



5 DECADES OF UNEARTHING ENERGY

## COAL INDIA LIMITED

A Maharatna Company  
(Govt of India Enterprise)  
Premises No.04-MAR, Plot No-AF-III,  
Action Area 1A, New Town, Rajarhat,  
Kolkata-700156  
CIL: L23109WB1973GOI028844

An ISO 9001:2015, ISO 14001:2015 & ISO 50001:2011 Certified Company

RefNo. CIL/CH/Explosives/MII IDL/2025/ 5208

Date: 09.09.2025

M/s IDL Explosives Limited,  
IDL Road, Kukatpally,  
Hyderabad - 500 072,  
Telangana  
Post

email: prabhatranjan@idlind.com  
PCC: Registered Post/ Speed

Sub : Reasoned Order for review of Banning of Business

Ref :

- a) CIL's Banning of Business Letter no. CIL/C2D/Bulk Explosives/2024-25/ Banning of Business/274 dated 02.07.2024
- b) Hon'ble High Court of Calcutta Order dated 20.01.2025 against WPA No. 1370 of 2025 filed by you regarding Banning of Business by CIL
- c) CIL's letter no. CIL/C2D/Explosives/MII IDL/814 dated 17.02.2025
- d) Your letter dated 20.02.2025 along with documents submitted during Personal Hearing
- e) CIL's letter no. CIL/Explosives/MII IDL/4968 dated 27.02.2025
- f) Your letter dated 03.04.2025
- g) Your letter dated 08.04.2025
- h) Hon'ble High Court of Calcutta Order dated 10.04.2025 against WPA No. 5888 of 2025 filed by you regarding Banning of Business by CIL
- i) Your letter dated 11.04.2025
- j) CIL's reasoned order vide letter no. CIL/CH/Explosives/MII IDL/2025/5030 dated 02.05.2025
- k) Your letter dated 09.05.2025
- l) Interim order of Hon'ble High Court of Calcutta Order dated 13.05.2025
- m) Your letter dated 24.05.2025
- n) Order of Hon'ble High Court of Calcutta Order dated 02.07.2025 against MAT 789 of 2025 with IA No. CAN 1 of 2025
- o) Hon'ble High Court of Calcutta Order dated 17.07.2025 against CAN no.1 of 2005 with respect to WPA No. 10536 of 2025 filed by you regarding Banning of Business by CIL
- p) Your letter dated 18.07.2025
- q) Your letter dated 28.07.2025
- r) Hon'ble High Court of Calcutta Order dated 13.08.2025 against WPA No. 10536 of 2025 filed by you regarding Banning of Business by CIL

Dear Sirs,

This has reference to Hon'ble High Court of Calcutta Order dated 13.08.2025 in WPA No. 10536 of 2025 filed by you regarding Banning of Business by CIL. While the Order dated 13.08.2025 has not interfered with the merit in the decision of ban on the basis of gravity of offence committed by you, but

*R. R. R.*

only predicated the requirement of establishing the quantum of loss suffered by CIL for imposing the maximum period of banning. The Hon'ble High Court of Calcutta in its order dated 13.08.2025 has remitted the matter to Chairman, CIL for considering the aspect of reduction in the period of ban imposed on you.

The decision for imposing the two-year ban on you was accordingly taken up for reconsideration. While revisiting the issue, the following facts are considered:

1. The Tender no. CIL/C2D/Bulk Explosives/2021-23/376 dated 23.07.2021 for Supply of Bulk Explosives was floated, in which you had submitted your offer for the offered product being Emulking – 200. The provisions of Public Procurement (Preference to Make in India) Order 2017 issued by DPIIT vide order No. P-45021/2/2017-B.E.-II dated 15<sup>th</sup> June 2017 (subsequently amended vide orders dated 28.05.2018, 29.05.2019, 04.06.2020, 16.09.2020, 04.03.2021) were part of the above tender.
2. As per the provisions of the tender, Class-I Local supplier (i.e. a supplier, whose goods and/or services offered for procurement has local content equal to or more than 50%) is eligible for purchase preference over Class-II Local Supplier (i.e. a supplier, whose goods and / or services, offered for procurement, has 20% or more local content but less than 50%). The term 'Local Content' means the amount of value added in India which shall be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent. Govt of India has further clarified vide above mentioned order dated 04.03.2021 of DPIIT that bidders cannot claim themselves as Class-I / Class-II Local suppliers by claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition.
3. The effect of being Class – I Local supplier is that since he gets purchase preference over Class-II Local supplier, he would be entitled to 'Margin of Purchase Preference' which means the maximum extent to which the price quoted by a "Class-I Local Supplier" may be above the L1 for the purpose of purchase preference. The margin of purchase preference shall be 20%.
4. As per terms and conditions of NIT, Methodology of Purchase Preference is as under:
  - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier, the contract for full quantity will be awarded to L1.
  - ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest supplier among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 supplier

