PREFACE

The need for a comprehensive Manual on Materials Management activities in the corporation was being felt continuously considering the volume, complexity and the data processing innovations and on-line computerised systems. Some efforts were made since 1989. In the light of experience gained during these years, an effort has been made to revise the comprehensive draft manual in association with all projects MM dept, Finance and Production dept at corporate office. The functions/procedures applicable for various activities of Materials Management, particularly in respect of the following has been prepared as a manual for day-to-day use and reference.

1) Materials Management Organisation, Objectives & Functions
2) Material Planning, Classification and Inventory Control
3) Indenting
4) Purchasing & Import Licensing
5) Stores Receiving & Accounting
6) Surplus declaration and disposal
7) Market research & Registration of Suppliers
8) Inventory Computerisation and monitoring
9) Miscellaneous

SK SARDAR
Addl. General Manager (Mat.)

PLACE: HYDERABAD
DATE : 02.07.2003
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MESSAGE

It is a matter of great pleasure that Materials Management Wing, Corporate Office has brought out a Manual of Materials Management. It is a matter of pride and fulfillment for Materials Department to bring out this comprehensive Manual that covers all the streamlined activities of the Department.

The need for the manual was felt since 1989; the Materials Management Wing in coordination with all Project's Materials Management Departments and Finance, Engineering and Production Departments of Corporate Office made extensive efforts in this direction and successfully brought out this manual in June 2003. This would not have been possible without the whole-hearted enthusiasm, hard work and sincere involvement of everyone concerned.

I hope this manual will be a ready reckoner that will be quite useful and effective for all Officers and Staff of Materials Department and user Departments for day-to-day reference in carrying out different functions and applicable procedures.

I would like to thank everyone for putting sincere effort in preparing this manual.

(S.K. Agarwal)
ORGANISATION, OBJECTIVES & FUNCTIONS

1.1.0 Organisational structure of Materials Management Department at Corporate Office would be headed by G.M. (Mat), who would be reporting to C M D through Director (Production) and would be assisted by 3 Senior level Managers two covering purchases and the one covering Materials Control, Importation and Rate Contract formulations, Fire & Transit Insurance Policies and allied functions. The organisation chart is given at Annexure-1-I.

1.1.1 The Regional Purchase Office at Kolkata would be under the control of Head of Materials at Corporate office and would be attending io Purchase (emergency/urgent cases), customs clearance and despatch and liaison work.

1.2.1 Organisational set up at Projects:

Head of the Materials Management Department at Projects would be Sr. level officers and directly reporting to the Head of Project.

1.2.2 He would be assisted by 3 senior officers - covering Stores, Purchase and Inventory control functions. The organisation chart is placed at Annexure-1-II a,b,c,d,e.

1.2.3 Store Keeping function will be performed at the Projects while the Purchase function would be centralised at Head Office for equipments and other high value selected items required by various projects and imported items, while all other items will be purchased directly by Purchase Sections located at the Projects. Projects will also purchase items covered under RCs concluded by corporate office.

1.2.4 The present distribution of Purchase work between Head Office, Kolkata office and Projects is shown at Annexure - 1-III.

1.2.5 R & D and Investigation units would have separate store set up. However Indent/proposals for Rs 50,000 & above will be dealt at corporate office. The proposals having value less than Rs 50,000 and cash/urgent purchases will be dealt by the Materials Department Officers at R&D and Investigation units.

OBJECTIVES

1.3.0 The following are the objectives of Materials Management Department.

1.3.1 To maintain continuity of operation by ensuring steady supply of materials.

1.3.2 To reduce materials cost and thereby contribute towards reduction of cost of production and overall costs.

1.3.3 To ensure high ratio of consumption to inventory holding by reducing overstock of items, slow moving and non-moving items.
1.3.4 To reduce the inventory carrying cost and ordering cost.

1.3.5 To ensure that purchases are effected for the right quality, right quantity, right price, from the right source and at the right time.

To maintain cordial relations with the suppliers.

1.3.6 To evolve scientific management systems and procedures for achieving the above objectives.

1.3.7 To achieve maximum integration with other related departments and resolve the areas of conflict by proper coordination.

1.3.8 To train and develop competent personnel in Materials Management Department and motivate them to make their department as well as the company succeed.

FUNCTIONS

1.4.0 Functions of Materials Management Department are as under:

1.4.1 To prepare, in consultation with users/Engineering Departments concerned, a correct estimate of the quantities of stores and spares to be purchased.

1.4.2 Ensuring the stocks of items are not exceeding optimum stock level.

1.4.3 To monitor and prevent loss due to obsolescence and deterioration while in storage.

1.4.4 To obtain materials and supplies of the required quality and quantity at the commensurate price, at the appropriate time and from reliable sources to meet the requirements.

1.4.5 To keep inventory as low as possible consistent with the market conditions and the requirements of the consumer departments.

1.4.6 To explore the market potential for spares in respect of difficult items and new materials or closed Sources.

1.4.7 To prepare on the basis of past performance, a registered suppliers list for the Corporation in respect of important and major store groups.

1.4.8 To ensure proper custody and expeditious issue of stores against valid requisitions from the consumers.

1.4.9 To carry out the standardisation/classification/variety Reduction and codification of all inventories/stocks.

1.4.10 Preparation of codified lists of various equipments, spares and their distribution to users & concerned departments.
1.4.11 To carry out ABC/XYZ analysis and circulate results for follow up action by all concerned.

1.4.12 To carry out the lead time study and fixation of stock levels for general stores under automatic replenishment system.

1.4.13 To arrange survey of all stores returned by consuming departments and to organise disposal of surplus and unserviceable stores of the Corporation through auctions/ tenders/tender-cum-auctions.

1.4.14 To develop indigenous sources for imported materials.

1.4.15 To organise training courses in Materials Management department.

1.4.16 Compilation of Material Budget.

1.4.17 To coordinate with the Engineering department / User department in preparing the right specifications for an item and help value analysis / value engineering activity to achieve value for money spent.

1.5.0 CODE OF CONDUCT

1.5.1 To consider first the total interest of the Corporation in all transactions without impairing the dignity and responsibility to one's office.

1.5.2 To buy without prejudice seeking to obtain the maximum ultimate value for each rupee of expenditure.

1.5.3 To subscribe and work for honesty and truth in buying and selling; to denounce all forms and manifestations of commercial bribery and to eschew anti-social practices.

1.5.4 To accord a prompt and courteous reception to all who call up on legitimate business mission.

1.5.5 To respect one's obligations and those of the Corporation consistent with good business practice.
Organisation Chart of MM Deptt. Corporate Office

HOD

Senior Officer (Purchase)

Senior Officer (Purchase)

Senior Officer (M. Control)

Officer

Officer

Officer

Officer

Officer

Crushing Plant

Screening & loading

Mining/Service field Equipment R&D,

R&D, NPD,

Investigation & Misc.

RC

Inventory codification

Import Disposal

License

Conv. Belt

Plant

And conv.sys electrical

Insurance etc
Note:

1. The above chart is indicative of the generic levels, positions and designations. Actual designations depend on individuals manning the above positions from time to time.

2. Work distribution within the overall frame work of above organization chart as well as changes to the above organization chart are made as per requirement and convenience at the unit level.
Organisation Chart of MM Deptt. Major Project

BAILADILA - 14

HOD

Senior Officer (MC)

Officer

Officer

JO

JO

Senior Officer (Purchase)

Officer

Officer

JO

JO

Senior Officer (Stores)

Officer

Officer

JO

JO

Annexure 1-II(a)
Note:

1. The above chart is indicative of the generic levels, positions and designations. Actual designations depend on individuals manning the above positions from time to time.

2. Work distribution within the overall frame work of above organization chart as well as changes to the above organization chart are made as per requirement and convenience at the unit level.
Organisation Chart of MM Deptt. Major Project

BAILADILA – 5 AND 10 & 11A

HOD

Senior Officer (Purchase)  Senior Officer (Stores)  Senior Officer (M. Control)

Officer  Officer  Officer  Officer  Officer  Officer  Officer  Officer  Officer

JO  JO  JO  JO  JO  JO  JO  JO  JO

Note:
1. The above chart is indicative of the generic levels, positions and designations. Actual designations depend on individuals manning the above positions from time to time.

2. Work distribution within the overall frame work of above organization chart as well as changes to the above organization chart are made as per requirement and convenience at the unit level.

Organisation Chart of MM Deptt. Major Project

DONIMALAI

HOD

Senior Officer (Purchase)  |  Senior Officer (Stores)  |  Senior Officer (M. Control)

Officer  |  Officer  |  Officer

JO  |  JO  |  JO

Annexure 1-II(c)
Note:

1. The above chart is indicative of the generic levels, positions and designations. Actual designations depend on individuals manning the above positions from time to time.
2. Work distribution within the overall frame work of above organization chart as well as changes to the above organization chart are made as per requirement and convenience at the unit level.
Organisation Chart of MM Deptt. at Major Project

PANNA

HOD

Officer (Purchase)  Officer (Stores & M.Control)

JO  JO

Note:

3. The above chart is indicative of the generic levels, positions and designations. Actual designations depend on individuals manning the above positions from time to time.

4. Work distribution within the overall frame work of above organization chart as well as changes to the above organization chart are made as per requirement and convenience at the unit level.
Note:

1. The above chart is indicative of the generic levels, positions and designations. Actual designations depend on individuals manning the above positions from time to time.

2. Work distribution within the overall frame work of above organization chart as well as changes to the above organization chart are made as per requirement and convenience at the unit level.
Present Distribution of work between H.O., Projects and Kolkata office.

Items to be dealt by Head Office

1. Capital equipment above Rs.5,00,000/- except light and heavy vehicles, fire fighting equipment, indigenous hospital and laboratory equipment and appliances & safety appliances.

   All items including capital equipment requiring to be Imported and allied work including licences.

2. Equipment (including those for hospital and laboratory) spares and stores involving import licence.

3. Conveyor belts

4. OTR Tyres (14.00 x 20 and above)

5. Blast Hole Drill Bits 9/7/8"- (251 MM).


7. Requirements of R & D, Construction projects and HO.

8. Review of requirements of insurance items and declaration of surplus items.

9. Co-ordination for disposal of surplus equipment, spares and stores.

10. Formulation of Rate Contracts except trar~oortation and auto parts.

11. Overall inventory analysis, fixation of inventory norms and allied matters.

12. Registration of suppliers, vendor rating, revision listing and updating of suppliers.

13. Codification of service equipment and general stores items.

WORKS TO BE DEALT BY RESPECTIVE PROJECTS :

A. Purchase :

   1. Fuel, oil and lubricants irrespective of value.
2. Hospital equipment, instruments and accessories, medicines and other items (in accordance with procedure already issued)
3. Paints, varnishes.
4. Sanitary, pipe fittings and other civil maintenance items
5. Building materials, iron, steel and cement excepting for construction projects.
6. Welding accessories including equipment
7. Items for which NMDC holds Rate Contracts
8. Gum boots, rain coats, safety boots and other safety appliances.
9. Rubber and PVC hoses (other than those against part numbers)
10. Light and heavy vehicle chassis, fire tenders including body building
11. Tyres and tubes (excluding OTR tyres 14.00 x 20 and above)
12. Water coolers, refrigerators, air conditioners & other office equipments.
13. Telephones and accessories
14. Items of indigenous development to locate import substitution/alternate source and development of auxiliary units.
15. Laboratory chemicals and apparatus
16. Indigenous ball and roller bearings (other than those against part numbers and to be imported).
17. Indigenous spares of plant viz. Manganese liners, Plummer blocks etc.
18. HEM spares
19. Electrical plant spares and general stores.
20. Items of emergency nature out of those covered in Head Office list falling within the delegated financial powers.
21. Capital equipment below Rs.5 lakhs.
22. All such items which are not covered by H.O and Rate contract
23. To lodge the claims for the consignments during transit against purchases by projects / HO/ Other NMDC offices and imported consignments during transit from port to destination.
24. Placement of trial orders other than RC items. (The vendor for trial orders should be got approved by HO as per Dir (Prod) instructions vide note PD/01/PS/MISC/2002/ Dt. 03.01.2002)

B. **INDENTING AND INVENTORY CONTROL:**

Indenting, inventory control, surplus declaration and surplus disposal, codification of plant equipments and spares, inventory monitoring, non moving items review, computerisation.

