

Following are the Resolutions of Board of Directors of Coal India Ltd.

Excerpt of Minutes of 232nd meeting held on 2nd July, 2007 at CIL (HQR), Kolkata vide item no. 232.4(L):

Sub: Committee Report on “Coal transportation through Co-operatives formed by Local People including land losers.”

- 4.15 The Board, after detailed deliberation, approved Committee Report* as placed with the agenda note for implementation of Coal transportation through co-operatives formed by local people including land losers.
- 4.16 While deliberating on the committee report as placed with agenda note, the Board directed that the sentences – “the PAPs residing within a range of 20KM will be considered” and “participation of 100% of PAPs in a Co-operative Society as members is mandatory” as appearing in the para 1.0 therein should be removed with substitution that “the co-operative society will be formed of the PAPs only.”
- 4.17 The Board directed that MOC be informed of this proposal/ approval.

* placed in Annexure.

Excerpt of Minutes of 251st meeting held on 9th September, 2009 at CIL (HQR), Kolkata vide item no. 251.4(D):

Sub: Administrative approval for execution of Civil, Sanitation and Horticulture works through Co-operatives formed by PAPs in different subsidiaries of CIL.

- 4.4 The Board, after deliberation at a great length, approved the proposal as detailed in the Agenda Note.
- 4.5 While approving the proposal the Board directed that :
- i) Co-operative should be registered and run by members.
 - ii) Members of the co-operative should be beneficiaries.
 - iii) CIL should study the models of co-operatives in other industries.

Excerpt of Minutes of 257th meeting held on 31st May & 1st June , 2010 at CIL (HQR), Kolkata vide item no. 257.6(B):

Sub: Coal Transportation through Co-operatives formed by Local People including Land Losers.

- 6.2 The Board noted and approved to continue the Scheme of Coal transportation through Co-operative formed by local people including Land Losers.

ANNEXURE.

Committee Report on

**“COAL TRANSPORTATION THROUGH CO-OPERATIVES
FORMED BY PAPs/LAND LOSERS.”**

A Committee was constituted vide Office Order No. CIL/ C/ 5B /ATR/ MOC(4.7.06) /1271-78 dated 10.10.06, consisting of following members for preparation of a paper on “Coal Transportation Through Co-Operatives Formed By PAPs/Land Losers.”

1. Shri R.P. Ritolia, CMD, CCL.
2. Shri D.C. Garg, Director (Personnel), BCCL.
3. Shri U.S. Upadhaya, Director (T), ECL.

The committee met on 9.11.06 and 12.1.07 at CCL Office, Kolkata and reviewed the present status of cooperatives working in subsidiary companies and also deliberated on the matter at length relating to different aspects of formations, constitution, scope of work and functioning of co-operative societies. Etc.

Based on the points that emerged during the discussion, a paper on coal transportation through Co-operatives formed By PAPs/Land Losers has been prepared and is placed below.

1.0 Formation of Co-operative: Co-operative Society should be constituted of loal land losers/ Project Affected Persons (PAPs). The definition of PAPs shall be as per R&R policy of CIL. PAPs who have not been given any employment will only be eligible for being a member of the co-operative society. The PAPs residing within a range of 20 KM will be considered, however, PAPs residing nearest to the area will get preference. Participation of 100% of PAPs in a co-operative society as members is mandatory. The co-operative should be registered under relevant act and to comply with rules and regulations made thereunder.

1.1 Relaxation to co-operatives: Presently Contract Management Manual is being followed in all the subsidiaries by calling open tenders stipulating certain qualification criteria. As a result, co-operatives being less resourceful and not having adequate/ requisite qualification are unable to participate. It is suggested that for award of works to co-operatives formed as above, the following eligibility criteria be adopted.

1.2 Eligibility Criteria :

Existing Terms & Conditions	Proposed Relaxation
Earnest Money 1% of annualized value of NIT subject to maximum of Rs.50.00 lakhs.	100% exemption.
Tenderer must have in its name as prime contractor experience of having successfully executed works of similar nature valuing 65% of the annualized value of the work put to tender in any one year during the last seven years.	Experience gathered by way of working as sub contractor should be considered Quantum of experience required may be reduced to 10% of the annualized value of the work.
Evidence of possessing adequate working capital at least 20% of the annualized value of work.	Only certificate from Banker regarding financial soundness/ assistance should be sufficient.

Ownership of fleet of minimum 1/3 rd of tipping tracks and equipment required for annualized work.	Ownership of 1/3 rd Vehicle not to be insisted. However, the extent of ownership will be left to Area Management to propose minimum ownership of fleet in a particular case.
Requirement of financial statement i.e. Balance Sheet, PL Account, Auditors reports of last 5 years.	Not required for the first year, from 2 nd year onwards the balance sheet to be submitted.
Performance Security at 5% of the contract value to be deposited within 28 days of award and addl. 5% as retention money to be deducted from each running on account bills.	Initial performance security of 0.25% of the annualized value of the work to be deposited. Balance 4.75% security to be deducted from the running account bill.
No provision.	20% of the work of transportation of coal/sand to be earmarked for award to cooperatives at L-1 or scheduled rate in the event of one particular work being smaller so that 20% of the work becomes too small/ unremunerative/ unvisible 100% of the work can be awarded to cooperative at L-1 rate or scheduled rate subject to maximum limit of Rs. 50 lakhs.

1.3 The ceiling of the value of the works to be awarded for the co-operative will be as under :

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|---|-------------------|
| a) Transportation | - Rs. 1.00 crore. |
| b) Civil & allied jobs | - Rs.20.00 lakhs. |
| c) Sanitation | - Rs.10.00 lakhs. |
| d) Horticulture/ gardening/ Plantation. | - Rs. 5.00 lakhs. |

1.4 **Power to award the work** : The CMD of the subsidiary company with concurrence of associate finance shall award the work at L-1 rate to any Co-operative society up to Rs. 1.00 crore.

1.5 **Tenure** : The cooperatives will get the relaxation for a period of 5 years. Thereafter the cooperative will have to participate in tenders.

1.6 **General** : In a particular category as mentioned in 1.3 at a given point of time, these will be not more than two cooperatives in a particular type of work in an area. However, the number can increase with the approval of CMD of the subsidiary company.

As far as practicable, the cooperatives should deploy the operators/ workmen from amongst the PAPs.

Works shall be distributed to Cooperatives according to a roster to be maintained at Subsidiary Hqrs.

It will not be out of place to mention that safety & production as well as economical health of a coal company directly depends on efficient transporting system of sand and coal. Concerned management is required to be very vigilant on the performance of the newly formed cooperative societies so that interest of the company does not get jeopardized due to their inexperience and lack of resources. A defaulting cooperative may be debarred from the list.

The above is proposed to be operative for a period of one year. The same will be reviewed after receiving the feedback from the subsidiary Cos.

Sd/---
(R.P. Ritolia)
CMD,CCL

Sd/----
(D.C. Garg)
Director (Personnel),BCCL

Sd/---
(U.S. Upadhaya)
Director(T), ECL.