The declaration of local content and place of value addition in India is required to be provided by the supplier in their offer (duly issued by their statutory auditor / Cost auditor in case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of "local content"

There was a provision in the NIT (Notice Inviting Tender) that False declarations will attract banning of business of the supplier or its successor(s) for a period upto two years, along with such other actions as may be permissible under law.

As per PPP-MII policy False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a supplier or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law

Rule 151(iii) states that a procuring entity may debar a supplier or any of its successors, from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the supplier has breached the code of integrity.

Moreover, CIL Purchase manual vide Clause 6.13.2 (vi) states that for Willful suppression of facts or furnishing of wrong information, false declaration or manipulated or forged documents by the firm or using any other illegal/unfair means the period of banning as per clause 6.13.4 shall be for 2 years as well as termination of existing / ongoing contracts in line with clause 6.13.5.6 of the Purchase Manual.

5. You had submitted your offer which contained 'Local Content Certificate' dated 16.08.2021 issued by Cost Accountants "Niran & Co." along with the offer against for the offered product i.e. Emulking – 200. However, a complaint was addressed to Hon'ble Minister of Coal, Mines and Parliamentary Affairs, questioning the authenticity of the 'Local Content Certificates' submitted by you against the above tender as well as another tender no. CIL/C2D/Cart Expl & Accs/2023-25/390 dated 04.03.2023 for supply of Cartridge Explosives & Accessories for a period of 2 years (2023-25).

As per Clause-6.B.ii.b, Sec-II 'Instruction to Suppliers' of the NIT, in case of complaints, CIL may constitute committees with internal and external experts for independent verification of self-declarations / auditor's /accountant's certificates.

Accordingly, M/s. R. Devendra Kumar & Associates, Chartered Accountants were engaged by CIL as external experts for independently verifying the 'Local Content Certificates' submitted by you against the above tenders.

The appointment of External Auditors was informed to you vide our letter no. CIL/C2D/Explosives/MII Verification/385 dated 25.08.2023, wherein your cooperation was sought.

From the external expert report, it was evident that terms of tender as well as PPP\_MII policy of Govt of India for submission of "Local Content Certificate" had not been complied while submitting the "Local Content Certificate" against tender no. CIL/C2D/Bulk Explosives/2021-23/376 dated 23.07.2021.

6. CIL vide a Show Cause Notice no. CIL/C2D/Explosives/MII Verification/982 dated 12.03.2024 communicated the summary of external expert report to you on which your response was sought. From the reply letter dated 03.05.2024 submitted by you to CIL's Show Cause Notice it was found that you had wilfully suppressed facts, furnished wrong information and submitted false declarations.

Consequent to the above you were banned vide CIL's order CIL/C2D/Bulk Explosives/2024-25/Banning of Business/274 dated 02.07.2024 for award of any contract/order by CIL or its subsidiaries for a period of two years from the date of issue of order, for submission of false

declaration/ Certificate, as per Clause - 6.13.2(vi) under heading "Banning / Debarment of Business" of CIL's Purchase Manual and Clause - 6.B.ii.d, Sec-II "Instruction to Suppliers" of the NIT dated 23.07.2021.

Further, it was mentioned in the banning order that the banning would not be applicable for the ongoing Running Contract no. 261 dated 07.10.2023 for supply of Bulk Explosives to ECL, CCL, MCL & NCL and Running Contract no. 245 dated 31.05.2023 for supply of Cartridge Explosives & Accessories to all the subsidiary companies including NEC.

7. You had filed WPA 1370 of 2025 against CIL's decision to Ban your firm. The ban was reviewed by Chairman, CIL vide Order dated 27.02.2025 in terms of the Order of Hon'ble High Court of Calcutta dated 20.01.2025 passed against WPA 1370 of 2025.