C. **STORES CUSTODY & ACCOUNTING:**

1. Stores receiving, issuing, custody and stores accounting, preservation, physical verifications reconciliation, claims etc.

2. Insurance coverage of important installations, stores, POL depot, important capital items and inland transit insurances.

**WORKS TO BE DEALT BY KOLKATA OFFICE / CHENNAI OFFICE**

1. Emergency purchases as desired by the projects.

2. Customs clearance and subsequent transportation to projects

3. Lodging of claims
No. PD/01/PS/MISC./2002/  
DATED 3rd JAN. 2002

It has come to my notice that projects are developing vendors in piecemeal manner without going into details such as their technical/financial capability, quality control system in place, communication convenience, etc. Development of too many vendors also defeats the purpose of building any long term relationship with the vendor and successful operation of rate contract system.

In view of the above, it is hereby advised that projects may place order on any new party on trial only on specific submission of the proposal to Head Office and getting approval of the undersigned. This will be applicable in respect of all merchandise including spares and consumables.

(S.K. Agrawal)
Director (Prodn.)

To

1. Shri Murali Manohar, GM, Bld-14& 11/C
2. Shri S.O. Garg, GM, Bld-5, 10 & 11/A
3. Shri GP Pillai, GM, CWS, Bacheli;
4. Shri SC Puri, GM, Chawandia
5. Shri S.N. Singh, DMP, Panna.
6. Shri P. Kariyampudi, PM, Donimalai

Cc to: 1. General Manager (PC)

2. Addl. GM (Materials), HO.
2.0 MATERIAL PLANNING, CLASSIFICATION & INVENTORY CONTROL:

2.1.0 Material Control Section at project will cover functions connected with material planning, classification and codification etc. Emphasis will be mainly on checking growth of inventory holding and better utilisation of the available resources both in material and financial terms.

The following analysis would be conducted in this regard:

a) Standardisation and Variety reduction
b) Codification
c) Non-moving analysis
d) ABC analysis
e) High Value holding analysis (XYZ)
f) Review of slow moving items
g) Insurance items
h) Indigenous Development
i) Review of pending orders and indents
j) Monthly receipt of items having value Rs 50,000 and above & the action plan of drawal consumption.
k) Depot inventory analysis
l) Inventory Analysis monthly code groupwise

2.1.1 For purpose of planning, it is necessary to classify the materials. This chapter mainly deals with classification. Materials are classified into three basic categories.

i) Spares
ii) Stores other than spares
iii) Construction stores

2.1.2 These are also classified and reviewed as fast moving, slow moving, non-moving and insurance items.

2.1.3 Fast moving item is an item which has moved at least once in a year.

2.1.4 Slow moving item is an item which has moved at least once in five years.

2.1.5 Non Moving items is that item which has not moved for the last five years.

2.1.6 Insurance item is normally never required. This is neither fast moving nor slow moving item. Its consumption pattern is not known. Normally, this is expensive item with long lead time. Its possession and consequent cost insures against rare failure which the project could ill afford. The guidelines for declaring the insurance items are to be followed as per Annexure 2-I.
2.1.7 Slow moving items of unit value of Rs.50,000/- or more would be known as high value slow moving items.

2.1.8 All slow moving items of unit value between Rs. 10,000/- and Rs.50,000 would be known as medium value slow moving items.

2.1.9 All slow moving items of unit value lower than Rs. 10,000/- would be known as low value slow moving items.

**ABC ANALYSIS**

2.1.10 All spares and stores other than construction stores meant for specific construction activities should be subjected to consumption (value wise) analysis covering specific periods. Items constituting 70% of the total annual consumption by value will be classified as 'A' class items. Only about 10% items by number would normally come under this category.

2.1.11 Items constituting the next 20% of annual consumption value will be classified as 'B' class items. About 20% items by numbers would fall under this classification.

2.1.12 The remaining moving items constituting 10% consumption value would be classified as 'C' Class items. Very large number of items by numbers would fall under this classification whose consumption value would be comparatively very low.

2.1.13 Consumption control : ABC analysis helps in controlling 70% consumption value by concentrating only on few items under 'A' Category. Hence highest level control for these 'A' items while indenting, ordering, follow up, stocking and consumption would be exercised to control 70% consumption items. These items should be given minute and regular attention and reviewed at regular intervals.

2.1.14 Similarly 'B' class items would require middle level control in indenting, ordering, stocking and consumption. These items should be given medium level attention.

2.1.15 'C' category items should be liberally indented and stocked to ensure availability of most of the consumption items so that more energies and resources are devoted in controlling other activities.

2.1.16 'A' Items list would be prepared quarterly as the items and their numbers would go on changing depending upon the relative consumption of other items in that period.

2.1.17 Requirement of 'A' items should be analysed minutely, specifications subjected to value analysis/value engineering, ordering with minimum lead period, supplies to be phased in smaller lots to be received more frequently to avoid holding big stocks, high level and live wire follow up for supplies to ensure all time availability, and regular analysis for control of consumption reducing wastages/leakages and co-relation to the ultimate product.
2.1.18 ABC items would be listed code groupwise, for detailed analysis.
2.1.19 ABC list would be supplied equipment wise to the concerned departments for reference and control.
2.1.20 A class item is classified as the item whose indent value is Rs 80,000 and above, B Class Rs. 10,000 and above but below Rs 80,000 and C Class below Rs. 10,000 (for indenting purposes)
2.1.21 A review committee under the Chairmanship of Head of project would review, finalise and approve the requirement of 'A' class items. Other members of the Committee will be Departmental heads of Technical/user, Materials, Finance and M&S.
2.1.22 There would be another committee headed by DGM (Prod) to review, finalise and approve the requirement of 'B' class items. Other members of the committee will be Departmental Heads of Technical, Materials, Finance and M&S.
2.1.23 There will be another committee headed by Head of M&S to review, finalise and approve the requirement of C class items. The other members will constitute the representatives of Finance, Technical and Materials Deptt.
2.1.24 Material Control Section would raise annual indents for general items based on last years' consumption record to avoid most of stock outs.
2.1.25 ABC analysis based on consumption value shall be drawn quarterly covering a fiscal year from 1st April to 31st March.
2.1.26 Separate lists would be made for slow moving items code-group wise in high value, medium value and low value categories.
2.1.27 All items (Slow moving/ New item) of indent value of above Rs.50,000/- would be reviewed by Head (Project)
2.1.28 All items (Slow moving/ New item) of indent value between Rs. 10,000/- and Rs.50,000 would be reviewed by DGM (Prod)
2.1.29 All items (Slow moving/ New item) of indent value of Rs. 10,000/- and less would be reviewed by Head M&S in consultation with technical managers.
2.1.30 Items not moved for 5 years will be scrutinised by a technical committee for its utilisation.
2.1.31 Technical departments would maintain proper records of consumption of atleast A & B items and vital C items in History Registers for the respective equipments.
2.1.32 Actual consumption of spares would be recorded in history sheets and taken as basis for forecast.
2.1.33 Any items cannibalised (as per circular - Annexure 2-V) used would be recorded in the history sheet and also taken into account for forecasting.

2.1.34 Any item locally manufactured would be shown against respective equipment and recorded in the history sheet and should be taken into account for forecasting.

2.1.35 Forecasting of the spares would be done for running repairs and overhauls separately which may be clubbed later to decide the total requirement.

2.1.36 Overhauls would be planned after taking into consideration the lead time. Planning of overhauls must be done on much more realistic basis.

2.2.1 **Insurance items**: If any insurance items are demanded these would be shown separately along with the slow moving items statements and dealt with as such. Insurance items would be clearly identified on ledger/bin card/Kardex and on Master files. Consolidated lists of all insurance items for all projects would be prepared and reviewed periodically for stock holding and consumption. Specific approval at Corporate level is required to be taken before any items are declared as insurance items. The proposals for insurance items are to be sent in the proforma as shown in annexure 2-1.

2.2.2 All vital items should be decided and denoted by letter ’V’ against them. The technical user departments have to decide on the minimum vital items for vital equipments. Once decided, these items would be identified clearly in all inventory statements.

2.2.3 Vital items are to be segregated by user department and indicated by letter ’V’ against them in the print out. These items are to be recorded in history registers also.

2.2.4 Special attention would be given for provisioning and procuring of these items.

2.2.5 Stock status lists would be used for provisioning reviews. These lists would show item code number, item description, unit of measurement, consumption trend for the last three years, unit rate, quantity on hand, quantity on indent and quantity on order, and two blank columns to show quantity required and quantity approved which will be filled by Head (Matrls) who is one of the members of the review committee. A specimen review sheet for indenting of spares & stores is at Annexure 2-il.

2.2.6 Since all ’C’ class items will be indented for about one year, vital ’C’ class items would be adequately covered by Materials Department. A & B class vital items would be adequately covered separately. Normally, such items
would have higher assurance level. It is suggested that safety stock of at least three months should be provided for A & B class vital items.

2.2.7 Table below suggests the approach for both ABC analysis and vital and non-vital divisions:

<table>
<thead>
<tr>
<th></th>
<th>Vital</th>
<th>Non-vital</th>
</tr>
</thead>
<tbody>
<tr>
<td>A &amp; B items are expensive</td>
<td>Have with care</td>
<td>Have very few</td>
</tr>
<tr>
<td>C items are cheap</td>
<td>Have plenty</td>
<td>Have necessary quantities</td>
</tr>
</tbody>
</table>

2.2.8 All issues must be accurately recorded in the stores. All concerned Technical Managers should ensure that the items drawn are consumed in a normal time and not allowed to remain in sub-store.

2.3.0 **LEAD TIME**

2.3.1 First two months of the review cycle quarter should be utilised for reviewing and raising indents.

2.3.2 Normal lead time should be taken into account to know as to when the expect deliveries.

2.3.3 It is desirable to restrict the internal lead time to 5 months. Roughly 2 months will be devoted to finalise PR sheets and raising indents and 3 months for placing purchase orders. Lead time of different items groups may be indicated as per proforma (Annexure 2-III).

2.4.0 **CONSUMPTION NORMS**

2.4.1 With regard to general stores, realistic, practical norms would be laid against which consumption would be compared and improvements made.

2.4.2 In case the physical stock figures and those on computer print outs do not tally, urgent action would be taken and special efforts would be made to reconcile the figures, otherwise this would interfere with forecasting and availability of items.

2.5.0 **STANDARDISATION AND VARIETY REDUCTION**

2.5.1 General Stores: General Stores under different subgroups like fasteners, paints, electrodes, lamps, pipe fittings, wire ropes, upholsteries items etc should be subjected to critical scrutiny for standardising the sizes,
reducing varieties, specifications, shades, sizes etc. This will help in reducing the number of items required to be held under these sub-groups and ensuring better availability at lesser investment.

2.5.2 Standardisation of spares: Spares are generally held under part numbers for different equipments, but on a detailed analysis of certain categories of items like oil seals, bearings, 'o' rings, hoses, grease fittings, washers, 'V' belts, filter elements etc could be listed under different sizes and numbers and the same should be provisioned according to the sizes rather than part numbers. This will help in reducing number of items to be held, cost of the materials (as items procured against sizes are cheaper when procured against part numbers) and improve availability of items at lesser investment. Every item on receipt should be subjected to this analysis and the relevant sizes and specifications should be noted down separately for carrying out these exercises at regular intervals in consultation with user department. The standardisation format is indicated as per Annexure 2-VI.

2.5.3 Standardisation of equipments: The standardisation of equipments before procurement is very important so as to avoid building up of inventory of spares for every model/brand of equipments. The specifications of every equipments/machinery required as replacements/ additions should be critically examined with a view to avoid adding any new variety/brand/model of equipments leading to building up of parallel inventory of spares.

2.6.0 CODIFICATION

2.6.1 In order to avoid holding identical items under different nomenclatures, it is necessary to identify these items through a common system basing on specifications, sizes, materials, appearances etc. This is achieved by codifying the items through a Alpha Numeric system. Corporation has adopted a Nine digit code for specifying the stores and spares under different groups.

