

# **POLICY FOR DISPOSAL OF SCRAP**

## **PREFACE:**

### **1. DEFINITION**

In course of maintenance of huge Inventory for various items like Consumables, Spares, Equipment / P&M etc. at different locations , there will be generation of unusable items due to inherent nature of operation and maintenance, loss of shelf-life, obsolescence etc. These unusable / unwanted holding may be categorized as under:

- a. **Scrap:** Residual materials after expiry of life / main use or left over materials as waste in the process of completion of recommended operation cycle due to wear and tear.
- b. **Unserviceable/Damaged Items:** Equipment/P&M items rendered unserviceable during operation or accidents or severe damaged in transit.

### **2. DISPOSAL :**

Disposal is an activity of liquidating the unusable / unwanted holdings. It releases valuable storage space and locked up value. It is therefore, necessary to dispose off the unwanted holdings following laid down procedures with due regard to economy and transparency.

The unusable/unwanted holdings may consist of the following categories of Scraps:

#### **2.1 Equipment / P&M, Spares and Stores**

After completing rated life and eligible working hours, if the Equipment / P&M becomes unserviceable/ Beyond Economic Repairs and required to be replaced with new ones for economic operations, such Equipment / P&M are to be declared unserviceable and are to be disposed off observing due procedure.

For the purpose of survey off and disposal, Equipment/P&M shall mean all types of Equipment/P&M Items like HEMMs, UGMMs, Medical Equipment /CHPs/ Survey equipment / Laboratory equipment / Safety equipment / Office equipment etc. and all types of Plant & Machinery.

Similarly spare parts and various other stores become unserviceable and are required to be disposed off. Further, the items such as rejects arising out of manufacturing process and various operations, are required to be declared scrap and are to be disposed off observing due procedure.

## **2.2 Second Hand Empties:**

In the process of receipt, issue and consumption of stores, various types of packing/packing materials are generated as 'empties' like containers, plates, bottles, plastic jars, drums etc. They may be serviceable but surplus to the requirement of the company **or** may be unserviceable.

Disposal of the empties shall be done after following due procedure of survey off and sale.

## **2.3 Hazardous Scraps:**

Hazardous Scraps are wastes with properties that make them dangerous or potentially harmful to human health or the environment. Hazardous wastes can be liquids, solids, contained gases, or sludge. Disposal of Hazardous scraps should be given priority and disposed off keeping in view the guidelines of GoI / statutory authorities like Central/State Pollution Control Board (CPCB / SPCB) from time to time.

## **2.4 Equipment having premature failure and Beyond Economic Repairs:**

Sometimes premature failure of some Equipment / P&M occurs and the cost of their repairs is not economical. As such, in the interest of the company, these Equipment/P&Ms are to be declared as unserviceable before replacing the same. These equipment / P&M s are to be disposed off after observing the due procedure of declaring them as scrap.

## **3. Procedure for identification of Unserviceable Equipment / P&M, Spares and Stores as well as Surplus Equipment, Spare Parts and Stores:**

### **3.1 Identification / Declaration:**

Second Hand Empties, Old, Used and Unserviceable Equipment / P&M, Spare Parts , Stores & Hazardous Scraps:

**Nodal Officer (S&D):** Area General Manager/General Manager (Central Workshop)/General Manager / Administrative Head (Central Stores) shall nominate a Nodal Officer of Engineering discipline, not below E6 rank (if E-6 officer is not available, then Officer of E5 (preferably) or lower Rank may be nominated) for his area to initiate and co-ordinate the activities related to identification and declaring the Second Hand Empties, Old Used and Unserviceable Equipment/P&M, Spare Parts & Stores as scrap for the purpose of disposal, as well as coordinating delivery of the sold scrap

materials to the authorized persons.

At Subsidiary HQ/ CIL HQ, the Nodal Officer (not below E6 rank) shall be nominated by GM (Administration).

In order to identify and declare such items as scrap, a standing Survey off Committee consisting of following members shall be constituted in each Area /Project;

**A. For the items kept in the custody of the Project/ Unit:**

- i) Project Officer/Head of the concerned Project /Unit
- ii) Area Nodal Officer (S&D)
- iii) Concerned Engineer In-charge of the Project / Unit
- iv) Concerned head of the Finance of the Project / Unit
- v) Concerned Officer In-charge of the Store of the Project / Unit

**B. For the items kept in the custody of the Regional Store /Area Store:**

- i) GM (Operation) / Staff Officer (Mining) or his authorized representative.
- ii) SO (Excv) / SO (E&M) / Head of concerned Technical Deptt. or his authorized representative
- iii) Area Nodal Officer (S&D)
- iv) Area Finance Manager or his authorized representative
- v) SO(MM) / Depot Officer

**C. For Central Workshop, the committee will consist of the following Officials :**

- i) Nodal Officer (S&D) nominated for CWS.
- ii) Officer in-charge of Unit Store / SO (MM)
- iii) Area Finance Manager or his authorized representative.
- iv) Technical Member (Engineer in charge of concerned section / shop / Engineer nominated by GM (CWS).

