment has been made on the basis of such records?

17. Have you found any instance where the company has charged capital expenditure to revenue?

18. Whether any donation made to political parties during the period?

19. Whether the Company has made any improper payments or payments which are illegal or against public policy?

20. Whether amount disclosed as expenditure on Corporate Social Responsibility (CSR) relates to the CSR projects undertaken by the Company in terms of the provision of Section 135 of the Companies Act, 2013 read with Schedule VII to the Act and the Companies (Corporate Social Responsibility) Rules, 2014, as amended, and is in compliance with the requirements of Guidance Note on Accounting for Corporate Social Responsibilities expenditure issued by the ICAI?

21. Have you reviewed the relevant agreements entered during the period related to revenue and expenses against which income/expense have been recognized in the current period Statement of Profit and Loss?

22. Where applicable please comment on any significant matters relating to the governance of the Company, including fraud or suspected fraud involving component management, employees who have significant roles in internal control at the component level or others where the fraud resulted in a material misstatement of the financial information of the component.

23. Variance Analysis of Balance Sheet and P/L with reason (for cases of variances over 10%) with corresponding previous period.
24. Outstanding Debtors Schedule, Ageing Analysis along with status of disputed and undisputed debtors lying more than 1 year.
25. Break up of Provision against doubtful debtors along with Current Status.
26. Case details of Contingent Liabilities along with present status.
27. To report any deviation from acceptance, processing and passing of contractors/supplier bills as per approved SOP of the company.
28. To report any Provision/Claim related outside party or employee (including retired/resigned) which is pending for payment since more than three months.

**Note: Any information which are not reported/audited within Internal Audit Report period due non-availability of Information same should be covered in next audit report.**

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**Lead/Central Internal Auditor of HQ**

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- (a) To review, monitor and compile the internal audit reports of all the Areas.
- (b) To prepare the overall Exception Reports considering all the Areas.
- (c) To arrange for making necessary presentation to the Audit Committee of observation/findings based on risk assessment in consultation with GM/HOD (Internal Audit) of the company.
- (d) The lead auditor will also prepare and implement the changes required in scope of work and implement control system after analysis of audit observation, suggestion from others auditors, Direction from Audit Committee and changes required due to change in work, law, etc. in consultation with GM/HOD (Internal Audit) of the company.

**Note: Any other matter, considered significant, may be inserted in the scope of audit from time to time by the Management.**

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**22. Core Area in the Scope for Monthly Reporting:**

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| <b>SI.NO.</b> | <b>SI.NO. as per above Scope</b> | <b>Particular</b> |
|---------------|----------------------------------|-------------------|
| (a)           | 5.                               | INPUTS            |
| (b)           | 8.                               | OIL & LUBRICANTS  |
| (c)           | 9.                               | POWER             |
| (d)           | 10.                              | FINANCE           |
| (e)           | 11.                              | GST               |

|     |     |   |
|-----|-----|---|
| (f) | 12. | PURCHASES   |
| (g) | 16. | ESTABLISHMENT   |
| (h) | 21. | Central Mine Planning & Design Institute Limited (CMPDIL) |

The Monthly Reporting requirement will be on the basis of the core area mentioned in point no. 22 above of the scope, however, the Quarterly Report will be based on the entire Scope.

**Note: Any other matter, considered significant, may be inserted in the scope of audit from time to time by the Management.**

**TERMS OF REFERENCE OF INTERNAL AUDIT FOR CMPDIL**

The Institute of Chartered Accountants of India (ICAI) has issued Standards on Internal Audit (SIA). The Internal Auditors shall follow these Standards to the extent applicable in the matter of Planning, Audit Procedures (Sampling, Analytical Procedures etc.), Documentation and Reporting. The Internal Auditor is expected to apply his judgment to decide the applicability of these standards w.r.t. scope of work and reporting requirements.