The first digit indicates the main group as under:

0 - Principal earth moving equipments and their spares
1 - Ore crushing, screening & Loading Plant equipments and their spares according to project locations
2 - Material Handling equipments, Transport vehicles and their spares
3 - General Stores
4 - Workshop equipment, machinery and tools
5 - Electrical stores
6 - Civil Engineering Stores
7 -
8 - Service, Welfare Stores, Office equipments, hospital equipments,
spares etc.

9 - Bearings

SECOND DIGIT indicate the sub-groups under the main group. For example, the following sub-groups are listed under 'o’ main group:

0  - Prime Movers, Diesel Engines and their spares
1  - Core Drills and their spares
2  - Blast Hole Drills and their spares
3  - Excavator and their spares
4  - Tractors, Dozers and their spares
5  - Rear End Dumpers above 15 tons capacity and their spares
6  - Motorgrader, scrappers and their spares
7  - Compressors and their spares

Similarly, under sub-group (1) separate codes are allotted for Bailadila- 14, Bailadila-5, Donimalai and Panna projects as under for their Ore Crushing, Screening & Loading plants.

0  - Bailadila -14
1  - Bailadila - 5
6  - Donimalai
8  - Panna

The THIRD DIGIT indicates sub sub-groups. For example, various models of engines are covered under "OO" sub sub-groups. The remaining four digits of the code identify the items for individual equipments/groups.

2.6.2 Detailed chart for allotment of code slabs is attached at Annexure (2-IV).

2.6.3 Codification of spares

a) Codification of spares for the HEM equipment spares and general stores will be done centrally at Head Office.

b) Codification of spares for the plant equipments will be done by the respective project, under guidance from Head Office.

2.6.4 While taking up the codification work of spares for any equipments, and after allotting the first three digits under main, sub and sub subgroups as per the chart referred to above, the allotment of remaining four digits would be done basing on the corresponding parts catalogues for the equipments.

2.6.5 Initially, provisional code numbers would be given on the parts catalogue according to the assemblies and sub-assemblies in ascending order. However, some gaps would be left in these serial numbering after each
assembly to provide for any additional items later on.

2.6.6 Thereafter these provisional codes would be got arranged through computer part number wise in ascending order to establish commonalities. This exercise would bring together the different code numbers which are provisionally allotted for the same part number appearing under different sub assemblies of the equipments. Thereafter, the lowest code number allotted for each such items is retained, while the remaining provisional code numbers are eliminated. After this exercise is completed, the final code list is prepared after codifying the items arranged in the following order:

1. According to the part number wise in ascending order
2. According to code number wise in ascending order

2.6.7 The final codes will be transferred to the parts catalogues which is arranged according to assemblies.

2.6.8 Xerox copies of the catalogue along with diagrams of assemblies and the codes and part numbers would be got made and distributed to the respective projects in adequate copies, along with the copies of the code lists and part lists for reference and use while indenting and receiving.

2.6.9 In case any new model of equipment is having any common items of spares with another model which is already codified, in such case the earlier codified numbers would be transferred on the new catalogues against the respective part numbers. Only, thereafter, the exercise as indicated earlier would be repeated for the remaining items.

2.6.10 Master copies of all codification lists for service equipments and general stores would be preserved alongwith codified spares catalogues at H.O. New code numbers would be given by H.O. from time-to-time as per the demands received from the projects. A consolidated list in the form of books to be issued to all projects by H.O.as and when finalised for general stores, a consolidated list on, annual basis is to be made and circulated to all projects.

2.6.11 For some items with supersession of old part numbers by the manufacture or due to splitting up of the assemblies to components or from components to assemblies or due to other reasons, some items may not find a direct code in the code books. Efforts will be made for such item to link code numbers in consultation with the user departments at the project,failing which a provisional code number under 9000 series would be allotted to clear the receipt vouchers. However, efforts would be made to get a proper code allotted for such items and 9000 series items would be transferred under those codes,periodically by the project. While allotting 9000 series code numbers, the assemblies/sub- assemblies under which the items belongs to be clearly indicated to facilitate the current code numbers at a later stage. HO would give new code numbers based on supplementary parts lists when received.
2.6.12 Codification of stores: All items which are not covered as spares would be covered under stores including construction materials. Codification of general stores will be done at Head Office.

2.6.13 Vendor codes: In order to facilitate entry of various suppliers in the computer statement, all the suppliers on whom orders are placed by any of the projects, Regional Office or Corporate Office other than petty cash purchases would be given a code number by Head Office.

Petty cash purchases/local purchases/trial orders subsequently regularised by purchase orders, in such cases projects will indicate code numbers as 'XXXX' for carrying out the transaction.

2.6.14 The vendor code will consist of 4 digits. The first digit will be alphabet which would indicate the first alphabet of the supplier's name. The remaining three digits will indicate the serial number of that particular supplier under the particular alphabet. This code will not be linked with location of suppliers premises, as the supplier may have offices at different locations in the country.

2.6.15 In order to record various addresses of some suppliers, consolidated vendor list arranged alphabetically will be prepared covering various suppliers for projects and Office. These particulars include postal addresses, pin code number, telephone number, telegraphic address, fax, telex, E-mail nos. etc.

2.6.16 Consolidated vendor codes with addresses etc would be entered in the computer and would be reflected in the suppliers statements and the pending orders statement.

2.6.17 Suppliers code nos will be indicated on all the purchase orders.

2.6.18 Similarly, material code nos will be required to be indicated against all supply orders for each and every Item. This will be based on the material codes furnished by projects in the corresponding indents. Such codes will be asked from the projects whenever not provided in the indents.

2.6.19 All revenue items of spares, stores and consumables shall be allotted code numbers uniformly for all projects, excepting for items like office equipment and hospital medicines.

2.7.0 NON-MOVING ITEMS ANALYSIS

2.7.1 All items held in stock will be subjected to non movement analysis segregating the items for different non movement periods like over 2 years, over 5 years and over 10 years so as to critically analyse the possibility of utilisation of these items or otherwise for declaring surplus especially those which have not moved for more than 5 years. This analysis will be jointly done by Materials Management Department with the concerned technical departments at the project. If still not required these items would be processed for surplus declaration through the
survey committee as dealt under "Surplus declaration".

2.7.2 Separate lists will be prepared, code group wise, for the non moving items beyond 5 years and 10 years on annual basis project wise under different code groups.

2.7.3 Consolidated list of non moving items beyond 5 years and 10 years items would be prepared code group wise and analysed at corporate level also.

2.7.4 Steps would be taken at project so that non-moving items are not indented again, until the existing stocks are utilised.

2.7.5 Every effort will be made to keep non-moving inventory as low as practicable because this is non-productive inventory which is blocking the capital, storage space, needing preservation and upkeep efforts and resulting in extra inventory carrying cost. The non-moving inventory is to be reduced as far as possible by regular review for utilization or by declaring as surplus.

2.7.6 High value holding analysis (XYZ analysis) : Inventory holding of each project will also be analysed with reference to value of the holdings against each item. It is found that about 70% of the total holding would be covered by very small percentage of items by number which may be around 10%. This category would be classified as 'X' class items.

2.7.7 XYZ analysis report will be drawn quarterly.

2.7.8 Similarly, items accounting for 20% of the total holding would be categorised as 'Y' class items and would be listed and controlled for indenting and consumption at middle level at each project.

2.7.9 The remaining inventory holding items accounting for only 10% by value will be classified as 'Z' items and would receive lower level attention.

2.7.10 The list of 'X' class items would be regularly reviewed with reference to indenting and consumption at very senior level in the project.

2.7.11 As cut off value for X class items will go on varying from period to period for each project, even a fixed value limit such as Rs. 50,000/- could also be fixed for such listing and analysis.

2.7.12 The lists of 'X' class items would be forwarded by each project to Head Office which in turn will consolidate the same and circulate to all the projects for their information and drawl in case of their urgent requirements, or transfers.

2.7.13 Annual statements of 'X' class items would be drawn and consolidated at Corporate Office for all projects for controlling the holdings there against.

2.7.14 The list of 'X' class items will be reviewed and analysed with reference to past consumption and critical control would be exercised at the time of its indenting and ordering. Efforts should be made to phase deliveries of
such high value holding items.

2.7.15 X' class items without any movement for 5 years and 10 years would be separately listed and critically analysed for its use or declaration as surplus. Very high level review should be carried out for such items.

2.7.16 Utmost care should be taken while indenting slow moving items as these items are likely to add to the non-moving inventory and building up of the inventory at the project.

2.7.17 MC cell at projects would also co-ordinate the indigenous development of imported items and will monitor the performance of such indigenously developed items and maintain a regular record of the same. Such information will also be consolidated and conveyed to the projects. Only such sources as found satisfactory will be approached for getting regular supplies. Concerned projects will provide performance data of indigenously developed items at regular intervals on annual basis.

2.7.18 Such orders and performance of items thus received would be also reported to Corporate Office for consolidation and circulation to other projects. After satisfactory trial orders, the items and sources thus developed would be used for regular ordering.

2.8.1 VED Analysis : Vital item is vital for the operation of the equipment. Without it the operation of the equipment will stop. It may have a regular consumption and its consumption may be known. In other words, it is a critical item in a critical equipment. If the equipment is not critical, the item would not be critical. If spares or additional equipments are available which can be utilised in critical situation the items would not be critical. Therefore, a vital item is vital because it will otherwise stop production. It should be realised that vital(critical) items are really related to production. Identification of VED items will be done by a committee consisting of representatives from user department, M&S department and MM department.

2.8.2 Vital, Essential and Desirable analysis will be carried out to help identify the operational/functional criticality of the spare parts. This analysis is particularly essential for a scientific study of spares and stores keeping in view its criticality for the functioning of the equipment/machinery as its absence may stop it. Such items would be classified as vital. Most of the insurance/stand-by items may come under this category. Only small percentage of items should be classified as vital.

2.8.3 Essential items are those where stock-out would result in moderate losses, while the stock-out of desirable items may entail very nominal expenditure in procurement and will cost only minor disruption of work for a short period.

2.8.4 Following selective approach could be adopted for achieving desired results :
Material Planning, classification and inventory control would play a very vital role in achieving proper inventory control.

Material control section at projects will progress the indents with respective purchase offices and obtain progress reports of order placements, number of items covered and funds utilised there against on monthly basis.

Fixing of various stock holding levels - Generally stock items of selected regular moving nature (Automatic Replenishment system - ARS items) will be subjected to fixing various stock levels as under:

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Nomenclature</th>
<th>Basis</th>
<th>Main Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>ABC Analysis</td>
<td>Annual consumption value in rupees</td>
<td>Consumption control</td>
</tr>
<tr>
<td>2.</td>
<td>H M L (high medium low)</td>
<td>Unit price of materials</td>
<td>for Purchasing control</td>
</tr>
<tr>
<td>3.</td>
<td>F S N (fast, slow, non-moving)</td>
<td>Issues</td>
<td>Obsolescence control</td>
</tr>
<tr>
<td>4.</td>
<td>X Y Z</td>
<td>Value of inventory holding</td>
<td>Inventory review control</td>
</tr>
<tr>
<td>5.</td>
<td>V E D (Vital, Essential &amp; Desirable)</td>
<td>Operational criticality</td>
<td>Non Availability</td>
</tr>
<tr>
<td>6.</td>
<td>VEIN (Vital Essential, Imp &amp; Normal)</td>
<td>Equipment criticality</td>
<td>Maintenance policies</td>
</tr>
<tr>
<td>7.</td>
<td>RAM (Reliable, available Maintenance)</td>
<td>Equipment parts</td>
<td>Capacity Utilisation</td>
</tr>
<tr>
<td>8.</td>
<td>FAN (Failure Analysis)</td>
<td>Design and issue of spares</td>
<td>Reliability of equipments</td>
</tr>
<tr>
<td>9.</td>
<td>S D E (Scarce, Difficult, Easy)</td>
<td>Availability of items</td>
<td>Market Intelligence</td>
</tr>
<tr>
<td>10.</td>
<td>GOLF (Government, Ordinary, Local, Foreign)</td>
<td>Source of origin of material</td>
<td>Purchase Strategy</td>
</tr>
<tr>
<td>11.</td>
<td>SOS (Seasonal, off-seasonal)</td>
<td>Nature of supply and transportation</td>
<td>Stock levels</td>
</tr>
</tbody>
</table>
2.8.8 Maximum stock level - This will be based on safety stock, review period frequency consumption and lead time consumption.