**D. For Central Stores (CS), the committee will consist of the following Officials :**

- i) Nodal Officer (S&D) nominated for CS
- ii) Finance Manager -in charge or his authorized representative.
- iii) Technical Member (To be nominated by G.M / Administrative Head of CS).
- iv) MM member, if Nodal Officer (S&D) is not from MM discipline.

**E.** For Subsidiary Headquarters/ CIL Headquarter, the committee shall comprise of the following officials :

- i) Nodal Officer(S&D) of HQ.
- ii) GM (MM)/HOD (Stores) or his Authorised Representative not below E6 Rank preferably. If E-6 officer is not available, then Officer of E5 (preferably) or lower Rank may be nominated.
- iii) GM (F) or his Authorised Representative not below E6 Rank preferably. If E-6 officer is not available, then Officer of E5 (preferably) or lower Rank may be nominated.
- iv) GM/ HoD of concerned Technical Department or his Authorised Representative not below E6 Rank preferably. If E-6 officer is not available, then Officer of E5 (preferably) or lower Rank may be nominated.

The Survey Off Committee will be constituted with the approval of the concerned Director (Technical) for HQs and by GM/ Administrative Head of Area / CWS / Central Stores

In case of CMPDI, the Regional Institute shall be considered as 'Area' and the Regional Director as 'Area General Manager'.

### **3.2 Formation of lots**

The Sub Area Manager / Project officer / Agent / Depot Officer will ensure that the surveyed off equipment /P&M /other materials under their respective custody for disposal are properly arranged in sizeable lots. The following guidelines are laid down for the proper arrangement of lots:-

- a) Scrap iron and steel will be arranged in a lot of suitable quantity and the scrap heap should be properly arranged to enable the Purchasers to make a fair assessment of the Lot.
- b) Lots will be sold on "as is where is" basis, which denotes that the equipment / P&M /scrap materials will be sold in whatever condition they exist, and in whatever quantities or tonnage available and that the Management gives no guarantee as to the actual weight involved. Such a condition is essential to obviate dispute with Purchasers and legal complications.
- c) The lots will be properly segregated and under no circumstances, working stocks will be mixed up with stores under disposal.
- d) The Lot No. of each Lot should be clearly displayed.
- e) Where a bid can be secured as a rate per item instead of a total value

for the entire lot as in the case of vehicles, OTR Tyres, batteries, empty second hand drums etc., the items may be declared and sold by numbers.

- f) Normally the Equipment / P&M should be sold on weight basis. Only the Equipment/P&M items, which can be delivered in as it is intact condition without any cutting/dismantling, shall be processed for sale on number basis.

If Equipment/P&M items are to be allowed for cutting/dismantling at the time of lifting, the lot for the same must be processed for sale on weight basis only.

The survey off report should be prepared precisely taking care of the above provisions and should clearly indicate whether the Lot being so offered for sale will be allowed for dismantling/cutting before lifting or otherwise.

- g) A condition should be incorporated in the terms of sale that, if the weight actually offered at the time of delivery is less than the Weight originally declared, a proportionate refund will be granted to the purchaser with the approval of Director (Technical). In case the weight of the lot is higher than the estimated quantity, the purchaser willing to take the additional quantity (limited to max 10% of the offered quantity) should deposit the equivalent amount before taking the delivery, with approval of Area General Manager / Administrative head in case of CS / CWS and G M (MM) in case of Head quarter.
- h) Under no circumstances, items to be declared for Sale, both by numbers as well as in weight.
- i) Once the items are declared for disposal and surveyed off by a duly constituted survey off committee, under normal circumstances, parts/assemblies/accessories of such plant and equipment / P&M should not be withdrawn or removed. If any such withdrawal /removal in the case of surveyed off equipment / P&M /stores is inevitable, the sanction of Director (Technical) will be obtained by the initiating project/colliery through the Area General Manager recording the reason as to why such action could not be taken before sending the survey off report and the justification there of. This may necessitate withdrawal of lots/re-fixation of reserve value etc.

### **3.3 Duties of Survey Off Committee**

The Survey off Committee will carry out physical survey of all the

Equipment /P&M and other scrap materials, put up for disposal and fix up the reserve value in respect of individual lots. However, before fixing the reserve value, the committee will ensure that:

- a) The lot of the scrap to be disposed has been made properly as mentioned at 3.2.
- b) The assemblies/ sub-assemblies in case of equipment / P&M which have been declared serviceable and useable, have been removed from the surveyed off lots to be sold and have been deposited at designated place, with proper recording.
- c) The equipment / P&M Sl. no. to be mentioned in the survey off report is clearly visible on the lot and, if required, should be rewritten clearly.
- d) Scrap lots to be sold are kept separately and not mixed with other useful items of the project. Lot Number on each scrap lot should be written clearly for easy inspection and delivery.
- e) If the OTR tyres are to be sold without Rim, it should be ensured that the Rims fitted with the tyres have been removed before putting the lot for auction.
- f) In case of vehicles, it should be ensured that surrender / de registration certificate from the concerned department (E&M) or Admin) has been obtained before putting up for final disposal.
- g) The lot should contain similar type / nature/ quality of material (For example MS scrap should not be mixed with copper or special steel etc.) as far as practicable.