**A) AUDIT TEAM**

- 1) A practicing Chartered Accountant or Cost Accountant or a Firm/LLP of Chartered Accountants/Cost Accountants registered with the Institute of Chartered Accountants of India / Institute of Cost Accountants of India, appointed to conduct Internal Audit should depute audit team in the HQ/ RI's/Camps.
- 2) The Audit Team should consist of one qualified CA/CMA and three Inter CA (IPCC) / Inter CMA semi qualified assistants
- 3) Normally the composition of audit team should not be changed. However, under certain circumstances beyond control of the Audit Firm, if the same needs to be changed in any manner, it may be done under intimation to HoD (Internal Audit) in case of HQ & RD in case of RI of CMPDIL (subject to verification of credentials of the new incumbent to be sent along with the intimation with photo proof of qualification, PAN card, Aadhaar card and a brief profile). The audit team members should carry Photo ID issued by the Audit Firm duly attested by the Regional Director (RD) of RI's or HoD (Internal Audit) of CMPDIL as applicable.
- 4) The Internal Audit Team should visit place of Audit i.e. HQ (including CDS, Barkakana)/RI's/Camps every month and conduct Audit at least 18 working days in a month and Partner/senior Chartered Accountant / Cost Accountant of at least 5 years post qualification experience is required to be present on at-least two working days in a month for guiding the team, discussion and finalization of report with the management. The attendance of the team members will be maintained by the HQ/RI's/Camps.
- 5) The Audit team will conduct the audit as per Compendium of Standards on Internal Audit issued by The Institute of Chartered Accountants of India and in consultation with Internal Audit Department at HQ / concerned officials at RI's/Camp. It is important also to ensure that all aspects are reviewed from proprietary angle and all expenses, cost and revenue need

to be examined from this angle. The policy decisions of the company and procedures adopted should be reviewed and commented upon including changes suggested. The internal controls, delegation of powers are to be regularly monitored for compliance as well as appropriateness. The various management decisions adversely impacting profitability or wastages of resources are to be brought in the report.

- 6) **Confidential Report:** The Internal Auditors are also advised to report all cases of revenue leakage, excessive or unreasonable expenses, misuse of powers, favours or disfavours having financial impact, fraud on the company or by the company, improper awarding of contracts, theft, unlawful or unprofessional activity or activity beyond the ethical boundaries or any other aspects without any limitation of any kind where interest of the company or any stake holder is getting adversely affected. Such report will be dealt with in a confidential manner and actions will be initiated without any reference to the source. The secrecy in terms of Official Secret Act will be followed by all concerned about such report and will be shared only on need to know basis. A copy of the confidential Report will be sent to the Chairman, Audit committee of CMPDIL as well as Chairman of the Audit Committee of Coal India Limited for being considered by the CIL Audit Committee.

**B) SCOPE OF WORK**

- 1) The audit team will conduct audit concurrently on month to month basis, throughout the year, as per the Scope of work.
- 2) The auditor should comment in respect of the following points:
  - (i) Systems & Transactions.
  - (ii) 'Report of Exception' on the 25 points, approved by CIL Board and as modified from time to time. This do not limit the scope of Audit and full detailed audit will be undertaken to ensure efficiency, efficacy, effective internal control, risk management, plug leakage of revenue, check excessive expenditure, matters and actions beyond powers or against the interest of the company.
  - (iii) The Internal Auditor will examine and report whether the observations of last audit report has been suitably addressed or not.
  - (iv) Matters contained herein and as may be advised by the company from time to time.
  - (v) Action Taken Report (ATR) on previous Audit Reports. In case any material issue is not getting addressed the internal Auditors shall



interact with the CMD and/or relevant Functional Directors and General Manager in charge of the respective matter and to prepare their reports and ATR accordingly. Comment and recommendations for improvement in the systems.

- (vi) Any other matter, which may be required during the course of audit besides as prescribed in terms of internal Audit standards of ICAI and under Companies Act, 2013 with respect to Internal Audit.

3) **LEAD AUDITOR:**

- (i) The Company will appoint one of the firm working as internal auditor in CMPDIL as the lead firm who will be also performing the job of consolidating all audit reports including executive summary (excluding confidential report and special report) for the company as a whole and will be paid an additional amount 50% of their monthly fees applicable for the year for such consolidation. A quarterly as well as annual consolidation is to be made by the lead auditor for presentation to the respective Audit Committee.
- (ii) The lead auditor will also prepare and implement the changes required in scope of work and implement control system after analysis of audit observation, suggestion from others auditors, Direction from Audit Committee and changes required due to change in work, law, etc. in consultation with GM/HOD (Internal Audit) of the company.