2.8.9 Re-ordering level : This will include safety stock and lead time consumption.

2.8.10 Minimum stock level : Minimum will be equal to the safety stock.

2.8.11 Safety stock : Safety stock will be fixed according to the criticality of the item and lead period for procurement and degree of safety required, and unit cost of the item.

2.8.12 Inventory Planning and control functions at Head Office shall be controlled by M C section at HO in association with different units.

2.8.13 Periodical monitoring of inventory build up, trend of consumption, moving/non-moving inventory, insurance items etc will be carried out at Head Office by MC section.

2.8.14 Depending upon the analysis of the results of inventory, further action for reducing inventory holding, achieving higher inventory turnover ratio etc shall be initiated by MC at Head Office in consultation with the individual units on quarterly basis.

2.8.15 MC at Head Office shall also obtain reports on consumption of selected high value items on quarterly basis and analyse them with reference to the corresponding production. Based on this analysis the units will be advised to exercise control on such items which show higher consumption per units of production.

2.8.16 Indigenous Development : After listing out all imported spares and stores in stock, these would be subjected to sustained effort for indigenous development on selective basis at a time for regular moving items. Few items would be selected each year for indigenous development by each project and necessary drawings and other particulars would be worked out and quotations obtained, discussions made on salient points and trial orders placed by the projects Purchase Section. The indigenous development orders will be processed in consultation with user departments.

2.8.17 MC section at projects will be responsible for receipt, registration, scrutiny of indents regarding specifications, drawings, budgets and RC items, conducting review meeting of slow moving spares and getting approval of the same by the competent authority.

2.8.18 This section will monitor the progress of various pending indents and pending orders through corresponding statements received from Purchase Section reports generated by computer after data processing on monthly basis.

2.8.19 Cataloging of bought out items : Bought out items like anti-friction bearings, oil seals, 0 rings, V belts fasteners, Hoses, grease fittings,
washers etc will be catalogued separately. These catalogues will indicate the relevant sizes, numbers, brands etc.

2.8.20 The import licences whenever required are to be processed by HO-MC section in consultation with purchase section at Head office. The positions of export obligations redumptions/ letter of undertaking/ BG submitted for obtaining licence and clearance of import consignments are to be monitored by MC section.
CIRCULAR

Sub: Declaration of insurance spares at Corporate level.

In order to follow an uniform classification by all the Projects/Units of NMDC with regard to the procedure to be adopted for declaration of insurance spares, a Committee was constituted in association with Project representatives. The Committee has examined in detail the proposals received from all the Projects to declare the insurance spares at Corporate level. After deliberations, the Committee has recommended the insurance spares as per Annexure I (enclosed) at Corporate level. The Committee has also recommended the following guidelines to be adopted for declaration of insurance items in future.

HEM Equipment parts are not to be considered as insurance spares and only Plant equipment spares of critical application are to be considered as insurance spares. Any insurance items, common to other Projects, only the number is to be kept at one Project, so that other Projects can draw whenever required and replenish the same. Insurance items are of high value in nature. Procurement of such items required Corporate Office specific approval before initiating any procurement action. The insurance items are to be reviewed on annual basis. The details of spares recommended for insurance declaration is to be furnished as per Annexure - II.

The Finance Department at Corporate Office will issue suitable guidelines for Pricing policy to be adopted for insurance items.

All the Projects are required to follow the guidelines with immediate effect.

(S.K. Sardar)
Dy. General Manager (Matls.)

To
Executive Director, Bld-14
Executive Director, Donimalai
General Manager, Bld-5
General Manager, Panna
General Manager, CWS
General Manager (Fin) HO
General Manager (PC), HO
Sr. Manager (Mat), Bld-5
Sr. Manager (Mat), Donimalai
Manager (Mat), Bld-14
Asst. Mgr (Mat), Panna
Asst. Mgr (Mat), CWS
Dy. General Manager (M&S), Bld-5
Dy. General Manager (M&S), Donimalai
Dy. General Manager (M&S), Bld-14
DGM (Fin), Donimalai
DGM (Fin), Bld-5
Sr. Manager (Fin) Bld-14
Sr. Manager (Fin), Panna
Asst. Mgr (Fin), CWS
Cc to : DGM (Mat) (VKM), Sr. Mgr. (Mat) (CBS), (YRS), HO
### DETAILS OF SPARES RECOMMENDED FOR INSURANCE DECLARATION

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Item Code</th>
<th>Description</th>
<th>Part No.</th>
<th>Unit of measurement</th>
<th>Assly/ Sub Assly in which the item used</th>
<th>Qty proposed to be declared as insurance</th>
<th>Qty in Stock</th>
<th>Unit Value (Rs)</th>
<th>Qty/ Date of first receipt</th>
<th>Qty/ Date of last issue</th>
<th>Population of Assly/ Sub assly</th>
<th>Remarks (Criticality of item)</th>
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</thead>
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<td>11</td>
<td>12</td>
<td>13</td>
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</table>
NMDC

M.M.2-2

PROJECT:

No. of Equipts.in use:

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<th>Sl. No.</th>
<th>Item Code No.</th>
<th>Description</th>
<th>Part No.</th>
<th>Unit of measurement</th>
<th>Unit rate</th>
<th>Consumption trend during last three years</th>
<th>Assets</th>
<th>Quantity required</th>
<th>Qty. required to be indented</th>
<th>Cost</th>
<th>LPR &amp; Date</th>
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<td>On order</td>
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</table>

Incharge (MC)
### Annexure 2-III

#### N.M.D.C.

**PROJECT**

**MM DEPARTMENT**

**INTERNAL LEAD TIME STUDY**

1. Nature of Stores: ..................................................
2. Indent No. .............................................
3. Delivery required by: ..................................................
4. Supplied on ..................................................
5. A/T No........................................................
   & Date ..........................................
6. Value Rs. ..................................................
7. Items ..................................................
8. Dealing Officer ..................................................

<table>
<thead>
<tr>
<th>A. Date of indent initiation</th>
<th>Months, Days</th>
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<tbody>
<tr>
<td>B. Date of Indent</td>
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<tr>
<td>C. Date of reaching MC section of MM Dept.</td>
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<tr>
<td>D. Time taken for scrutiny &amp; forwarding to Purchase Sec.</td>
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<tr>
<td>E. &quot; &quot; for calling quotations</td>
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<tr>
<td>F. &quot; &quot; for opening quotations</td>
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<tr>
<td>G. &quot; &quot; technical &amp; commercial scrutiny</td>
<td></td>
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<tr>
<td>H. &quot; &quot; for C S T Preparation / Checking</td>
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<tr>
<td>I. &quot; &quot; for technical recommendations by project, if any</td>
<td></td>
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<tr>
<td>J. &quot; &quot; for clarifications, if any</td>
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<tr>
<td>K. &quot; &quot; for T S C recommendations.</td>
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<tr>
<td>L. &quot; &quot; for concurrence</td>
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<tr>
<td>M. &quot; &quot; for approval by competent authority</td>
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<tr>
<td>N. &quot; &quot; for placement of order</td>
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<tr>
<td>O. &quot; &quot; for order acceptance.</td>
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</table>

**PROCESSING LEAD TIME (I) (A to D)**

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<thead>
<tr>
<th>Dates From</th>
<th>To</th>
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**PROCESSING LEAD TIME (II) D to O)**
# ANNEXURE 2-IV