### **3.4 Fixation of Reserve Value**

The survey off committee will carry out physical survey of all the equipment/P&M, Stores, and scrap materials put up for disposal and fix the Reserve Value in respect of Individual lots.

The reserve value should be carefully fixed by the survey off committee taking into consideration of relevant information like present physical condition, Location of the Lot, the written down value (wherever applicable), serviceable assembly / sub assembly/ parts taken out from the machine, the last sale value realized in the sale of similar lot, current market trend etc.

In the normal circumstances, i.e., if the assemblies/sub-assemblies/parts have not been taken out, then the reserve value should not be less than the written down value. So, whenever the reserve value is less than written down value (e.g. IT Equipment, Medical Equipment, etc.), suitable justification should be recorded in the survey off report.

**The reserve value so fixed by the committee shall be approved by Area GM / Concerned Administrative Head (for Headquarters) and recorded confidentially in relevant column of the Survey off Report. The reserve value should be approved by the above authority in relevant column by encircling the reserve value and putting his signature against it. Since the reserve value is fixed on the basis of ground reality in field, it need not be reviewed/approved at subsequent levels at Headquarters so as to maintain confidentiality.**

Such Reserve Values should only be opened and entered in the service provider portal, 2 - 3 days before the 1<sup>st</sup> Auction, by MM executive and Associate Finance member for maintaining transparency and confidentiality. Hence no subsequent approvals for reserve values are required. The same shall be applicable for reviewed reserve values as well.

The particulars of the equipment /P&M / stores surveyed will be recorded in the Survey Off Report to be prepared in six copies in the form shown in Annexure -1 & 2, as the case may be.

#### **4. Survey off Report**

##### **4.1 Preparation of Provisional Survey off Report ( For Equipment /P&M) :**

Equipment / P&M including vehicles which have outlived their lives in terms of number of both hours worked and years of operation as per company's guidelines issued from time to time, or rendered unserviceable due to permanent failures, accidents etc., a technical report will be prepared by the technical wing in the Area/HQ/CWS/CS and accordingly a Provisional Survey Off Report will be prepared in the format as per ANNEXURE- 1 (where column 9 to 11 need not be filled up by technical wing) for the purpose of getting "Replacement Equipment /P&M" and the same will be sent to the concerned head of the Technical wing at HQ.

The concerned head of the Technical wing at HQ will obtain approval of CMD of the Subsidiary Co.s / Director (Technical) in case of CIL HQ for equipment /P&M items, as the case may be, to consider them as provisionally surveyed off for disposal.

**However, all cases involving disposal of Mining Equipment / HEMM/ P&M with premature failures will attract the approval of Board of Directors of concerned Subsidiaries.**

##### **4.2 Preparation of Final Survey Off Report :**

- A. After competent approval of Provisional Survey off Report, and grounding of the surveyed off equipment / P&M and vehicles, the lot will be put up to the Survey off Committee for final survey off and disposal. Final Survey-off report after grounding shall be approved by The General Manager /Administrative Head of Area/CWS/CS/General Manager (Administration) in case of HQ along with the Reserve Value.
- B. For scraps other than Equipment and P&M Items, only Final Survey Off Report will be prepared, which shall be approved by The General Manager / Administrative Head of Area / CWS / CS / General Manager (Administration) in case of HQ along with the Reserve Value.

4.3 The Survey Off Report and proceedings of the Survey Off Committee will be signed by all members of the Survey Off Committee. The reserve value will be indicated only in one copy of the Survey Off Report which will be forwarded in a sealed cover to the GM (MM)-HOD/GM (Stores). The reserve value shall be treated as strictly confidential.

Survey off Report (SOR) shall be prepared in six copies. Distribution of duly approved SOR shall be as under: -

- a) One copy in sealed cover containing Reserve Value along with two copies (without RV) shall be forwarded to the MM department of the subsidiary HQ for taking disposal action. The copy of survey-off report having Reserve Value shall be kept under sealed cover and same shall be opened in presence of Associate Finance member 2-3 days before 1<sup>st</sup> auction and reserve value shall be uploaded in service provider portal for finalization of lots for sale as per the approved norms.
- b) One copy each shall be kept with the concerned Nodal Officer and Depot Officer.
- c) One copy shall be kept with the Project /Unit from where it has been initiated.
- d) Survey off report for Equipment / P&M /vehicle may be prepared in two phases i.e. provisional and final. The indent for replacement of equipment / P&M /vehicle, if required, can be processed on the basis of provisional survey off report. Disposal action shall be taken on the basis of final Survey off report only after grounding of the equipment / P&M /vehicle. Reserve Value is not to be indicated in the Provisional Survey Off report.
- e) While forwarding the survey off report, a certificate shall be submitted by the Nodal Officer (S&D), on the body of the Survey Off Report as

under:

“Certified that the reserve value (s) of the surveyed off Lot (s) has / have been indicated duly approved by the Area General Manager/ Competent Authority.”