C) **AUDIT REPORT**

- 1) **Monthly Report:** The Audit teams shall discuss their observation and findings with the HoD (Finance) of RI's and in case of HQ with HoD (Internal Audit) after completion of audit for the month before submission of their report. Current month as well as unresolved observation of the previous month/ period shall also be brought before the management. The audit team shall submit their monthly report to the Regional Director of RI's and in case of HQ, the report shall be submitted to HoD (Internal Audit). Reports shall be submitted in two sets. Monthly report is to be submitted within fifteen days of the following month. A soft copy of all reports except confidential report shall always be provided.
- 2) **Quarterly Report:** The Auditor shall also submit quarterly report and executive summary of all material points of unresolved observations/ findings with the management's replies/comments and the same shall be submitted to the following within twenty-one days of closure of the quarter:

- (i) Regional Director of RI's.
  - (ii) HoD (Internal Audit) of CMPDIL.
  - (iii) GM/HoD (Internal Audit) of Coal India Ltd (in soft copy only).
- Quarterly compiled Consolidated Internal Audit Report with action taken on last quarter report will be sent to the Chairman, Audit committee of CMPDIL in July, October, January and April by lead auditor. The Executive summary of the same will be sent to the Chairman of the Audit Committee of Coal India Limited for considering in the Audit committee. A quarterly consolidated presentation of CIL as a whole will be made by CIL Lead Auditor before CIL Audit Committee.
  - A meeting with the top management of the company and all the internal Auditors will be held to discuss a power point presentation to be made by the concerned Auditors' including flow chart based presentation of the issues every 6 months unless the internal auditors request for an earlier meeting to discuss any important or serious issue. This PPT will form part of the executive summary.
- 3) **Annual Report:** While submitting the report of last quarter of the financial year an annual compliance closure report consisting the unresolved observations/ findings for the previous three quarters shall also be submitted to the management as per above (Column no.2) and to be submitted within twenty-one days of closure of the financial year. A presentation to the Audit Committee is to be made in April by the Lead Auditor for the audit conducted during the previous year by all the internal auditors.
  - 4) **Flash Report** should be submitted by the Internal Auditor immediately on detection of any major irregularity in the course of audit, to Regional Director of the RI's and HoD (Internal Audit) of CMPDIL.
  - 5) **Special Report:** In case of persistent non-compliance with standard Operating Procedures by the management or serious lapses coming to the knowledge of Internal Auditor, the firm should submit a special Report to CMD of CMPDIL and a copy to the Chairman, Coal India Ltd.
  - 6) **Report on Fraud:** Internal auditor is to be entrusted with the task and responsibility of ensuring identification of all material or minor frauds as well as large material errors. The audit programme should be so designed so that a clear focus on these aspects and proprietary aspects is given as per best of the ability of the Audit team. All such aspects are to be included in the confidential report to be submitted to Chairperson of the Audit Committee of CMPDIL as well as to Chairman Audit Committee, Coal India

Limited in a close cover marked as secret. The management will ensure the secrecy of such report and source identification and will fully protect the reporting Auditors. This is as a sequel to the current scenario in the matter of reporting on frauds under The Companies Act 2013 to strengthen the governance process.

7) **Reporting on Internal Financial Control (Including Operation Control):**

The Internal Auditor should independently examine whether there exists a proper Internal Financial Control (IFC) system, Internal Operational Control system and whether the existing Financial Control and Operational Control are adequate and operating effectively and whether any further changes are required.

The Internal Auditor should submit a certificate on adequacy and effectiveness of Internal Financial Control (including operation control) along with Annual Report.