The said order was challenged by you in WPA 5558 of 2024 both on the issue of merit of the debarment order as well as on the proportionality for imposing term of 2 years of debarment.

The said Writ petition was disposed vide Order dated 10.04.2025 wherein The Chairman, CIL was directed to reconsider the prayer of the petitioner afresh only on the point of proportionality of the order of ban imposed. A reasoned order was required to be passed addressing the fact as to why ban for the maximum period is to be imposed upon the petitioner. The reasoned order shall also disclose the gravity of the offence and as to whether any loss was suffered by CIL or any of its subsidiaries because of the Local Content Certificate submitted by the petitioner.

Once again it is pertinent to mention that, by its Order dated 10.04.2025 passed in WPA No. 5888 of 2025 the Hon'ble Court did not interfere with the decision of CIL to ban you but asked CIL to reconsider your prayer afresh only on the point of proportionality of the term of ban imposed

As per directive of the court in the above-mentioned order Chairman, CIL has issued order no.5030 dated 02.05.2025 clearly bringing out the gravity of the offence in detail and through this reasoned order the ban imposed vide order dated 02.07.2024 was sustained for a period of 2 years from 02.07.2024.

8. CIL had floated a tender vide no. Tender no. CIL/C2D/Cart Expl & Accs/2023-25/397 dated 22.02.2025 for Conclusion of Running Contracts (RCs) and empanelment as Reserve RC holders for a period of two years for supply of Cartridge Explosives and Accessories to all the subsidiary companies of CIL and NEC and your offer in the same was not considered on the basis of the ban which was re-instated vide the above order dated 02.05.2025 of Chairman, CIL

You had later filed a fresh WPA No. 10536 of 2025 Challenging the Reasoned Order dated 02.05.2025, wherein earlier decision to impose two-year ban upon M/s IDL Explosives Ltd. was upheld.

The matter was listed on 13.05.2025, in the Hon'ble High Court and the Hon'ble Single Judge in its Order dated 13.05.2025 wherein no interim order was passed, however CIL was required to file an affidavit. Fresh Affidavit was filed from CIL's side within the stipulated time as directed by the Hon'ble Court.

MAT No. 789 of 2025 was also filed by you against the Hon'ble Single Judge's Order dated 13.05.2025 which had denied any interim order in your favour.

9. Meanwhile Coal India Limited has issued an Open e-Tender No. Tender no. CIL/C2D/Bulk Explosives/2025-27/399 dated 21.07.2025 for Conclusion of Running Contracts (RCs) and

empanelment as Reserve RC holders for a period of two years for supply of Bulk Explosives to all the subsidiary companies of CIL which was due for opening on 14.08.2025. The Pre-bid meeting for the said tender was scheduled on 31.07.2025 through VC.

You have also filed a separate application vide CAN no.1 of 2005 with respect to WPA No. 10536 of 2025 which has been disposed vide order dated 17.07.2025 by Single Bench of Hon'ble High Court of Calcutta directing to permit your firm to participate in the future tender processes and the fate of the participation shall be subject to the result of the writ petition. It was also mentioned in the order that no right or equity will accrue in your favour because of mere participation in the tender processes and the pendency of the writ petition will not stand in the way of the respondent authority to finalize the tender.

Accordingly, you were allowed to submit your bid in the above-mentioned tender.

The conclusive arguments of WPA No. 10536 of 2025 from both the petitioner as well as respondent was heard by The Hon'ble High Court of Calcutta on 08.08.2025 and Judgement was passed vide Order dated 13.08.2025 in which the impugned order dated May 02, 2025 was set aside and the matter has been remitted to the Chairman Coal India Limited for considering aspect of reduction of the period of ban imposed on you.

In that backdrop CIL's decision on the term of ban was reviewed in compliance of the Order dated 13.08.2025 of Hon'ble High Court of Calcutta and multiple representations made by you in this context, it is observed that:

- i. The offence committed by you is grave to the extent that you have made offer and secured order worth over Rs.230 Crores which should have been placed on other Eligible Class-I Local suppliers instead of you had you, correctly represented itself as a Class-II Local supplier.
- ii. It is established from the records and circumstances that your action of submission of false information to gain advantage over other participants in a public procurement tender by circumventing the Public Procurement (Preference to Make in India) Policy (PPP-MII), 2017 of the Government of India distorted the level playing field intended under the said policy. Such conduct has far-reaching legal implications.