## **5. Disposal / Sale:**

### **5.1 P&M, Spares and Stores:**

The list of disposable Equipment/P&M and Spares/stores will be forwarded to the Service Provider for disposal through e-Auction. Sale of those surveyed off lots shall be concluded in favor of H 1 bidder for which the H1 price offered by the H 1 bidder is more than or equal to 90% of the Reserve Value for Non-Hazardous scrap.

The remaining Equipment / P&M /Other Scrap which could not be sold in first auction, shall be put up for e-auction second time. In second auction Sale of those Equipment / P&M and Spares/stores shall be concluded in favor of H 1 bidder for which the H1 price offered by the H1 bidder is more than or equal to 85% of the Reserve Value for Non-Hazardous scrap.

In case the Equipment / P&M and Spares/stores remained unsold even after two auctions mentioned above, it shall be put up for e-auction for the third time. In third auction, Sale of those Equipment / P&M and Spares/stores shall be concluded in favor of H1 bidder for which the H1 price offered by the H1 bidder is more than or equal to 80% of the Reserve Value for Non-Hazardous scrap.

Despite three attempts of e-auction, if the Equipment / P&M/ Spares/ Scrap could not be sold, then outcome of the e-auctions conducted so far (soft copy of complete bid- sheets of the 3 auctions) shall be reverted to the concerned Areas/department for re-assessment of the Reserve Value. After reviewing the reserve value the same shall be submitted to GM (MM)-HOD / GM (Stores), HQs for taking necessary disposal action.

In case the lot remains unsold even after another 3 auctions, after re-assessment of Reserve Value, the Subsidiary Management may take action for disposal in line with the provisions of Rule 221 of GFR 2017, which inter alia reads as under:

“In case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt other modes of disposal including destruction of the item, in an eco-friendly manner”

### **5.2 Hazardous Items :**

In case of Hazardous Scrap, sale of those surveyed off lots shall be concluded in favor of H 1 bidder for which the H1 price offered by the H1 bidder is more than or equal to 85% of the Reserve Value.

The remaining Lot which could not be sold in first auction, shall be put up for e-auction second time. In second auction Sale of those surveyed off lots shall be concluded in favor of H 1 bidder for which the H1 price offered by the H 1 bidder is more than or equal to 75% of the Reserve Value.

In case the lot remains unsold in the second auction, the Subsidiary Management may consider for putting up the lot for e-auction after revision of the Reserve Value or take action for disposal in line with the provisions of Rule 221 of GFR 2017, which inter alia reads as under:

“In case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt other modes of disposal including destruction of the item, in an eco-friendly manner”

## **6. Conduct of e-Auction.**

To ensure fair, transparent and efficient system for disposal of the scrap materials, e-auction mode shall be followed. A common e-auction portal/Service Provider for scrap disposal for all subsidiaries of CIL and CIL (HQ) shall be finalized by CIL (HQ) for uniform disposal of Equipment/ P&M/ Scrap. However, till such portal is developed, the existing portals used by subsidiary companies shall remain operative.

The Service Provider will not charge any fee/cost or any payment, by whatever name from the prospective bidders for the purpose of participation in e-auction.

The procedure for e-auction as well as salient terms and condition of e-auction are indicated in following paragraphs. If any modification to the following terms and condition or any additional terms and conditions are warranted, the same can be done with the approval of the CMD of the subsidiary company duly recording the justification thereof.

1. After approval of the Survey Off Report, Nodal Officer (S&D), shall forward the SORs to GM (MM)-HOD / GM (Stores) of the CIL HQ / Subsidiary HQ for taking disposal action.
2. The Store section of the MM department at CIL HQ / Subsidiary HQ will obtain approval of GM (MM)/HOD for putting up these Lots for sale through e auction. If required the lots, received from different Areas, departments may be consolidated, before putting up for auction.

3. After obtaining approval for disposal, the list of the lots to be disposed off will be sent to the Service Provider with terms and conditions for arranging e-auction.
4. The Service Provider will prepare the auction catalogue and display the same on their portal.
5. Date of e- auction shall be minimum 15 days after the date of display of the auction catalogue on the portal of the Service Provider. The prospective Purchasers / bidders shall be allowed to physically inspect the scrap materials or lots before participating in e-auction, if they so desire.
6. All the interested Purchasers who are registered with the service provider can go through the auction catalogue prepared by Service Provider, through their user id provided to them and can participate as per terms and conditions of e-auctions. Bidders registered with the service provider should be automatically informed through e-mail regarding scheduled time and date of e-auction.
7. For purchase of Hazardous scrap materials like batteries, burnt oil etc. the perspective bidders must have MOEF/SPCB/CPCB registration certificate or any other certificate required for such items. The certificates must be valid on the date of e-auction as well as lifting of the hazardous scrap materials.
8. Bidders will be responsible for obtaining required Digital Signature Certificate directly from the government approved agencies, as per the requirement of the Portal of the Service provider.
9. It will be the responsibility of the bidders to ensure that they are in possession of all requisite clearances/ certificates/ documents in order to fulfill various requirements of Govt. of India in regard to materials purchased by them. All such documents should be valid as on the date of lifting of the scrap material sold to them, failing which CIL or its Subsidiary companies shall not give delivery of the respective scrap material, till the valid documents are submitted.
10. Reserve value will be uploaded by the Representative of GM (MM) along with the Associate Finance member on-line in the portal of the Service Provider 2/3 days before commencement of e-auction. The e-auction portal is to be designed by Service Provider in such a way that apart from Subsidiary Co. as Seller or their authorized representative having user ID and password, no one including Service Provider will be able to view or notify or feed in the Reserve Price.
11. The entire auction will be conducted using the Web through Internet.