- 8) All reports will include details of time spent by each person and partners for examining adequacy in future determination of fees. The attendance is not the key aspect. It is the deliverables quality which will be important for continuation of the assignment as the same can be withdrawn by the respective audit committee in case of inadequate quality after providing a chance of being heard. No official at any level will be permitted to impact the independence of the internal Audit. Any non-cooperation by any specific official or person can also be included in the confidential report and where appropriate in the special report.

Internal Audit Report should be signed by the partner of the Firm mentioning Name of the Partner, Membership No., and Firm Registration No.

**D) AUDIT FEE**

- 1) **Monthly Fee:** Monthly Audit fee will be ₹1,40,000/- (One lakh forty thousand) per team for the 1<sup>st</sup> year i.e. 2020-21. The fees will be increased by 5% each year elapsed on cumulative basis. Applicable Taxes will be paid extra.

| Firm no. | Place of Audit                        | Minimum Audit Days | Monthly Audit Fees |
|----------|---------------------------------------|--------------------|--------------------|
| 1        | CMPDIL Hqrs Ranchi & CDS<br>Barkakana | 15                 | Rs.1,40,000/-      |
|          | RI-II Dhanbad                         | 3                  |                    |

|   |                    |   |               |
|---|--------------------|---|---------------|
| 2 | RI-I, Asansol      | 6 | Rs.1,40,000/- |
|   | RI-III, Ranchi     | 7 |               |
|   | RI-VI, Singrauli   | 5 |               |
| 3 | RI-IV, Nagpur      | 6 | Rs.1,40,000/- |
|   | RI-V, Bilaspur     | 6 |               |
|   | RI-VII, Bhubneswar | 6 |               |

**2) Lead Auditor's Fee:** The lead firm will be awarded additional fee of 50% of their monthly fee for such consolidation. Applicable Taxes will be paid extra.

**3) Fee structure:** The fee structure of Internal Auditor is placed below in a tabular form:

| Sl. No. | Nature of Audit             | Audit Fee for 2020-21 | Audit Fee for 2021-22 | Audit Fee for 2022-23 |
|---------|-----------------------------|-----------------------|-----------------------|-----------------------|
| 1       | Monthly Audit Fee.          | Rs.1,40,000/-         | Rs.1,47,000/-         | Rs.1,54,350/-         |
| 2       | Monthly Lead Auditor's Fee. | Rs.70,000/-           | Rs.73,500/-           | Rs.77,175/-           |

**4) Travelling Allowance:**

Partner will be entitled for rail fare by AC 1<sup>st</sup> class or Air Fare by economy class, Qualified Assistant by AC 2<sup>nd</sup> Class and Semi-qualified assistant by AC 3<sup>rd</sup> class on submission of proof of journey, for to and fro journey undertaken once every month. For this purpose, journey will be considered from the firm's nearest office given in the profile to the place of audit. In case of journey by mode other than rail, TA will be limited to entitled class or actual fare, whichever is lower, subject to production of documentary evidence.

**5)** The Company will provide a good quality Boarding, Lodging and local transport facility to the Audit Team and Partner.

**6) Payment of Internal Audit Fee.**

The bills for conducting internal audit and TA bills will be paid on monthly basis upon submission of Reports.

The paying authority in case of Regional Institute will be Head of Finance of respective RI's and in case of Head Quarter, HoD (Finance). The bill in duplicate, duly certified by the respective Regional Director and in case of head quarter HoD (Internal Audit) in respect of receipt of reports and attendance, shall be submitted for processing of the bill and payment.

**E) GENERAL TERMS AND CONDITIONS.**

- 1) The Audit Firm must not sub-contract the work. Only partners of the firm or employees or qualified associates whose bio data is provided at least 7 days in advance can take up the audit. The firms will have to declare that they are not related in any manner whatsoever with any existing or past Audit firm or past and present employee of Coal India or any of its subsidiaries or Directors or any person who is employed with Government of India. Past association up to last 3 years of personal or financial or any other association of any kind now or in last 3 years is prohibited. The firms trying to approach any person connected with the appointment directly or indirectly will be debarred as the selection will be based on 15 minutes' presentation by shortlisted firms before the Audit Committee about their proposed approach to audit and about their special expertise and past achievements and their profile and credentials to be informally checked by Coal India special team.