## CODIFICATION CHART

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<th>9</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Cone Drills &amp; their spares</td>
<td>Bailadila-5</td>
<td>-</td>
<td>Bought out Items (Mechanical)</td>
<td>Fabrication Shop Sheet Metal, Welding &amp; Assembly Shop.</td>
<td>Alternators generators. Transformers</td>
<td>Construction Equipments</td>
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<tr>
<td>2</td>
<td>Blast Hole Drills and their spares</td>
<td>-</td>
<td>Locomotives &amp; their spares.</td>
<td>Bought out Items (Spare parts) Mechanical</td>
<td>-</td>
<td>-</td>
<td>Other Building materials</td>
<td>Office Equipments &amp; Office Supplies</td>
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<tr>
<td>4</td>
<td>Tractors, Scrapers and their spares</td>
<td>Transport vehicles Trucks, Tippers &amp; their spares.</td>
<td>Wire Ropes &amp; Wire rope slings</td>
<td>Misc items</td>
<td>Controls Switch Gear Sub Station Equipment &amp;</td>
<td>-</td>
<td>Photo items</td>
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<td></td>
<td>Compressors their spares</td>
<td>-</td>
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<td>-</td>
<td>Hand Tools.</td>
<td>Electrical, Equippts. Measuring Instruments &amp; Communication Equippts &amp; Spares</td>
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<td>School</td>
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<td>8</td>
<td>-</td>
<td>Panna</td>
<td>-</td>
<td>Hardware Items Peking materials</td>
<td>Bought Out &amp; Auto Elec. Items</td>
<td>Non-Ferrous Metals &amp; Products</td>
<td>Rain coat, Manila rope, Guest House, Sports &amp; Misc items</td>
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<td>9</td>
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<td>Miscellaneous General items</td>
<td>Special Tools for Equipments.</td>
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<td>Drawing &amp; Survey items</td>
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<td>Description</td>
<td>Model Numbers</td>
<td>Others</td>
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<td>Rime Movers Diesel Engines &amp; their spares</td>
<td>Core Drills</td>
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<td>Excavators &amp; Front end Loaders</td>
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<td>Tractors &amp; Scraper Spares</td>
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<td>J.H. Pay Dozer D120004A 01-6000</td>
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<td>J.H. Pay Hauler 05A0001 BH40</td>
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<td>IDM70E 0-R-) 0001-2380 (utilised) lor Sl.no. 8210058 and 59 at Bd-5 300 utilised by bid-14</td>
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<td>Russian Shovel EKG4.6A&amp;B 03B 0001-5000 03B8000 and above centralised lubrication system</td>
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<td>Long Year Drill Dial/vefch 262 core drilling machine 01C 9000 above</td>
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<td>D-155-A-1 DOZER 1-8999 (Bigine 00N)</td>
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<td>Kamatsu I/Vbtor Grader GD605 R1 0001-4520 GD605-R2 5001 ONWARDS</td>
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<td>Russian Drill (9) SBSh 250 IIV H. fitech Parts 0001-5000 Elect, ftrs 5001-9000</td>
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<td>Kornatsu/Bharat 9120A18 Dozer 04E 0001-5000 Komatsu Cummins NR 2 Engine 3001-5000</td>
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<td>GC 825 chassis (Bigine 00N) 56E0001-7694</td>
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| **Perkins Engines F6**
00014000 P4 fitted in MDC8E Crane 6401-6472 P3-7001-S000
SIMPSONS P4-4000-7000 OOF2301-2623
Srpsons P6/F6-305 |
| Jack Hammers (A) CPT (E) Kirloskar 0001 to 0500 (C) Atlas Capco 0501 to 750 model RH 658-5L (D) Holmon |
| Hind tvbrion Shovel D80 A8 Dozer 34F 0001-5000 |
| Haulpak LW35 Haulpak LW25 35F 7001-8999 |
| CPT Compressors600 Ro207F0001-000 365 Ro20 7F 2001-4000 300 Ro20 7 F 4001-5100 260 Ro207F 5101-6000 REA/RBA/5000 07 F 6100-700 0 CPS 750 7501-8999 CPS 500 |
| **Leyland Engines ALU 370/2F Comet 0001 -1450 ALU 620 Hippo Beaver 1451-2650 Hippo ALH 1/4 2651-3500 ALU3701 3501 3600 ALU 680 4001-8932 ALU402 00G 6001-8976 |
| i/Vagon Tracor Drifter Drill G900/G903 RD 1061 C 02 G 0001-3000 Track Drill G300/RD 10502G 0001-4500 CP415 02G 5501-5620 G400 Drill 02G 5000-5500 |
| Front End Loader SK120 rigger 03G 0001 to 4190 TEREKX72-71B |
| Komatsu D-355A-104G 3001-5000 chassis D355A3 3301 onwards |
| Haulpak 50 (New) CK Series rom 0001-1730 Haulpak 50-1 from 2000 to 4000 Haulpak 21 DM from 5000 to 1999 |
| **Cummins Engine Series**
Kirloskar Corrrnins Bigine N 355 001 - 3430 VVT/TA 1710 5001-5890 (7039)
Kirloskar Engine NH 220 5001-7232 CT&KTA115Q(KT19C) Utilised gaps up to 00H3087 7201-7732 |
| Crawler Drills RCM@DA45 32 H 0001-2000 CM 20.77 DM78 32H 2001-3000 ICM341-02H3001 I6W6-02H5001-6366 |
| Terex 2071 Loader 0001 onwards HM2071-0001-308$ HM-071(New model) 3501-4500 HMS$E LOADER03H5001 |
| Michigan Dozer Hindustan 773B 3001-9000 nducing Engine |
| **Honda**
Honda Bigines 0001-5000 Rustorn Bigines YWA5001-7000 YDA 7001-3000 |
| RMT Drills RHC RRD 100 E Drill(9) 02 J6001-7000 RHC 250 Drill (4) 02J 0001-1500 |
| Front End Loader Rat illis 745 HB03J 0001-7000 |
| Komatsu Do2zer A 355A-3 3001-3190 |
| **Indee Engines 0001-5000 Nissan Engines**
UD 3/63 5001-5000 P |
| Halco Drills (4) 02K 001-2999 3000-7999 RECP |
| Hind Mtnion Shovel 101M 0001-0670 03 K 0001-4999 Escorts TCB 7A ESCORTS 3D0D x |
| G30D DOZER 04K 0001-3643 |
| **ELGI Compressors**
ELGI AIR Compressors TC500 001 TO 3500 |
<p>| Ashok Leyland ALU-411-0001 to 3000 ALU-690-3500to 5000 | 02L 1DM30E DRILL 0001-5029 | 03L EKG5A EXCAVATOR (RUE) | VECH-5001-5541 | ELEC-0001-1047 | LIEBHERR PR751M 30Q1-500Q(engineQ0) |
| Komatsu (S6D-170 - 1A5) | D/HV HIGH MAST DRILL 0001-6926 00M KOMATSU1S6D 170-1A5 | 03M PC650 EXCAVATOR 0001 - 8767 | HEC SHOVEL EQC5A |
| N00N GD 825-1 ENGINE KOMATSU 0001 -2752 (SSD140-1B) WA400-1 ENGINE KOMATSU 3001 -4564 (SS0110-1H) | NT 495C-0001-1400 NT743C-1501-2500 6BTAENGINE FORICM260 3001 TO 5000 KTA 1150 2900 TO 2957 KTA 3067,3001 TO 3649 | 03P H-121 HYD EXCAVATOR 0001 -3799(Ivtech.) 4001-4500 (Bee.) |
| 00R 0001 T05600 CAT 3408 ENGINE INTAC 3306T 6001 TO | | | | | |</p>
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<td>Mitsubishi Diesel &amp; Hydraulics</td>
<td>Oshkosh Track &amp; Tailor</td>
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<td>Light Vehicles &amp; Spares</td>
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<td>Ashok Leyland Hippo &amp; Beaver</td>
<td>Chittaranjan diesel Loco</td>
<td>Jeep (Petrol)</td>
<td>Coles Crane Endurance Truck 6*4 (STD)</td>
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<td>Kenworth 40 Tractor</td>
<td>Leyland Tipper Coles</td>
<td>Jeep (Petrol)</td>
<td>Coles Crane Annes 20B5001-8000.</td>
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<td>Cales Crane Endurance</td>
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<td>TMB Vehicles LP 312/42 &amp; L.312</td>
<td>Mahindra Allwyn Nissan Cabstar</td>
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<td>Mahindra Allwyn Nissan Cabstar</td>
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Note: The table contains various types of vehicles and their specifications, along with some spare parts.
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<td>Overhead Crane EOT &amp; Gantry a) 5T, 10T</td>
<td>Metador Van (Ambulance) 24G 0001-3000</td>
<td>Standard Maruthi Gypsy 0001 - 4000</td>
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<td>Mono Rails</td>
<td>Escorts Tugger 23H 0001 - 2000</td>
<td>TMB Tipper L-1210 (24H 0001-0400) Tata 407 1001-5000 TATA807 5001-8999</td>
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<td>Fork Lift Trucks</td>
<td>Voltas Diesel Fork Lift Truck 20J0001 to 2000</td>
<td>Usha Telehoist 0001 - 4000 Chasis XDP 4.90 NEW ENGINE FOR ARMADA &amp; COMMANDER 2001 TO 2893 750 DP COMMANDER (engine) 6001-7400 CJ 500 CHASSIS 25J 7401-8453</td>
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<td>Marshall V72 (Demag) - 20K 001</td>
<td>TMB Vehicles 1210 SE 24K 001-30601 1210 S 4001-4120 Tata 1312-UD to 7700</td>
<td>Enfield India 350 Bullet Motor Cycle 25K 001 - 2000</td>
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<td>Hydra 8301 2ON 0001 to 5000</td>
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<td><strong>C</strong> Milling &amp; Gear Hobbing Machines</td>
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<td>Control Heads Pans Copper Washer, Grease Nippe, Pactsing Ring, Steel ball etc</td>
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<td></td>
</tr>
<tr>
<td>Iron &amp; Steel</td>
<td>Construction Equipment &amp; their spares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mild Steel Angles (Equal &amp; Unequal)</td>
<td>Stone Crusher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mild Steel Rounds</td>
<td>Concrete Mixtures</td>
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<td></td>
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<tr>
<td>Mild Steel Channels</td>
<td>Tar Briers Asfalt Lavers</td>
<td></td>
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</tr>
<tr>
<td>Mild Steel Plates Chequered Plates</td>
<td>Concrete Mixers &amp; Demolishing Tools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.S. Sheets G.I. Plain &amp; Corrugated</td>
<td>Compactors Sayaji Road Roller 6152/01-3000 Jessor 6155001-7030 31GRW 6151001-8000</td>
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<td></td>
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<tr>
<td>M.S. Flats</td>
<td>Britania Road Roller</td>
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<tr>
<td>Tubular Structures</td>
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<tr>
<td>M.S. Joists</td>
<td>Misc. Tar felt Bitumen Etc.</td>
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<tr>
<td>Alloy Steel</td>
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<tr>
<td>Category</td>
<td>A</td>
<td>B</td>
<td>C</td>
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<tr>
<td>Hospital Equipments</td>
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<tr>
<td>Instruments</td>
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<td>Accessories</td>
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<td>Office Equipments</td>
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<td>General office supplies</td>
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<td>Canteen Equipment</td>
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<tr>
<td>Accessories &amp; Supplies</td>
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<td>Stationary &amp; Printed forms</td>
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<tr>
<td>Safety &amp; Fire Fighting Equip.</td>
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<tr>
<td>Accessories &amp; Spares</td>
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<tr>
<td>Drawing &amp; Survey</td>
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<tr>
<td>Automatic Fire Suppression System</td>
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<td>Sports</td>
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<td>Guest Flousre</td>
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<tr>
<td>Miscellaneous</td>
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</tbody>
</table>
Annexure 2-V

NMDC LIMITED, HYDERABAD

No. Prod/Misc/92
October 1, 1992

CIRCULAR

Sub: Cannibalisation of equipment

Vide Circular No. HQMM/15(3)/policy dated 31.3.89 issued by the Materials Management Department guidelines for reclamation of useable parts from the old equipment which have crossed their useful life, were given. The steps are:

i) Recommendations of survey committee that the equipment is beyond economical repairs and maintenance and the same should be replaced.

ii) Recommendations of the project committee that the equipment cannot fetch justifiable price and therefore should be cannibalised to reclaim useable parts and assemblies.

iii) Getting approval of competent authority for cannibalisation of equipment.

You are now requested to give a statement in the following format in respect of equipment cannibalised at the project.

1. Name of equipment
2. PROJ Sl. No. of equipment
3. Engine No. and Chassis No. of the equipment
4. Ref. No. and date of project committee’s recommendations for replacement or return to Stores for disposal.
5. Ref. No. and date of project committee’s recommendations that equipment should be cannibalised instead of being disposed off.
6. Ref. No. and dated under which recommendations sent to HO for approval of competent authority.
7. Ref. No. and date of approval of competent authority for cannibalisation of equipment.

This information is required to ensure that proper records have been maintained in respect of equipment which have been cannibalised. In case action on these lines have not been taken so far the same should be taken immediately and status intimated.

Director (Production)
<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Part No.</th>
<th>Code No.</th>
<th>Item Description</th>
<th>Specifications</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Plant Spares</td>
<td>HEM Spares</td>
</tr>
<tr>
<td>1</td>
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<td>4</td>
<td>5</td>
<td>6</td>
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</tbody>
</table>
3.1.0  **INDENTING [1]**

3.1.1. Indents for all operational spares and stores (Annual Indents) will be prepared by the Material Control Section under M.M. Department of the project. However the explosives indents will be prepared by mining department.

3.1.2. However in respect of Feasibility Units, Research Development Laboratories and construction projects indents may be raised by respective officers Incharge of the Unit or M M Dept, if available.

3.1.3. Indents for capital equipments and piecemeal requirements shall be prepared by the respective User Deptt.

3.1.4. Such indents shall invariably have the concurrence of the associated Finance (who would also sign, the indent) and also the approval of the competent authority to sanction the expenditure in accordance with the delegation of powers.

3.1.5. The indent shall be prepared in format (Annexure - 3-I) in four copies to be distributed as follows:

- 1st copy - Purchase Section (Action copy)
- 2nd copy - Material Control
- 3rd copy - User Deptt
- 4th copy - Purchase Section (Spare copy wherever required)

The distribution as above would be printed on the indent proforma. 1st and 4th copies would be forwarded to the concerned purchase office while the procurement could be made only against first copy, to avoid any duplication of purchase.

3.1.6. Signing of Indent: Only Officers should be authorised to sign the indents. Officers from Materials Deptt will certify that indent is concurred by Finance and approved by competent authority.

---


(Click here for Details)  

Back to index
3.1.7 In respect of indent of capital equipment, the following procedure shall be adopted:

The indenting officer shall normally draw the detailed specifications. In addition, a reference to DPR (SI No) or approval to the replacement programme, as the case may be, and to budget sanction will be indicated in the appropriate column of the indent.

3.1.8 It will be clearly mentioned on the indent whether it is for capital equipment, spares & stores and construction requirements.

3.1.9 No blank should be left in filling the indent form. Clear specification and / or full particulars must be given. Total indent amount would be mentioned both in words and figures and all corrections duly authenticated.

3.1.10 As far as possible, there should be one indent only for each category of material, for example, electrical stores and mechanical stores should not be combined in one indent form unless they are proprietary items of one manufacturer. Normally Indents would be raised according to code groups.

3.1.11 The numbering of the indents shall be in serial order separately for each code group for each project. Till such time the serial numbers in a code group reaches 999, reseting to 001 should not be resorted. Even in the indents for capital equipments, same indent serial number is to be followed. However, projects if necessary, may clarify the same in the foot note whether the equipment is required against replacement or AMR budget.

3.1.12 Completeness of Indent: The indent will be complete in all respects i.e., specifications, part number, code number, description quantity, last purchase rate with orders and supplier reference, drawings wherever applicable, funds confirmation and desired delivery period etc.

3.1.13 The check list giving/confirming various aspects required to be complied which is also to be furnished (Annexure 3-II) forwarded to HO in respect of indent.

3.1.14 Under the last purchase rate, the Indentor or MC section at project should give rate of last purchase (alongwith last PO No. and Date) if any, or indicate if the same is being purchased for the first time.

3.1.15 Under estimated rate the assessment should be based on last purchase rate plus the inflation during intervening period, otherwise on the best
possible assessment. In case the estimate cannot be made on the above basis the budgetary offer may be called from known sources for preparing the estimates.

3.1.16 As far as possible, the indent should not be made for articles of specific make Brand as this would not allow open enquiries and consequent loss of competition. In such cases, the indentor can take the help of the Purchase Section/Planning Section for finalisation of specifications, to the extent practical.