12. The system shall be IT compliant as per the Guidelines of GoI, issued from time to time. It shall encompass security features to safe guard the interest of CIL / Subsidiary Co. as Seller (s). Sellers and Purchasers can log onto the auction site for any related information, besides monitoring the auction in real time.
13. Users (i.e. Seller, Service Provider personnel and bidders) of the auction site should be able to view auction item, bidding history, other details and status. The identity of the Bidders should not be disclosed by the system till completion of the e-Auction.
14. All the communications with the registered Purchaser / customers regarding prior information of e-auction and post e-auction information regarding sale letter, payment advice etc. will be essentially done through e-mail by Service Provider.
15. Every auction will be prepared with a pre-determined opening and closing date and time which will be duly intimated to Bidders by Service Provider. Bidding will be accepted within that fixed period provided there is no continuation of bidding at that point of time. The closing time shall automatically be extended by further 10 minutes, every time, if a Bid is recorded within last 10 minutes closing of Bids.
16. **Pre Bid EMD:** Every bidder will have to deposit Pre-Bid EMD of Rs. One Lakh only against each auction to service provider before the e-auction. The Pre-Bid EMD will remain deposited with the Service Provider. The Pre-Bid EMD will be refunded to unsuccessful bidder within 3 days after closing of the auction by the Service Provider. In case of successful bidder, the Pre-Bid EMD will be retained by the service provider till the full payment of the Lots is submitted by the successful bidder to the concerned Subsidiary Company HQ / CIL HQ through EFT.  
  
In case it is felt that the Lots offered for Auction are of low value, based on the Last sale price of similar lots, the EMD may be waived off with the approval of Director (Technical) of the respective Subsidiary Co.s/ CIL HQ, recording reasons. In such cases, Concurrence of Finance should be obtained.
17. Once the auction is closed, the system should automatically confirm if the highest price received is equal to or above the threshold limit of Reserve Value (RV) in line with clause 5, and should send the bid sheet of the completed Auction by e-mail to the Seller (CIL / Subsidiary Company).

Concerned Stores Department will verify the H1 bids with the Reserve Value /Threshold value as per the SOR and get it vetted by the finance for acceptance of the H1 price as per the procedure laid down above, and will obtain the approval of GM (MM) before giving the clearance to the Service Provider to convey the acceptance of H1 rate to the successful bidders by email.

The Service Provider will then inform the successful H1 bidders about the acceptance of their bid and advise them on their registered email address and through SMS alert to deposit the requisite Security Deposit and Balance Material Value as per the terms of the Auction.

**18.** For the unsold lots, action for fresh auction shall be initiated by the Seller (CIL/Subsidiary).

**19. Security Deposit:** Security Deposit of 25% of Material Value of the lots sold to the buyer should be deposited to CIL / Subsidiary company HQ through NEFT/ RTGS within 7 days from the date of intimation. If the total value of Security Deposit is more than Rs. 10 (Ten) Lakhs, the period allowed for Depositing the Security Deposit shall be 15 days from the date of intimation. In case the bidder fails to deposit the Security Money within the prescribed period, it will be presumed that he has abandoned the lot and the sale of that lot shall be treated as cancelled and his EMD shall be forfeited. Further, the defaulting buyer shall be debarred for participating in the e-auction of that subsidiary/ CILHQ for 6 months.

The request for extension of deposition of Security Deposit may be considered by Subsidiary / CIL Hq after levying penalty (1 % of the sale value with applicable GST, if any) with the approval of concerned GM (MM)/HOD for maximum 7 days.

**20. Balance Payment:**

On confirmation of the receipt of Security Deposit amount by CIL/Subsidiary, the Service Provider will issue the Sale Order to the Successful buyer, under intimation to the Seller (Subsidiary/CIL HQ), clearly indicating Payment terms for Balance Material Value and the due date for the same.

Balance 75% Payment for the full value of the lot (along with GST and /or TCS) shall be deposited by the Buyer to CIL / Subsidiary company HQ through NEFT/ RTGS within 15 days from the date of Sale Order (if the lot

value is less than Rs.50 Lakhs) or within 30 days (if the lot value is More than Rs.50 Lakhs

For the delayed payment beyond scheduled period, penalty of 1% of unpaid material value (excluding Tax & TCS with applicable GST, if any) per week or part thereof will be leviable for delayed period, for next 4 weeks with approval of GM (MM)/HOD.