The following clarifications received from CIL with reference to para E (1):-

- 1) Internal Auditor Appointed during 2014-15 to 2016-17 by CIL and its subsidiaries and whose work was extended till September/December 2017 will qualify for appointment as an Internal Auditors for the FY 2020-21 to 2022-23.
- 2) Statutory Auditors, Tax Auditors, GST Auditors, Store Auditor, Cost Auditors and Tax consultant etc. appointed during 2014-15 to 2016-17 by CIL and its subsidiaries will qualify for appointment as an Internal Auditors for the FY 2020-21 to 2022-23.
- 2) The audit team will work in strict confidence and will ensure that the information in respect of the operation of the Hqrs/RI's/Camp is dealt in strict confidence and secrecy. A Certificate towards maintaining confidentiality is to be provided by each member of the Internal Audit team before commencement of Audit.
- 3) The members of the audit team should be in employment of the firm or professionally engaged for specialized review, in a transparent contract (without financial terms disclosure) to be shared and approved by the respective company based on special expertise or experience of such person.
- 4) If progress/performance of the audit team is not satisfactory, the management reserves the right to terminate the appointment of the Firm with prior notice of one month.
- 5) Dispute/difference, if any, shall be mutually settled with GM/HoD of the Hqrs/RI's/Camp's. If the dispute could not be settled at GM/HoD level, it

will be forwarded to the CMD for decision, which will be final and binding to all concerned.

- 6) The Internal Auditor of the RI's must visit the Drilling camp in the RI's, at least one drilling camp in a month. The Internal Auditor of the Hqrs must visit the CDS, Barkakana, at least once in a Quarter. The company officials will fully facilitate the visit.
- 7) HoD (Internal Audit) of the company shall convene a meeting, in every quarter, of all Internal Auditors of the company to discuss the Audit Report and its compliance.
- 8) The appointment of the Audit Firm will be for the year 2020-21 and may be considered for renewal in the subsequent years 2021-22 and 2022-23 based on satisfactory performance of the Firm. In case of renewal of the appointment in subsequent year the present place of audit of Area/ Unit may be changed except in case, where the unit is situated in a place where it is not feasible due to place constraint.
- 9) The Internal Audit Assignment will be terminated and the audit firm will also not be considered for renewal of appointment for Internal Audit in CIL and its subsidiaries, in the following cases:
  - (a) If the firm obtains the appointment on the basis of false information/false statement.
  - (b) If the firm does not take up audit in terms of appointment letter within one month.
  - (c) If the firm does not submit the Audit Report, complete in all respects, as per terms of appointment within the stipulated time.
  - (d) If performance of the firm is not found satisfactory.
  - (e) If any fraud / embezzlement is detected subsequently and not reported by Internal Auditor.
  - (f) If a firm is appointed as an Internal Auditor in CIL or any of its subsidiaries, neither the firm nor any other firm or partners related in any manner will be appointed as Internal Auditor in any other company in the CIL group.
  - (g) The firm has to maintain the confidentiality requirement in terms of professional code of conduct and they shall not appoint/utilize the services of those who are not employee/partner/director of the firm.

- Note 1: The criteria for shortlisting will be confidential as these are more of professional judgement based on several parameters as may be decided in consultation with the Audit committee and cannot be questioned by any person.
- Note 2: The term "firm" will also include a proprietary firm and will also have the meaning as assigned to it in the Indian Partnership Act, 1932 and a partnership as defined in the Limited Liability Partnership Act, 2008 with a minimum experience of at least 10 years with having adequate qualified partners and full time qualified employees and Article trainees / semi qualified employees (a self- certified profile will be provided by all firms clearly indicating their manpower, office infrastructure, software, hardware and other resources. The experience details including any specialized expertise may also please be provided as certified by the main partner of the firm who should be available at the time of presentation and who will undertake to ensure supervision of the quality of delivery of the assignment throughout the audit. No existing firm of internal auditors or any one related to them in any manner can be appointed.
- Note 3: CMPDIL reserves the right to check the details and to ask for supporting evidence at any time.
- Note 4: Disqualification of Auditor as per section 141(3) of the Companies Act 2013 will be applicable.