Misleading CIL on the basis of fraudulent misrepresentations has exposed CIL to various potential litigations, including by other bidders who can claim deliberate wrongdoing by CIL and resulting in loss to them upon being deprived of orders which they would have been entitled to get had you not fraudulently represented yourself to be a Class-I local supplier when it is not so in reality.

Hence it would not be out of place to state that there is merit in banning and the Hon'ble High Court has not interfered with the merit of CIL's banning order dated 02.05.2025. However The Hon'ble High Court of Calcutta in its previous orders dated 20.01.2025 against WP 1370, 10.04.2025 against WP no. 5888, 17.07.2025 against CAN 01 of 2025 as well as its latest order dated 13.08.2025 against WP no.10536 of 2025 has directed to review the period of ban from the maximum period to a reduced period after considering various aspects of the case.

Although it was felt that the offence committed by you is grave enough to impose the maximum ban of 2 years, since it hurts and tends trust at large in a public procurement system but considering your repeated representations for reduction in the period of banning and in the spirit of the judgment dated 13.08.2025 of the Hon'ble High Court of Calcutta against WP 10536 the period of ban is revisited in the following terms:

- a) Vide your representations one of the grounds for reduction of banning period in your argument was that you stood disqualified in a tender floated by Singareni Collieries Company Ltd solely because of the banning imposed by CIL.

It is an admitted position that pursuant to the banning imposed vide order dated 02.07.2024, and the subsequent reasoned order dated 02.05.2025, whereby the banning period of two years was reinstated, the petitioner stood disqualified from participation in the tender floated by Coal India Limited for Cartridge Explosives & Accessories.

Hon'ble High Court, by its order dated 13.08.2025, has specifically recorded that the banning imposed by CIL also disentitled you from participating in a tender floated by Singareni Collieries Company Limited (SCCL). These findings of the Hon'ble High Court of Calcutta establish that you have already suffered demonstrable impact on account of the ban, which, in effect, have operated as punitive action for the alleged violation of the MII Policy.

- b) In your various representations you have highlighted that the Ban Imposed on your firm has caused employment hardship to hundreds of people directly or indirectly engaged with your company.

It was observed that the proposition banning especially for maximum period has long lasting civil consequences on the future business prospects of an entity engaged in business and that the same can effectively lead to the civil death of such an entity.

- c) The Court in its Judgment dated 13.08.2025 has re-iterated that this is the third round of litigation but even then, since the imposition of ban per se has been (sort of) accepted by the petitioners and there are factual aspects relating to the loss suffered by the petitioners by reason of the ban that need to be gone into and the Court has found it fit to remand instead of taking the task of re-determining the period of ban on itself.

Court has observed that the period of ban is to be decided on two factors; first, the gravity of the offence and second, the quantum of loss suffered by CIL or the subsidiary companies. Court has also observed that non-ascertain ability of financial loss by Coal India Limited is not equivalent to non-existence of the loss-factor or of no loss having been incurred. Imposition of maximum penalty in the absence of one of the two factors so prescribed would, in the considered view of the Court, by itself be disproportionate.

However it is also pertinent to bring out that CIL has on the first instance although considered a maximum period of banning but also has shown some leniency by non – cancellation of ongoing contracts. Further as provisions of the RC, the supplies made by you during the execution of contracts were on the same rate as that of parallel RC holders. These factors indicate that quantum of loss is difficult to ascertain in such cases.


- d) The Hon'ble High Court of Calcutta, vide orders dated 10.04.2025 and 13.08.2025, has set aside the two-year banning period and remitted the matter to the Chairman, CIL, with a clear mandate to reconsider reduction of the banning period.



Thus, to conclude, the earlier decision to impose a ban is just and legal.

Pursuant to the said judgment dated 13.08.2025 and after careful consideration of legal and factual aspects as recorded by the Hon'ble High Court of Calcutta in its various orders and consideration of the proportionality of penalty in light of judicial directions, it is decided to reduce the period of banning from **two (2) years** to **one (1) year**, effective from **02.07.2024**.

Yours faithfully,

  
(P M Prasad) 09/09/2025  
Chairman, CIL