However, if the balance payment is not received within the due date of payment as indicated above, the Security Deposit against that lot and Pre-Bid EMD shall be forfeited and such lot(s) will be deemed to have been abandoned by the buyer and shall again be put up for auction. The buyer shall have no claim on such lots. Further, the defaulting bidder will be debarred from participating for Six Months from the date of Closing of Auction for that particular subsidiary company / CIL Hq. However, under circumstances beyond control of the buyer/ force majeure conditions, the CIL/Subsidiary Co. may allow payment beyond stipulated period (with penalty- as indicated above, subject to maximum of 10% of the sale value), with the concurrence of Finance and approval of Director(Technical).

**21. Delivery Order:-**On confirmation of receipt of Payment by the Subsidiary Co. / CIL HQ, the Service Provider shall issue a Delivery Order to the Buyer. A copy of the Delivery Order shall be endorsed to the GM (MM)/HOD of Subsidiary Co./CIL HQ.

21.1 The Delivery Order to be issued by the Service Provider should contain the following details:

- a) Delivery Order No. and date
- b) e-auction no. and date
- c) Lot number with location
- d) Description of Material.
- e) Buyer's name and address
- f) GST no. and PAN no. of the Buyer.
- g) Quantity sold with unit of measurement
- h) Rate at which sold/ Total payable amount
- i) Payment details with EFT ref. no. and date, if the same is collected by them
- j) Seller Details.

**22. Sale Release Order (SRO):** On receipt of Delivery Order for the sold lot(s) from the Service Provider, the Sale Release Order shall be issued to the

Area General Manager/ Administrative Head of the Stock holding Unit by the MM Department of Subsidiary HQ/CIL HQ), with a copy to the Service Provider and the buyer.

Delivery of the sold lot shall be given to the persons duly Authorized by the Service Provider and having the ID Card issued by the Service Provider.

The ground rent /other penalties and applicable Taxes (GST, TCS etc.) may be deposited at the Areas of delivery, as per the prevailing practice of the concerned subsidiary/CIL HQ, which shall be clearly indicated in the Sale Release order. **The SRO shall also include the reference of the Survey-Off Report of the Lot sold.** The delivery shall be given only after receipt of all dues and payments from the buyer.

- Distribution of Sale Release Order (SRO): Copy of the SRO should be given to all concerned including the following so that delivery of the sold items can be made smoothly:
  - a) Concerned Area GM / Administrative Head of the department (For HQ)
  - b) Nodal Officer (S&D)
  - c) Concerned Area Finance Manager / Associated Finance (For HQ)
  - d) Area Security Officer/ Chief Security Officer (For HQ).
  - e) Depot Officer, Regional Stores/Central Store (if lot is kept at Central Store).
  - f) Concerned Technical Head.
  - g) Project officer / associated finance / Engineer in charge of the concerned unit (for the lot kept at Project / Unit).
  - h) Head of the taxation department
  - i) All person concerned /his representative.

### **23. Delivery Period:**

The successful bidder / his authorized representative will be allowed a free delivery period of 45 days from the 10<sup>th</sup> day of issue of Sale release Order (SRO) including the lots of up to 100MT/100 KL for Single SRO. For each additional 100MT/100KL or part thereof, 15 days extra Delivery period shall be given to the buyer.

After expiry of the Free Delivery Period the firm shall have to request for extension of Lifting period to the concerned area with intimation to MM Deptt. HQ. Ex gratia extension of 7 days without Ground Rent will be

granted by the GM of the concerned area, recording the proper justification of the case.

Further, extension of Lifting/ Delivery Period, up to 6 weeks beyond normal delivery period with ground rent (to be calculated from the date of expiry of free delivery period for the left out materials), shall be granted by the concerned GM of the area without referring to HQs Stores.

Any proposal of extension of free delivery beyond 7 days **without ground rent** and beyond 6 weeks **with ground Rent**, shall be forwarded by the Area with proper justification to HQs Stores.

Further extension of Delivery period upto 4 weeks with Ground Rent shall be approved by the GM (MM), HQ with concurrence of Finance.

All cases of extension of delivery period without ground rent beyond Ex-gratia extension shall be granted with the concurrence of Finance and approval of the Director (Tech).

After expiry of the extended delivery period the sale value of the un-lifted quantity shall stand forfeited and party shall not be allowed any lifting. However, if the delay is due to force majeure conditions or any unforeseen situations faced by the seller, further delivery extension without ground rent may be given with the concurrence of Finance and approval of Director (Technical), recording proper justification.

### 23.1 **Ground Rent :**

The Ground Rent applicable after expiry of free delivery period including Ex-gratia extension will be 1% (One Percent) of the Sale Value of un-lifted quantity per week or part thereof.

**24.** Service Provider shall take care of Seller's privacy.

**25.** Following are some of the aspects which the Service Provider should ensure in its e-auction system:

- a) Bids above/as per cut off norms of the Reserve Price (i.e., Threshold Reserve Price) shall only to be accepted by the system.
- b) E-Auction should close on fixed date and time provided there is no extension of auction occurs, if no Bid is received within the last 10 minutes of closing time of Auction.