3.1.17 Where procurement from a particular source or sources is recommended adequate justification for going in for the particular source is to be given alongwith the indent, supported by the proprietry certificate single source certificate wherever required, duly approved by the competent authority. Specifications are to be properly checked by the concerned User Department (Production, Service, Plant etc) who will be responsible for the correctness of the specifications.

3.1.18 Generally the indents will be prepared on Annual Consumption basis, taking into account previous 3 years,s consumption pattern, new additions of the equipments & removal of old equipment from the fleet. However, for critical items such as conveyor belts, OTR tyres, RR bits etc., the indents are required to be made based on production targets for the subsequent year.

3.1.19 For items of spares of long delivery period, projects can do advance planning and if necessary, indent for the next two years. However for the subsequent years, indenting could be done only upto a value of 80% of the proposed budget.

3.1.20 Fixed period review cycle will be followed for arranging annual indents for various groups of materials. For the purpose of indenting, the following calender of dates will be followed by all Projects.

January to March : (a) POL
(b) Explosives,
(c) General Consumables stores
(d) Tyres & Tubes (other than OTR)
(e) Light Vehicle spares

April to June : (a) All engines
(b) Dozers
(c) Dumpers
(d) Compressors
(e) Graders

July to September:
(a) OCSL Spares (Mech. & Elect)
(b) Conveyor Belts
(c) Manganese Steel Liners
(d) Idlers and Pulleys
(e) Tyres (OTR)
(f) Rock roller bits 9 7/8"

October to December:
(a) Shovels
(b) Blast Holes Drills
(c) Core Drills
(d) Mobile Cranes
(e) Any other spares not covered in the previous quarters.

3.1.21 Efforts should be made to cover maximum items under Automatic Replenishment System (ARS). However, ARS item will cover fast moving items for which minimum and maximum levels are to be fixed, for slow moving items this will be reviewed alongwith the annual requirements. ARS items are required to be reviewed annually for deletion /addition in consultation with user deptt.

3.2.0 PROCUREMENT BUDGET:

For the preparation of procurement budget, the guidelines issued by finance vide Lr.No. B&C/REVBUBCIRCULAR/2000 Dt. 08.06.2000 has to be followed. Copy of the circular is placed at Annexure 3-III.

3.3.0 SPECIFICATIONS:

3.3.1 The development of adequate specifications is essential for efficient purchasing and it is in the Buyer's interest to render every assistance in development of proper specifications. Purchase Officer will probably be the best qualified to ensure that a proposal will be acceptable to a manufacturer, since it is obvious that if a specification is to be satisfactory it must establish a perfect under-standing between the Buyer and the Seller and must be sound commercially as well as technically. The specifications, therefore, have certain elements tending to these results.
3.3.2 It should be as simple as possible, consistent with exactness - simplicity promotes clarity, unnecessary words, complicated sentences and repetition should be avoided, and all possibilities of misunderstanding eliminated.

3.3.3 It should be linked wherever possible with an established standards thus permitting standard goods to be supplied. It should provide for the supply of materials of the correct quality, and to be good enough but not too superficial, so that all requirements are fulfilled without incurring unnecessary expenses.

3.3.4 It must be reasonable in its tolerances as unnecessary exactness is expensive.

3.3.5 It should be a fair specification thus encouraging the co-operation of the suppliers.

3.3.6 It should be complete and specific in all essentials and without loopholes, which will permit evasion of its conditions and thus lead to unfair competition.

3.3.7 A specification must be capable of being checked. It is useless, unless the goods supplied can be checked against particulars specified. Therefore, it is essential to mention methods of inspections that will determine the acceptance or rejection. A properly drawn up and acceptable specification thus become an instrument for controlling the quality of goods purchased.

3.4.0 ORIGIN OF SPECIFICATION (RESPONSIBILITY):

3.4.1 Specifications are to be prepared by the Indenting Departments (Production, Service, Plant, Engineering, Investigation, Research & Development Departments etc). It is their responsibility to ensure that the specifications are carefully prepared and checked before they are sent to the Materials Management Wing for processing it further.

3.5.0 FORMS OF SPECIFICATION:

3.5.1 Specification by Brand or Trade Mark:

Specifying a brand, limits procurement to the product of single vendor. Since purchasing by brand or Trade Mark is based on widely promoted items, cost of such items are comparatively high.

The Brand items are specifically designed for many reasons. Brand items stimulates Sales. Brand items are selected sometimes because they may be the result of secret process.

Ordering an item by Brand name do away with time, effort and cost of screening vendors of similar items but unless there is definite advantage, should be avoided to encourage competitive quotations.
3.5.2 Specification by Physical Description:

Specification by height, weight, length, volume and other physical dimensions are designated in reasonable and measurable terms.

3.5.3 Specification by method of Manufacture:

The performance and uses of some products are dependent upon the method of manufacture. Thus a distinction is made between Hot Rolled and Cold Rolled Steel, Annealed and Normalized etc.

3.5.4 Specification by Chemical Analysis:

Materials may be described by their chemical formulae.

3.5.5 Specification by Part Nos.:

Different manufacturers allot code/part nos. for various, items of spares used on the equipment. The numbers cover, material, dimensions, shape, tolerances etc. of the spares and would suit concerned models of the equipment. Spares are received normally under this system. But bought out items should be identified and dimensions/nos. indicated for enabling economic procurement and interchangeability.

3.5.6 Specification by Standards:

The specification may designate the standard specifications like BIS, DIN, ASTM etc. which include various related dimensions, tolerances, tests and performance etc. This should be preferred.

3.5.7 Specification by Sample:

This method has the advantage of presenting the vendor with a specific sample to match in all respects regarding materials shape heat treatment tolerances and dimensions etc. It is mainly suitable for bought out items. It has following short-comings.

a) Exposes indentors inability to specify its requirements precisely.

b) Full responsibility with supplier for understanding the requirements which can get diluted, and supplying exactly the same item in all respects, will be difficult.

c) Only local parties can make offers after seeing sample.

d) Worn out/damaged sample would lead to supply of incorrect item.

e) Restricts the items, suppliers and increases rejections.

3.5.8 Specification by blue print:
The blueprint, a standard accepted by the Buyer and Seller, is the most accurate along with description of materials and tolerances. This method of citing specifications are relatively expensive and time consuming. Blueprints are to be used in procurement of Machines, Spares parts, Castings, Forgings and similar parts.

3.5.9 Specification by Performances:

A special performance may be the primary requirement in purchasing materials or and items such as F.I.P. for engines, KW for motors and Tensile strength for Wire ropes etc., which has to be tested.

3.5.10 Specification by use or function:

A vendor should be told of the end use or purpose of the materials. Thus an item less costlier or non-stipulated may meet the requirements of the using department.

3.5.11 The Indenting Department should prepare carefully the specifications and send to Purchase Section.

3.5.12 It is helpful on the part of Purchase Section as well as Market Research Section to maintain a specification file on the basis of commodity. These files are consulted when rush orders must be met, or at the time of breakdown.

3.5.13 Material Control Section at project should keep in view the requirements of specifications and its completeness to facilitate wide competition before the indent is sent to Purchase Section.

3.5.14 All indents pertaining to the project would be routed through its MM Department to the respective Purchase Office and this department would coordinate all the correspondence in this connection.

3.5.15 Indent Numbering: Indent numbering would consist of six digit numbers. First three digits would be code group reference such as 00A, 00B and next three digits running serial numbers within the code group i.e., 00A001 to 00A 999 for each of the code groups.

3.5.16 Each project will follow its serial numbering under each code group and would continue the serial numbering up to 999 and then revert back to 001 after having completed the original numbering series. (Annex-3.IV). Then indent would be forwarded to Purchase Office.

3.5.17 For Head Office who would be attending to the indents received from various projects, the following file number blocks will be adopted to identify the indenting projects. These numbers to be allotted duly indicating financial year.
<table>
<thead>
<tr>
<th>Project</th>
<th>Block No. Allotted (during 2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office/R &amp; D</td>
<td>HQMM/0001-0999</td>
</tr>
<tr>
<td>and Investigation/NISP</td>
<td></td>
</tr>
<tr>
<td>Bailadila-14</td>
<td>HQMM/1001-1999</td>
</tr>
<tr>
<td>Bailadila-5</td>
<td>HQMM/2001-2999</td>
</tr>
<tr>
<td>Donimalai</td>
<td>HQMM/3001-3999</td>
</tr>
<tr>
<td>Panna</td>
<td>HQMM/4001-4999</td>
</tr>
<tr>
<td>CWS</td>
<td>HQMM/6501-6999</td>
</tr>
</tbody>
</table>

3.6.1 Registration and progressing of Indents: Each indent on receipt in the purchase office will be registered serially. Separate slabs have been allotted for each project regarding indents received at Head Office as per point 3.5.1. Indent would be progressed from Indent Progress register at Project (Annexure-3.V). In register for every indent separate page will be maintained.

3.6.2 A monthly statement of the indents received will be submitted to Head of Purchase section with a copy to the Head of the Materials Management Department by the Material Control Section of respective projects indicating code groups, number of items, value. The format of the statement is at annexure 3-VI.

Further quarterly progress there against would be intimated by the Purchase Section to Head of Materials Management Department and user department.
Annexure 3-I

N.M.D.C.

MATERIAL INDENT

PROJECT  Indent No.  Date

<table>
<thead>
<tr>
<th>Item Sl No</th>
<th>Item Code No</th>
<th>Part No</th>
<th>Description &amp; Specification</th>
<th>Unit of measurement</th>
<th>Qty required</th>
<th>Estimated cost</th>
<th>Expected date of delivery</th>
<th>Previous reference</th>
<th>Remarks</th>
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</tbody>
</table>

1. All Column to be filled up by Indenting Department.
2. Specification & Reasonable date should be indicated, such terms like 'IMMEDIATE'; "As soon as possible" should not be used.
3. If delivery by instalments is required details of instalments should be given by dates in monthly or weekly,

M.S.D./14-05/80

FOR FINANCE WING

Indent as above is vetted/not vetted for Rs....................... and is allocable as following.

<table>
<thead>
<tr>
<th>Rs.</th>
<th>Budget</th>
<th>Financial year</th>
<th>Budget Estimate</th>
<th>Accounting Code</th>
<th>Sl. No.</th>
<th>to which booked</th>
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<tbody>
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Sr. Accounts Officer

<table>
<thead>
<tr>
<th>Signature</th>
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<tbody>
<tr>
<td>Date</td>
<td></td>
</tr>
<tr>
<td>Designation</td>
<td>Indenting Officer</td>
</tr>
</tbody>
</table>

CERTIFICATE FOR PROPRIETORY ITEMS (1)

& on other make is acceptable for the following reasons : -

Only imported stocks of the equipment/stores demanded are acceptable for the following reasons. Stores wanted is/are urgently required & may be procured not later than ............... time being too short method of purchase as open tender/LT/ST may be adopted. The transportation of stores shall be by Air/Sea/Postal/QTS Road Transport/Special Trucks Hire.
General Manager  Head of the user department
ANNEXURE 3-II

INDENT CHECK LIST

NMDC
M.M.3.2  PROJECT

1. Type of Indent - Annual / Piecemeal / Regularising
2. Whether review by appropriate authority is made - Yes / No
3. Whether review sheet is attached - Yes / No
4. Whether equipment model details with si. no. of engine/chasis no. have been recorded. - Yes / No
5. Whether the items/spares are to be procured from OEM and if so -has the proprietary certificate been signed by the competent authority. - Yes / No
6. Whether items are to be procured from - RC / DA / Others
7. If to be procured from other sources:
   Whether the following provided :
   a. Detailed specifications - Yes/No
   b. Drawings for item Nos. - Yes/No
   c. Samples for item Nos. - Yes/No/Not reqd
   d. Dimensional details and specifications are indicated against bought out item Nos. - Yes/No
8. Whether the part nos, code nos, against all items furnished. - Yes/No
9. Whether particulars in respect of last purchase i.e. rate/A/T Particulars and suppliers indicated. - Yes/No
10. If last purchase details not available whether the estimated prices are as per latest market trend. - Yes/No
11. Whether phased delivery schedule has been considered and indicated wherever necessary. - Yes/No
12. Whether delivery period indicated is based on present trend. - Yes/No
13. Whether inspection is required at firms premises before despatch. - Yes/No
14. Whether the spares indented are slow-moving/fast moving. - Yes/No
NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
(GOVT OF INDIA UNDERTAKING)
10-3-311/A, CASTLE HILLS, MASAB TANK, HYDERABAD - 500 028

REV BUD2

LR.NO B&C\REV BUD CIRCULAR\2000  Dt. 08.06.2000

To
The Executive Director\General Manager
Bid. 14/Bld. 5/DNM/Panna

Sir,

Sub : Procedure for Revenue Budget & Procurement Budget

A circular incorporating uniform guidelines for preparation of Revenue Budgets (R.E. & B.E.) as well as for preparation of procurement budget is enclosed herewith.