| <b>Selection criteria for engaging Internal Auditors for CMPDIL</b> |  |  |               |
|---|--|--|---------------|
| SL. No.   | CRITERIA   | BASIS OF MARKS   | MAXIMUM MARKS |
| 1   | Experience of the Firm:<br>The minimum experience is 10 years for a Firm to be eligible and for each year's experience they would get 1.5 marks. Shall be reckoned from the date of joining of an existing partner with the Firm and having the longest association with the firm. | 1.5 mark per year (fraction of the year to be ignored)   | 15            |
| 2(A)(i)   | Number of full time partners / full time qualified persons having more than 5 years' experience in practice in the firm/Limited Liability Partnership who is in the firm as on 01.04.2019 and continuing thereafter.   | 3 marks for each partner/person who is ACA/ACMA.<br>4 marks for each partner/person who is FCA/FCMA. | 25            |
| 2(A)(ii)  | Number of full time partners / full time qualified person having more than 5 years' experience in practice in the firm/ Limited Liability Partnership having DISA/CISA who is in the firm as on 01.04.2019 and continuing thereafter.  | 2 marks for each partner/person having DISA/CISA   | 5             |
| 2(B)  | Length of association of the full time Partner/ full time qualified person with more than 5 years' experience in practice with the same firm (who is in the firm as  | 4 marks for each partner/person above 20 years.<br>3 marks for each partner /person above 15 years.  | 10            |



|             |  |   |     |
|-------------|--|---|-----|
|             | on 01.04.2019 and continuing thereafter).  | 2 marks for each partner/person above 10 years.<br><br>1 mark for each partner/person below 10 Years but above 5 Years.<br><br>(fraction of the year to be ignored) |     |
| 3.          | Number of full time qualified assistants who is an ACA/ACMA having experience of 5 years or less and is working with the firm as on 01.04.2019 and continuing thereafter.  | 1.5 marks for every qualified assistant   | 10  |
| 4           | Number of full time semi-qualified assistants (Inter Cost/ Inter Chartered - IPCC - both group) & is working full time with the firm as on 01.04.2019 and continuing thereafter.   | 0.75 mark per semi-qualified assistant  | 5   |
| 5           | Experience of the firm in conducting Statutory/Internal Audit in PSU/Govt. Companies including concurrent audit in PSU Banks, large companies with turnover of at least Rs. 100 crores each year during the last 10 years. | 2 marks per year of audit.  | 20  |
| 6           | Audit firms having Registered Office/Branch Office within the state as on 01.04.2019 and continuing thereafter, wherein the company headquarter is situated or is having its Regional Institute (RI).                      |   | 10  |
| TOTAL MARKS |  |   | 100 |

**Note:**

1. In case of tie in the marks scored, firm having seniority w.r.t. “Experience of the Firm” (As per SI. No. 1 of Selection criteria.), will be preferred.
2. A firm which had been appointed as Internal Auditor in Coal India Ltd or any of its Subsidiary Companies and served a term of three years (i.e. F.Y. 2017-18 to 2019-20) would not be considered for appointment of Internal Auditor for next three succeeding years (cooling period). The clarification received from CIL with reference Note-2 is as follows  
“Only those Firms which have been appointed during the period 2017-18 to 2019-20 for conducting Internal Audit will go in cooling period for appointment of Internal Auditor to be made for the period 2020-21 to 2022-23. As such Internal Auditors appointed in 2014-15 to 2016-17 and whose work was extended till Sep/December 2017 will be eligible for participating in tender.”
3. A firm, which has been removed from internal audit assignment from CIL or its subsidiaries during F.Y. 2014-15 to F.Y. 2019-20, or have been held guilty by the ICAI Disciplinary process in the last 10 years or who is under investigation or has been charge sheeted or punished for any legal default with imprisonment will not be considered for appointment of Internal Auditor in CIL and its subsidiaries. ICAI means “The Institute of Chartered Accountants of India” and “The Institute of Cost Accountants of India”.
4. The final selection will be based on professional judgement of the appointing authority. The short listed candidates/firms will be asked to make a 15 minutes’ presentation before the CIL Audit Committee for consideration which will carry 50 marks based on various professional parameters as may be considered appropriate by the selection authority including infrastructure of office, approach towards audit, usage of specialized audit tools and methodology, professional approach of the main partner and commitment to excellence based on interaction as may be judged and cannot be questioned in any manner and will be strictly confidential. Any attempt to question the selection will be considered as solicitation of assignment and will be referred to ICAI for Disciplinary process. The number of shortlisted Firms to be called for making presentation before the Audit Committee would be 3 times of number of vacancies in the descending order of marks with a minimum qualifying marks of 70.