- c) No bid will be accepted after the auction closes including extension, if any.
- d) No bidder should be allowed to enter the auction floor if it has defaulted in the previous occasion or has been black-listed/ banned by either the Service Provider or the concerned CIL subsidiary company, as per Guidelines. Banning of any bidder shall be applicable for a particular subsidiary, in which he has defaulted.
- e) The Service Provider cannot participate in the auction.

## 26. Delivery of sold lots:

The removal of the material mentioned in the Sale Release Order will be supervised/ witnessed by the committee to be constituted by the General Manager of the area / GM(Stores) in case of Central Stores / Administrative head (for any other deptt. at HQ). The committee shall consist of the following members:

- a) Nodal Officer (S&D)
- b) Area Finance Manager or his Authorized representative Not below E3 Rank.
- c) Area security officer or his representative
- d) Staff Officer (Excv./E&M/Concerned Tech dept.) or his representative Not below E3 Rank.
- e) SO (MM)/Depot officer or his representative Not below E3 Rank.
- f) Project Officer or his representative (If the respective lot is kept at Project) Not below E3 Rank.

**26.1 Delivery of Lots to the Buyer:** For delivery, Purchasers should be advised to report to the Nodal Officer (S&D) by 9 AM/ 10 AM (as per official working hours of Area) on working days in the respective units whereby he shall arrange delivery of material to the successful bidder after obtaining necessary approval from Area. He will also advise the concerned Finance Department to accept the due amount and taxes etc., balance as per the Sale Release Order. Before delivery concerned Nodal officer/finance department shall ensure that all dues are received duly supported with documents (like MR copies of all dues including taxes and ground rent, penalties, if any, deposited at Area). In case the last day of delivery happens to be a non-working day/holiday, the next working day will be taken as the date of lifting without any ground

rent. It can be lifted on all working days except on Sunday/Holiday of the respective places during working hours.

- 26.2** The material will be delivered only to the bidder or their authorized representatives during office working hours on the basis of original valid photo identity card issued by the Service Provider in their favor. In case of change of original authorized representative of the bidder, the delivery can be given to the authorized representative of the purchaser on the basis of authentication of change of authorization by the same office of the Service Provider which has issued the original valid photo identity card to the authorized representative of the bidder.
- 26.3** Date of delivery should be fixed within the schedule date of delivery with the consultation of the purchaser and other committee members and accordingly Purchasers should be advised to place vehicle for taking delivery of the scrap materials. The purchaser at its own cost will make arrangement for removal, dismantling, cutting (wherever necessary), loading, transporting etc. for taking delivery in presence of the committee members, without causing any disturbance / loss to the Seller's property.
- 26.4** The material sold shall be removed by the Purchaser from any one side of the lot as per the sole direction of the Seller and no segregation of items from the sold lots will be permitted.
- 26.5** In case cutting or hot work is required for dismantling operations, permission of the same will have to be obtained by the Purchaser from Area GM of the subsidiary company through Nodal Officer (S&D). During hot work, all precautionary and safety measures will have to be taken by the Purchaser before starting the hot work. No manpower shall be provided for this by the seller. All costs involved in cutting shall be borne by the Purchaser.
- 26.6** At the time of delivery actual quantity of scrap battery or Burnt Oil or Hazardous materials to be delivered to the Purchaser of such scrap materials shall be endorsed in the CPCB/SPSB Passbook without fail by the Nodal Officer (S&D).
- 26.7** The weighment of lot shall necessarily be done through Weigh Bridge. For this purpose, tare weight and gross weight should be taken from same weigh bridge and printed weighment records duly signed by the committee members shall be kept in the office record. The record of

weightment shall also be maintained in the register of the Stores giving the delivery, for future reference.

## **26.8 Issue of No Claim Certificate :**

After successful delivery of the scrap material to the Purchaser, Nodal Officer(S&D) will send lot wise 'No Claim Certificate' to GM (MM) HQs., within seven days. In case of shortfall in delivered quantity, reason for shortfall must be indicated while giving lifting position / No Claim Certificate so that suitable action can-be taken for extension of the delivery period or refund of the money of the undelivered quantity, as the case may be, after obtaining Competent approval. No Claim Certificate should consist following details:

- i. E-auction No. and date
- ii. Name and address of the Purchaser
- iii. Acceptance letter no. and date
- iv. Sale release Order No. and date
- v. Qty. mentioned in the Delivery Order
- vi. Actual quantity delivered to the Purchaser
- vii. Lorry / Vehicle No.
- viii. Gate pass no. with date of delivery
- ix. Reason for short delivery if any.

Note : Case for refund of the balance amount if payable to the Purchaser shall be processed by the concerned Area, from where the delivery is given, for approval of the Director (Tech),with due justification. After approval concern area shall be intimated, by the SRO issuing authority, for refund of the same to the concerned Purchaser. Rule of GST may be observed while refunding any Amount to the Purchaser.

## **27 Service Provider's Bill :**

Payment to the service provider shall be made as per the Price and terms & conditions of the contract concluded with them. Payment of the Service Charge to the Service Provider shall be paid for the actual value (Basic value only) of the scrap material delivered to the Purchasers as certified by the stock holder in the Lifting Certificate / No claim Certificate issued against the Delivery Order / Sale Release Order.