This procedure is to be implemented with effect from the current Financial year, (i.e., for preparation of Revised Estimates 2000-01 and Budget Estimates 2001-2002).

This issues with the approval of CMD.

Yours faithfully,
P. Sai Reddy

GENERAL MANAGER (FINANCE)
3.2 Procedure for preparation of Revenue Budgets - Revised Estimates Budget Estimates.

The following uniform guidelines for the preparation of Revenue budgets (RE & BE) by the projects are issued for implementation.

The procedure to be followed for arriving at the Budget figures is detailed below:

**PHYSICAL TARGETS**

The physical data relating to production/despatch of iron ore/Diamonds etc., for both REVISED ESTIMATES (RE for the current financial year) and BUDGET ESTIMATES (BE for the next financial year) is to be provided to the projects by the Production Department of Head office latest by end of April of the year after obtaining approval from competent authority.

The sale prices to be adopted for REVISED ESTIMATES AND BUDGET ESTIMATES are to be furnished by Commercial Department at Head Office, to the Production Department, Head Office who will in turn inform the projects along with the physical data.

The Revenue Budget is to be consolidated in the format given in form XII.

The following guidelines need to be followed for estimating various items of income/expenditure.

**(A) INCOME:**

1) **SALES REVENUE:** The sales revenue is to be computed for the physical targets of Despatches/Sales adopting the selling prices as intimated by Head office. (Annexure-I)

   In case of iron ore, the amount of Fe bonus/penalty is to be estimated by taking average Bonus/Penalty received/paid in the previous year/expected during the year based on latest analysis.

2) **OTHER INCOME:** The estimate of Other Income for Revised Estimates and Budget Estimates is to be made on realistic basis by considering the actuals of previous year after excluding any extra-ordinary items of income in the previous year.

3) **STOCK ADJUSTMENT:** Accretion/Decretion to stock is to be estimated based on the physical targets of production/despatches and likely closing stock after considering retrieval/dumping planned during the year.

4) **INTEREST ON SURPLUS FUNDS:** The amount of interest income likely
to be allocated to the project in respect of Revised Estimates and Budget Estimates as informed by Finance Department of Head Office is to be considered.

B EXPENDITURE

I. Raising & Transportation charges:

The expenditure on this account is to be estimated based on the quantity of fines to be transported from dumps as per the agreement, if any, with the contractor and likely quantity of fines to be retrieved from dump in the relevant year.

II. Consumption of Stores/Spares:

III. Repairs & Maintenance (Outside)

Guidelines for preparation of Consumption Budget including the planning for repairs & maintenance are separately enclosed with annexure-I (1-4)

After finalisation and approval of the Consumption Budget by the Head of the Project, the Departmental Heads have to furnish the Revenue Budget in respect of the cost centres under their jurisdiction as detailed below to the Finance Department. In a format, no quantitative details of the operational and maintenance stores/spares need be given except for some major items like explosives, bits, tyres, conveyor belts etc., specifically mentioned in the formats. Only the value of stores and spares be mentioned in the relevant columns.

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
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<td>2. OSCL PLANT</td>
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<td>3. MECHANICAL SERVICES-HEM</td>
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<td>6. ELECTRICAL SERVICES</td>
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<td>7. CIVIL SERVICES</td>
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<td>8. GENERAL ADMINISTRATIVE DEPT</td>
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<td>9. CONSOLIDATION OF STORES/SPARES</td>
<td>FORM-VIII</td>
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<td>10. CONSOLIDATION OF REPAIRS</td>
<td>FORM-XI</td>
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</table>
Simultaneously, they have to send a copy of the detailed consumption budget (i.e. detailed list of items) to be Materials Management Department.

Materials Management Department on receipt of above details, shall prepare the procurement budget after considering the stocks on hand, likely receipts against pending orders/indents cleared and expected closing stocks. Guide lines for preparation of Procurement Budget are given at annexure - I (para 5).

III. Salaries & wages: The Cost centrewise requirement of salaries & wages is to be collected from incharges of Responsibility Centres by Finance Department. Welfare expenses like medical, gratuity etc., (other than salaries & wages) are to be estimated by Finance for inclusion in Revenue Budgets.

The estimate of cost centrewise Salaries & Wages is to be consolidated in Annexure IX.

IV. Power & Electricity: The requirement of Power & electricity based on information from different departments is to be estimated by Electrical department showing the No. of Units required, unit rate, other charges and estimated expenditure.

V. This information along with detailed statement is to be sent to Finance department in Annexure X. In case of electricity generated by DG sets, estimates for operational expenditure of DG are also to be given by electrical department under item 1 of Annexure - IV.

VI. Royalty: The expenditure is to be projected based on production plan for lump, CLO and fines by Production department and sent to Finance along with details.

VII. Selling Expenses: Railway freight to be accounted for under selling expenses is to be estimated by Finance for despatches projected to MMTC at applicable freight rates.

Other selling expenses including demurrages are to be estimated based on despatch quantity and anticipated demurrages.

VIII. Head Office Expenses: This should be obtained by Project from Head Office.

IX. Other Expenses: This is to be consolidated by Finance Department based on estimates furnished by other relevant departments, under various heads.
X. Depreciation: Based on assets with different cost centres and estimated additions/deletions during the year, this is to be estimated by Finance Department for Revenue Budgets.

XII. Prior Period Adjustments: Expenditure relating to previous years, materialised during the year and to be accounted under this head of account is to be assessed by Finance Department.

The Revenue Budgets compiled as above are to be sent to HO after obtaining the approval of competent authority/Head of the Project.
GUIDELINES FOR CONSUMPTION/PROCUREMENT BUDGET

The following guidelines are to be followed for preparation of Consumption and Procurement Budget.

The Consumption/Procurement Budget is prepared simultaneously for the current year (RE) and for next year (BE).

On receipt of approved production and despatch programme for both Revised Estimates of current year and Budget Estimates for next year, the following steps are to be taken:

PRODUCTION PLAN:

1.1 Production Department is required to revise the current year’s production plant and also prepare production plan for the next year in detail i.e., slice plan excavation of ROM and best from each bench.

1.2 Production Department has also to work out total equipment/plant hours required for the above yearly production programme.

1.3 A copy of this programme is to be sent to Incharges of Mechanical Services, Electrical Services and OCSM plant.

1.4 Mining Department will work out in detail the required working hours equipment-wise (i.e. for 10” drill, 6” drill, shovels and dumpers etc.).

1.5 After planning the equipment utilisation as above, Mining Department will work out the requirement of operational stores such as Drill Bids, Explosives, diesel for HEM, dumper tyres and other major operation stores based on the Standard Norms of consumption and also considering improvement in performance wherever possible.

2. MAINTENANCE PLAN:

2.1 On receipt of information (at 1.3 above) from Production Department, Mechanical Services and Electrical Services shall, in consultation with Mining Department, consider the condition of each equipment in the fleet and allocate operating hours to each equipment.

2.2 The Services (Mechanical and Electrical) shall also plan for running hours of auxiliary equipment like graders, dozers, compressors etc during the year and prepare operational stores required for these equipment.

2.3 Based on planned hours of equipment (at 2.1), Mechanical and Electrical Services shall work out a detailed maintenance Plan in respect of each equipment i.e. Scheduled maintenance (10 hours, 20 hours, 50 hours etc), major repairs and overhauls (including outside repairs and repairs at Central Workshop).
2.4 All the repairs are to be classified according to the nature of repairs like running maintenance, replacement of major assemblies, repair of major assemblies and overhauls etc., and the requirement of spares/ assemblies under each category of repairs is assessed for each equipment.

2.5 Equipment-wise consolidated spares requirement is finally prepared in item Group-Group Code wise like 0.0A Engine Spares etc.

2.6 Based on the ROM, production and despatch details, Plant Division will work out the running hours of Crushing Plant, Downhill system, screening plant and loading Plant and prepare detailed plan of requirement of Operational Stores as well maintenance stores for each section on similar lines as indicated in 2.3 and 2.4 taking into account various scheduled maintenance and major repairs.

2.7 **Other Departments:**

The Incharge of other departments like Civil, Administration, Training, Safety, Medical etc., shall prepare the requirement of stores/spares. Civil Engineering department shall prepare a detailed plan of works to be undertaken in Plant, Mines and Township separately and their estimated costs.

2.8 After preparation of quantitative details of spares requirement (equipment wise and Groupwise), the Budget required for each group is arrived at by considering last year's / latest purchase price.

3. **REPAIRS AND MAINTENANCE (OUTSIDE)**

Detailed plan is to be prepared by Services (Mechanical and Electrical) in respect of repairs to be undertaken outside indicating various works/ jobs to be carried out and the expenditure involved.

4. **FINALISATION OF CONSUMPTION BUDGET :**

Head of the Project shall hold meetings with concerned Heads of Departments along with DGM (Production), Heads of M&S, Materials, Finance & I.E. and discuss in detail the proposals of each HOD, and finalise the consumption Budget by end of May of the year.

5. **PROCUREMENT BUDGET**

5.1 After finalising and approval of the consumption budget by Head of the Project, Material Management Department would prepare the Procurement Budget.

5.2 The procurement budget which is to be prepared for two years i.e. for the current Financial year (RE) and next Financial Year (BE) shall be made out in the enclosed formats under Material Group Codes (and equipment wise wherever required) (Statement-I and Statement-II).
5.3 For the procurement Budget in respect of RE of current year, the closing stock of the materials on hand, quantities anticipated to be received against orders already, placed and indents already cleared during the current financial year upto the date of preparation of RE shall be considered.

5.4 In respect of Procurement Budget for the next financial year (BE), the estimated closing stock as per RE of the current financial year is taken as opening stock. The closing stock required at the end of the next financial year is to be estimated.

The procurement Budget is the aggregate of consumption as approved in Budget Estimate plus estimated closing stock less the opening stock, (cols. 3 + 4-2 of Statement II)

5.5 The indents are to be cleared by Finance Department based on the above Procurement Budgets prepared as suggested and approved vide para 4
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<th>Rs $ Exchange (Rs. in LAKHS)</th>
<th>FE Bonus/ Penalty per tonne (Rs.)</th>
<th>FE Bonus/ Penalty (Rs. in LAKHS)</th>
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**CALCULATION DETAILS**

**I. DRILLING:**
- Type of bit
- No. of metres planned
- Estimated mts./bit
- No. of bits required
- Landed cost per bit
- Total expenditure

**II. BLASTING:**
- Tonnage released
- Powder factor assumed
- Explosives qty. required
- Landed cost per ton
- Total expenditure

**III. EXCAVATION:**
- Tonnage excavated
- Tonnage loaded

**IV. HAULAGE/TRANSPORT:**
- Type of tyres (imported)
  - Life of tyre (in hours)
  - No. of tyres required
  - Landed cost/tyre
  - Total expenditure
- Type of tyres (indigenous)
  - Life of tyre (in hours)
  - No. of tyres required
  - Landed cost/tyre
  - Total expenditure
- Type of tyres (retreaded)
  - Life of tyre (in hours)
  - No. of tyres required
  - Landed cost/tyre
  - Total expenditure

**V. TOTAL EXPENDITURE (A+B+C+D)**

**VI. FUEL (ALL COST CENTRES):**
- Diesel per ton of excavation/production
- No. of lts required
- Rate per l.t.
- Total expenditure
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** FUEL: (ALL COST CENTRES) ** - (EQUIPMENT - WISE)

a) NO. OF LTS REQUIRED
b) RATE PER LT.
c) TOTAL EXPENDITURE
**RESPONSIBILITY CENTRE:** MECHANICAL SERVICES - SERVICE CENTRE