**APPLICATION FORMAT**

| <b>SI No.</b> | <b>Particulars</b>   | <b>Details</b>  |
|---------------|--|---|
| 1.            | Name of the Firm   |   |
| 2.            | Registration No. and date of Registration of the firm  |   |
| 3.            | Registered Office Address & date of establishment  |   |
| 4.            | Branch Office Address & date of establishment  | Branch Office with Date of Establishment.<br>1.<br>2.<br>3.<br>.<br>. |
| 5.            | Contact No. of the Partner   |   |
| 6.            | Email address & Website  |   |
| 7.            | Name, Membership No. and date of Joining of existing partner with the Firm having the longest association.<br>Ref : Selection criteria: SI No. 1   |   |
| 8.            | Name and Membership No. of the full time partners and full time qualified persons having more than 5 years' experience in practice in the firm whether ACA/ ACMA, FCA/FCMA as on 01.04.2019.<br>Ref : Selection criteria: SI No. 2(A)(i) | Name and Membership No<br>1.<br>2.<br>3.<br>.<br>.                    |
| 9.            | Name and Membership No. of the full time partners and full time qualified persons having more than 5 years' experience in practice in the firm as on 01.04.2019 having DISA/CISA.<br>Ref : Selection criteria: SI No. 2(A)(ii)           | Name and Membership No<br>1.<br>2.<br>3.<br>.<br>.                    |
| 10.           | Name, Membership No. and joining date of the full time Partners/ full time qualified persons with more than 5 years' experience in practice with the same firm as on 01.04.2019.<br>Ref : Selection criteria: SI No. 2(B)                | Name and Membership No<br>1.<br>2.<br>3.<br>.<br>.                    |
| 11            | Name, Membership No. and joining date of full time qualified assistants who is an ACA/ACMA having experience of 5 years or less and is working with the firm as on 01.04.2019.<br>Ref : Selection criteria: SI No. 3                     | Name and Membership No<br>1.<br>2.<br>3.<br>.<br>.                    |
| 12.           | Name and date of joining of semi-qualified assistants (Inter Cost/ Inter Chartered - IPCC  | Name with DoJ<br>1.<br>2.<br>3.                                       |

|     |   |  |
|-----|---|--|
|     | - both group) & is working full time with the firm as on 01.04.2019.<br>Ref : Selection criteria: SI No. 4  | .  |
| 13. | Year wise experience of the firm in conducting Statutory /Internal Audit<br>(a) Name of PSU/Govt. Companies<br>(b) Other large companies having turnover at least Rs.100 crores in last 10 years:<br><br>Ref : Selection criteria: SI No. 5 | Name of Co. in case of Pvt. with turnover<br>1.<br>2.<br>3.<br>. . . |

**Note:-** In absence of information mention in details column of above table, same will be treated as NIL and no opportunity of submission of shortfall document will be given.

Further, the following documents are required to be submitted online:

1. Self-attested copy of membership certificate of Partners and full time qualified persons issued by Institute of Chartered Accountants of India/Institute of Cost Accountants of India.
2. Self-attested copy of Certificate of Practice of Partners and full time qualified persons issued by Institute of Chartered Accountants of India/Institute of Cost Accountants of India.
3. Self-attested copy of Registration Certificate of PCA/Firm/LLP issued by Institute of Chartered Accountants of India/Institute of Cost Accountants of India.
4. Self-attested copy of PAN Card of PCA/Firm/LLP.
5. Self-attested copy of GST Registration Certificate (if applicable)
6. Self-attested copy of work order issued of Statutory/Internal Audit issued by PSU/Govt. Companies.
7. Self-attested copy of document showing location of Headquarters/Branch office at West Bengal/Jharkhand/Maharashtra/Chhattisgarh/M.P./Odisha.

