

To
M/s. Sical Logistics Ltd.,
Regd. Office: No. 73, South India House,
Armenian Street, Chennai 600 001, India,
e-Mail Id: aditya.b@sical.com

Sub : Banning of Business of your Company in MCL for a period of one year.

- Ref:-
1. MCL/SBP/GM(CMC)/NIT-743/2016/759 Dated.13.10.2016.
 2. LOA No. MCL/SBP/GM(CMC)/NIT-743/2018/615 Dated 27.11.2018.
 3. Work Order No. GM(HA)/Mining/WO/NIT-743/Sical/2019/1952 Dated 05.01.2019.
 4. Show Cause Notice for Banning of Business vide letter No. MCL/GM/HA/SICAL/Notice/2020/105 Dated 22.02.2020.
 5. Your reply to the Show Cause Notice vide letter under reference No. SLL/HOCP/2019-20/113 Dated 11.03.2020.

1. You have been awarded the work of Extraction of Coal/Coal measure strata by deploying Surface Miners on hiring basis, mechanical transfer of the same by Pay Loaders into Tipping Trucks and transportation from Surface Miner Face to different destinations of Hingula OCP, Hingula Area. [NIT-743 dt.13.10.2016] vide Letter of Acceptance under reference No. MCL/SBP/GM(CMC)/NIT-743/2018/615 Dated 27.11.2018 of General Manager(CMC), MCL and Work Order No.GM(HA)/Mining/WO/NIT-743/Sical/2019/1952 dated 05.01.2019.
2. Whereas you have executed only 3.25 MT of Coal against a target of 11.18 MT for the period from December-2018 to March-2020 at Hingula OCP, Hingula Area, i.e. only 29.07% of assigned target as per Agreement. Month-wise performance of your Company under NIT-743 Dated 13.10.2016 from December-2018 to March-2020 is as under:-

Sl No.	Month	Agreed Qty (Tonnes)	Achieved Qty (Tonnes)	Total Shortfall (Tonnes)	Shortfall due to Contractor's fault (Tonnes)
1.	Dec-18	48722.00	7838.10	40883.90	0.00
2.	Jan-19	756586.00	271913.52	484672.48	0.00
3.	Feb-19	683368.00	437890.98	245477.02	0.00
4.	Mar-19	756586.00	509857.63	246728.37	0.00
5.	Apr-19	732180.00	212796.38	519383.62	0.00
6.	May-19	756586.00	262632.52	493953.48	0.00
7.	Jun-19	732180.00	146952.42	585227.58	0.00
8.	Jul-19	756586.00	34653.09	721932.91	0.00
9.	Aug-19	756586.00	119536.09	637049.91	0.00
10.	Sep-19	732180.00	23292.82	708887.18	1350.00
11.	Oct-19	756586.00	57126.45	699459.55	66000.00
12.	Nov-19	732180.00	149850.00	582330.00	62300.00
13.	Dec-19	756586.00	243210.00	513376.00	123900.00
14.	Jan-20	756586.00	249705.00	506881.00	146768.00
15.	Feb-20	707774.00	238088.00	469686.00	85500.00
16.	Mar-20	756586.00	283677.00	472909.00	60500.00
Total		11177858.00	3249020.00	7928838.00	546318.00

3. Whereas you did not deploy sufficient equipment as specified in the NIT-743, the month-wise deployment of equipment by you vis-a-vis equipment to be deployed as per NIT-743 Dated 13.10.2016 is as under:-

Sl No	Month	No. of Surface Miners as per NIT	No. of Surface Miners deployed	Tippers as per NIT (Equivalent Capacity) in Te	Deployed Tippers (Equivalent Capacity)/in Te
1.	Dec-18	3	2	2156	
2.	Jan-19	3	2	2156	320
3.	Feb-19	3	2	2156	576
4.	Mar-19	3	2	2156	688
5.	Apr-19	3	2	2156	320
6.	May-19	3	2	2156	304
7.	Jun-19	3	2	2156	176
8.	Jul-19	3	2	2156	192
9.	Aug-19	3	2	2156	160
10.	Sep-19	3	2	2156	112
11.	Oct-19	3	2	2156	144
12.	Nov-19	3	2	2156	240
13.	Dec-19	3	2	2156	304
14.	Jan-20	3	2	2156	480

4. Whereas you have been consistently performing poorly since the beginning of the Contract under NIT-743 Dated 13.10.2016 at Hingula OCP, Hingula Area. Inspite of you being given sufficient opportunities to execute the agreed quantity as per terms and conditions of Agreement and also given several letters to improve the performance and to deploy sufficient equipment as per NIT, you did not deploy sufficient equipment as per NIT resulting in poor performance of Coal Production at Hingula OCP, Hingula Area leading to irreparable loss to MCL.
5. Whereas earlier 21 days Show Cause Notice for Banning of Business of your Company in MCL for a period of 3 years was issued by General Manager, Hingula Area vide letter No. MCL/GM/HA/SICAL/Notice/2020/105 Dated 22.02.2020. Your reply to the Show Cause Notice vide letter under reference No.SLL/HOCP/2019-20/113 Dated 11.03.2020 has been found to be unsatisfactory by the Competent Authority.
6. Whereas due to poor performance by you at Hingula OCP, Hingula Area, the estimated loss during 2019-20 is around 14 crores and also loss of royalty to Govt. exchequer comes to around Rs. 8 Crore. Despite the repeated reminders, you failed to deploy required machines which has resulted in poor performance. There was no initiative on your part to meet the shortfall of targeted production. You have performed only 29.07% of assigned target as per NIT / agreement at Hingula OCP. Going by your past performance, if you are allowed to participate in future Tenders in MCL, the Target of MCL may not be achieved and the Company may incur huge losses due to your poor performance.

In view of the above, M/s. Sical Logistics Ltd is banned for a period of one year from participating in future tenders of MCL. Ban will come into force from the date of issue of this letter.

Yours faithfully,

Director(Tech/OP), MCL

Copy to:-

1. CMD, MCL
2. D(T/P&P), MCL
3. D(F), MCL
4. D(P), MCL
5. General Manager(CMC), CIL
6. General Manager(CMC), MCL/GM, Hingula Area/ All Area General Managers, MCL.
7. General Manager (System/e-Procurement), MCL -Uploading of the Letter in Coal India website, MCL website & linking of the Letter to e-Tender Portal of Coal India Ltd.