The Service Provider should be advised to mention following details in the bill raised by them for ready reference:

- a) e-auction no and date
- b) Delivery Order No and date issued by the Service Provider

- c) Qty. mentioned in the Delivery Order
- d) Lot No.
- e) Unit Rate
- f) Total Value
- g) GST and/or any other Taxes etc.

The Service Provider's bill will be checked by MM Department CIL / Subsidiary HQ on the basis of "No Claim Certificate" issued by the Stock holder. After checking, Service Provider's bill shall be sent to the General Manager (F) for payment. The service charges shall not be payable to the Service Provider on the forfeited amount, if any.

**28 MIS (Management Information system) for Disposal :**

In order to have proper planning, execution and control, the Area as well as HQ will maintain a comprehensive information system so that related information regarding surveyed off lots, sold lots, paid lots & lifting position is readily available for inspection and record.

Following information shall be maintained at Area level and furnished to HQ on a quarterly basis preferably through a soft copy in Excel format (or similar format): -

**28.1 No of survey off reports / Lots generated during the quarter separately for equipment / P&M & scrap:**

- a) Approximate total value of the scrap material covered under these reports.
- b) Approximate weight of the scrap surveyed off during the quarter
- c) The quantity and value of the scrap disposed off during the quarter.

**28.2 At the end of the Financial year, HQ should be in position to generate following report:**

- a) Opening balance of survey off reports / Approximate value
- b) No of survey off reports / Lots generated during the year with approximate total value
- c) Total i.e. a+b
- d) No of SOR / Lots translated into Sale release orders.
- e) No of Sale release orders issued.
- f) Value realized through disposal during the year.
- g) Appreciation over the reserve value.
- h) Closing balance of survey off reports / Lots with total approximate value and age.

**Annexure-1**

**Ref Para:**

**Chapter:**

**SURVEY OFF REPORT (For Equipment/ P&M)**

Survey Off Report No.:					Location of Lot:			
Stock Holding Area:					Lot Number:			
Stock Holding Unit:								
Date of survey:								

Sl. No.	Class of stores	Code No.	Description of stores of equipment	Quantity	Estimated life of equipment & period for which used	Original Purchase Price	Written down value	Present condition	Last sale value realized for similar items	Reserve value	Replacement or present market value	Unit of Measure for Sale (No./ Kg/ Tons)
1	2	3	4	5	6	7	8	9	10	11	12	13

----- Unit Head of Technical Wing	----- Project/ Sub Area Head of Technical Wing	----- <i>Depot Officer of Unit/Project Store</i>	----- Sub Area Manager
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----- Area Finance Manager	----- Staff Officer (Technical Wing)	----- Depot Officer Project/Mine Manager
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APPROVED

Area General Manager / GM (CS)/ GM(CWS) / GM (Admin)

**Certificate**

Certified that the Sealed envelope for Reserved value contains the reserve value as determined by the Survey-Off Committee and is duly approved by the Area General Manager / GM(CWS/CS)/ GM (Admin) [as the case may be].

**Signature  
of Officer Forwarding the S.O.R.**

Note: 1. Technical Wing refers to Excavation/E&M/ Safety/E&T/System/Civil etc.  
 2. **Depending on the organizational structure of an Area, the signatories may be suitably incorporated in the format, as per Clause 3.1.**  
 3. If the Equipment is to be sold in Numbers then no cutting /dismantling shall be allowed for the lot and the delivery will be allowed for the equipment without dismantling or cutting.

**Annexure-2**

**Ref Para: Chapter:**

**SURVEY OFF REPORT (For Other Than Equipment)**

Survey Off Report

No.:

Stock Holding Area:

Stock Holding Unit:

**Type of Scrap:** Hazardous/ Non-Hazardous

Location:

Date of survey:

Lot No.:

Sl. No.	Class of stores	Code No.	Description of stores	UOM	Estimated QTY	Present condition	Last sale value realized for similar items	Reserve value	Remarks
1	2	3	4	5	6	7	8	9	10

----- Unit Head of Technical Wing	----- Project/ Sub Area Head of Technical Wing	----- Depot Officer of Unit/Project Store	----- Sub Area Manager
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----- Area Finance Manager	----- Staff Officer (Technical Wing)	----- Depot Officer Project/Mine Manager	----- Custodian Store Keeper/ Clerk
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APPROVED

Area General Manager / GM (CS) / GM(CWS) / GM (Admin)

**Certificate**

Certified that the Sealed envelope for Reserved value contains the reserve value as determined by the Survey-Off Committee and is duly approved by the Area General Manager / GM(CWS/CS)/ GM (Admin) [as the case may be].

**Signature  
of Officer Forwarding the S.O.R.**

- Note: 1. Technical Wing refers to Excavation/E&M/ Safety/E&T/System/Civil etc.  
 2. **Depending on the organizational structure of an Area, the signatories may be suitably incorporated in the format, as per Clause 3.1.**  
 3. If the Equipment is to be sold in Numbers then no cutting /dismantling shall be allowed for the lot and the delivery will be allowed for the equipment without dismantling or cutting.