In absence of the above documents the offer will be rejected. The documents uploaded online to the offer must be serially numbered and duly signed by the bidder with official seal.

Date:  
Place:

Signature with seal  
Name of the Partner  
Membership No.  
Name of the Firm  
Firm Registration No.

**Letter of Bid**

To  
CMPDIL,  
Internal Audit Department,  
Gondwana Place, Kanke Raod,  
Ranchi-834008

Dear Sirs,

**Sub: Tender No. :-**

1. Having examined the Tender Document including Addenda/Corrigenda, if any (insert numbers), we, M/s. (..... name of the bidder firm.....) represented by the undersigned, Mr/Ms..... Employee/ Partner /Legal Attorney / Proprietor /Accredited Representative, offer to supply and deliver (description of Goods and Services) vide our offer No.....dated .....in conformity with the said Tender Document.
2. We confirm to accept all terms and conditions contained in the tender document unconditionally.
3. We agree to abide by this bid for a period of 180 days from the date of bid opening and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
4. We confirm that until a formal appointment order is issued, this bid together with your written acceptance thereof and your Notification of Award, shall constitute a binding Contract between us.
5. We understand that you are not bound to accept the lowest or any bid you may receive.
6. We confirm that the contents of the offer are given after fully understanding and all information furnished by us are correct and true and complete in every respect.
7. We confirm that all information/ documents / credentials submitted along with the tender are genuine, authentic, true and valid.
8. We confirm that if any information or document submitted is found to be false / incorrect forged/tampered in any way, the said offer shall be considered absolutely null & void and action as deemed fit may be taken against us including termination of the contract, forfeiture of all dues and Banning of our firm along with all partners of the firm as per provisions of tender document/Purchase Manual of CIL/Provisions of law in force.

9. We have never been banned or delisted by any Government or Quasi-Government Agency or any Public Sector Undertaking in India.

OR

We were banned by the organization named “-----” for a period of ----- year(s) effective from ----- to -----for ----- (the reasons to be mentioned).

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20--

Signature \_\_\_\_\_

Name \_\_\_\_\_

Designation \_\_\_\_\_

Seal

Duly Authorised to sign bid for and on behalf of \_\_\_\_\_

Note:

1. This letter should be on the letterhead of the Bidder and should be signed by a person competent and having the authority to bind the Bidder. The said document conferring authority upon the person should be submitted by the Bidder along with the LOB. If the said document conferring the authority is Article of Association of Company, Partnership Deed of a Registered Firm or any resolution of the company, then the notarized copy of the same should be uploaded. In other cases, the letter of authority should be a Power of Attorney sufficient to bind the bidder.
2. Power of Attorney should be on non-judicial stamp paper and sufficiently stamped.
3. In case the person who has signed LOB is not bidding himself and has authorized another person whose DSC is mapped in the name of bidder, to bid online on his behalf, then the further authorization on non-judicial stamp paper duly notarized (as per **Annexure-F**) by the person signing the LOB in favour of person bidding online is required to be uploaded.

**Format for Authorisation to DSC holder Bidding Online by the person  
who has signed Letter of Bid**

(On NON JUDICIAL STAMP PAPER)

We do hereby authorise M/s. /Mr..... Address  
..... whose DSC is mapped in the name of the bidder,  
for online bidding on behalf of us for Tender No. .... dated ..... invited by  
CIL on <https://coalindiatenders.nic.in>.

Name, Signature & Seal of the person who has signed Letter of Bid and is  
Authorising the DSC Holder for online bidding.

Name, Signature & Seal of the DSC Holder having DSC mapped in the name  
of the bidder, Authorised for online bidding

**Signature & Seal of the PUBLIC NOTARY**