**REVISIONS ESTIMATES**

**BUDGET ESTIMATES**

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**TOTAL STORES**

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**THE MAINTENANCE SPARES MAY BE ESTIMATED BY PLANNING EQUIPMENTWISE MAJOR OVERHEADS AND REGULAR MAINTENANCE IN THE FORMAT GIVEN BELOW FOR EACH COST CENTRE SEPARATELY.**

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**TOTAL**
### FORM IV(B)

**REVISED ESTIMATES**

**BUDGET ESTIMATES**

**RESPONSIBILITY CENTRE:** MECHANICAL SERVICES - AUTO GARRAGE

**ESTIMATE OF STORES FOR VEHICLE MAINTENANCE RS. IN LAKHS**

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**RESPONSIBILITY CENTRE:** MECHANICAL SERVICES - GENERAL

**ESTIMATE OF STORES FOR GENERAL MAINTENANCE RS. IN LAKHS**

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**REVISED ESTIMATES**

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### FORM-VI

**REVISED ESTIMATES**

**BUDGET ESTIMATES**

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<thead>
<tr>
<th>DESCRIPTION OF STORES</th>
<th>MINING</th>
<th>PLANT</th>
<th>SERVICE CENTRE</th>
<th>GEN.ADMIN</th>
<th>S.A/TOWNSHIP</th>
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## FORM-VII

**REvised ESTIMATES**

**BudGET ESTIMATES**

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<thead>
<tr>
<th>RESPONSIBILITY CENTRE</th>
<th>PERSONNEL DEPARTMENT</th>
<th>RS. IN LAKHS</th>
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<th>ESTIMATE OF EXPENDITURE FOR STORES</th>
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<td>B. SCHOOL</td>
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<td>C. GENERAL</td>
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<td>2. PETROL/DIESEL FOR TRANSPORT</td>
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<table>
<thead>
<tr>
<th>TOTAL STORES</th>
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<tr>
<td>COST CENTRE</td>
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<tr>
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<tr>
<td>1. MINING DEPARTMENT</td>
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<tr>
<td>2. ORE DRESSING</td>
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<td>3. MECHANICAL-HEM</td>
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<td>4. MECHANICAL-GENERAL</td>
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<td>8. PERSONAL DEPARTMENT</td>
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### DEPARTMENTWISE ESTIMATED EXPENDITURE FOR SALARIES & WAGES

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<tr>
<th>COST CENTRE</th>
<th>NO. OF EMP NO.</th>
<th>AVG. SALARY PER YEAR</th>
<th>AMOUNT RS. IN LAKHS</th>
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<td>EXCAVATION</td>
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<td>HAULAGE</td>
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<td>2. ORE DRESSING</td>
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<tr>
<td>CRUSHING</td>
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<td>DOWNHILL</td>
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<tr>
<td>SCREENING</td>
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<tr>
<td>&quot;LOADING</td>
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<tr>
<td>PLANT OFFICE</td>
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<tr>
<td>3. LOADING &amp; DESPATCH</td>
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<tr>
<td>4. MECHANICAL-HEM</td>
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<td>7. ELECTRICAL SERVICES</td>
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<td>8. CIVIL SERVICES</td>
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<td>9. GENERAL ADMN/FINANCE</td>
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<td>10. TOWNSHIP</td>
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<tr>
<td><strong>TOTAL</strong></td>
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</table>
# CONSOLIDATION OF ESTIMATES FOR POWER/ELECTRICITY

## A. POWER

1. MINING DEPARTMENT
   - DRILING
   - BLASTING
   - EXCAVATION
   - HAULAGE
   - MINING OFFICE

2. ORE DRESSING
   - CRUSHING
   - DETERMINED
   - SCREENING
   - LOADING
   - PLANT OFFICE

3. LOADING & DESPATCH

4. MECHANICAL-HEM

5. MECHANICAL-GENERAL

6. MECHANICAL-AUTO

7. ELECTRICAL SERVICES

8. CIVIL SERVICES

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<thead>
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<th>TOTAL POWER CONSUMPTION(A)</th>
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## B. ELECTRICITY

1. GENERAL ADMINISTRATION

2. TOWNSHIP

<table>
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## A. EXPENDITURE ON POWER

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## B. EXPENDITURE ON ELECTRICITY

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<td>AMOUNT</td>
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<td>MINING OFFICE</td>
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### CONSOLIDATED STATEMENT OF REVENUE BUDGET

**REvised ESTIMATES**

**BUDGET ESTIMATES**

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>RE AMOUNT(RS. IN LAKHS)</th>
<th>BE</th>
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#### A. INCOME:
1. SALES REVENUE: AS PER FORM - I
2. ACCRETION/DECREATION OF STOCK
3. MISC. INCOME
4. INTEREST ON SURPLUS FUNDS
5. OTHERS

**TOTAL INCOME**

#### B. EXPENDITURE:
1. RAISING & TRANSPORTATION
2. CONSUMPTION OF STORES & SPARES: AS PER FORM - VIII
3. SALARIES & WAGES: AS PER FORM - IX
4. POWER & ELECTRICITY: AS PER FORM - X
5. REPAIRS & MAINTENANCE: AS PER FORM - XI
6. ROYALTY
7. RAILWAY FREIGHT
8. SELLING EXPENSES
9. SHARE OF HEAD OFFICE EXPENDITURE
10. OTHER EXPENSES
11. DEPRECIATION
12. PRIOR PERIOD ADJUSTMENTS
13. LESS: TRANSFER TO CAPITAL HEADS

**TOTAL EXPENDITURE**

**NET PROFIT/LOSS**
<table>
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<tr>
<th>TYPE OF STORE</th>
<th>OPENING STOCK</th>
<th>ESTT. RECEIPTS AGAINST PENDING ORDERS/PLACED OMDENTS CLEARED (QTY)</th>
<th>TOTAL RECEIPTS</th>
<th>ESTD. CONSUMPTION DURING THE YEAR</th>
<th>ANTI. CLOSING STOCK</th>
<th>PROCUREMENT BUDGET</th>
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<td>7(5+6-4)</td>
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<td>4(2+3)</td>
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<td>7(5+6-4)</td>
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<td>TYPE OF STORE</td>
<td>OPENING STOCK (ESTD. CLOSING STOCK AS PER RE) QTY</td>
<td>ESTT. CONSUMPTION DURING THE YEAR (QTY)</td>
<td>ANTI. CLOSING STOCK QTY</td>
<td>PROCUREMENT BUDGET</td>
<td>QUANTITY</td>
<td>PRICE PER UNIST RS.</td>
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<td>Indentors reference</td>
<td>No. of items</td>
<td>Value</td>
<td>Booking year</td>
<td>Date of sending to Finance</td>
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# Annexure 3-V

## INDENT PROGRESS REGISTER

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<th>Sl. No.</th>
<th>Description</th>
<th>Initial sanction value</th>
<th>Year of booking</th>
<th>Value/ of addition deletion if any</th>
<th>No. of items</th>
<th>Order No. and Date</th>
<th>Name of supplier</th>
<th>Value of order</th>
<th>No. of items ordered</th>
<th>Delivery period</th>
<th>Follow-up</th>
<th>Value of supplied Materials</th>
<th>RV No. and Dt.</th>
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102
### MONTHLY STATEMENT OF INDENTS RECEIVED

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<tr>
<th>Sl. No.</th>
<th>Indent No &amp; Date</th>
<th>Date of receipt at P O</th>
<th>Description of materials</th>
<th>No. of items</th>
<th>Value of the indts.</th>
<th>P O File</th>
<th>Nature of Indts/Fast/slow</th>
<th>Remarks</th>
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<tbody>
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</tbody>
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Copy to:
1. Head (Materials)
2. Head (Materials) H.O. for information

Incharge (MC)
4.1.0 PURCHASING

4.1.1. Purchase Section will be divided into a number of Purchase cells based on material categories. Purchase Cells will have the following major responsibilities:

1. Receipt of indents from Material Control Section.
2. Time scheduling of the processing of the indent.
4. Scrutiny follow up and other required details like drawings etc., if necessary.
5. Clubbing of requirements for common items of different units (Applicable in case of corporate office and any other regional offices).
6. Decision regarding type of enquiries and seeking approval of the competent authority for floating enquiries.
7. Analysis of quotations and seeking the required approval in accordance with the delegation.
8. Informing Imports Section regarding the imports vis-a-vis DGTD clearance (Ministry's technical recommendations) and Import Licence, (Applicable in case of corporate office).
9. Placing of the purchase order, issue of subsequent A/L and its follow up.
10. Assisting in Import substitution activities.
11. Arranging opening of letters of credit, foreign exchange payments etc., to the suppliers.
12. Arranging documents required for clearance of consignments shipped via sea and air and forwarding them to clearing agencies.
13. Arranging insurance coverage.
14. Reconciliation of Computer output regarding P.Os. and indents.

4.1.2. IMPORT CELL:

This section at the Corporate Office shall be responsible for the following:

i. Planning for foreign exchange requirements and requisitioning suitable Import Licence.

ii. Getting Technical clearance from DGTD (if required)

iii. Assisting in arranging Import Licences, Letters of Authority for suppliers.
iv. Analysing Bills of Entry from the point of view of correctness of the duty assessed and taking action for refund of extra customs duty paid, if any, in time.

v. Keeping liaison with Port, customs, clearing agents, DGFT, Kolkatta Office, Chennai Office and Head Office Finance regarding clearance of imported consignments.

4.2.0 PROCUREMENT PROCEDURE

4.2.1 The Officer Incharge for taking procurement action should arrange to take the following action immediately on receipt of the indent from the Materials Control Section.

4.2.2. Controlled Materials: If requisite quotation/allocation is available, necessary orders may be placed on the authorised suppliers. If stores are not available, competent authority should be first contacted to get the allocation. In case allocation is inadequate, as it happens some times, enquiries should be issued and normal procedure should be followed for tapping open market. Indenting Officer should, however, be kept informed of the position in such cases.

4.2.3 Procurement against RC: If there is any NMDC Rate Contract existing for the materials required, it should be obtained through Rate Contract. However, if the delivery period offered under the rate contract is not suitable or due to any other reasons, with the specific approval of the competent authority, independent purchase action may be taken as per procedure. Normally, the items covered by NMDC Rate Contracts would be ordered directly by the project concerned.

4.3.0 TENDERING

Other than controlled materials and NMDC RC items: If no rate contract exists for the stores required, independent purchase action may be taken according to procedure, given below:

4.3.1. Issue of Purchase Enquiries: Purchase enquiries should be issued within 7 days after the approval of competent authority from the date of receipt of indents. While issuing enquiries, the following rules should be observed. Separate tender enquiry would be prepared for different groups of materials. In case of corporate office after consolidating requirements of other projects, if any, the purchase enquiry proposal is to be processed.
4.3.2. **Mode of Purchase:**[2] Purchases shall be made by inviting open tenders, limited tenders or single tenders. Emergency purchases may be made on telephonic enquiries, upto Rs. 1 lakh after approval of competent authority. Concerned Purchase Cell would now seek approval of competent authority for the mode of tendering i.e., open, limited, restricted or single tender. Purchase enquiry proposal is to be got approved' in specific format by the competent authority as per annexure enclosed. Annexure 4-I.

4.3.3. **Open Tenders** : Normally limited tenders may be called, but open tenders should be invited for new materials or where sources are not known or where there is no registration or lack of competition for the particular store group.

Open tenders are invited by issuing public advertisements. These include Global tender also. The Global tender may be invited, where there is limited indigenous manufacturers to meet the requirement or where it is advantageous to obtain the offers from manufacturers of more than one country for technological up-gradation or to encourage competition or to derive cost advantages. However, in case of small value items also where sources are not known, open tenders may be invited.

Registered parties would also be intimated directly about open tender notice. In case of global tenders, important foreign embassies are also to be informed about the issue of global tenders for wide circulation in their countries for obtaining offers.

Approval for issue of purchase enquiry on Single tender, Limited tender, Open tender/ Global tender basis etc., are to be obtained as per the delegation of powers from the Competent authority on case to case basis.

4.3.4 Ordinarily, a single insertion of advertisement is sufficient, selection of newspapers being made with due regard to the nature and the geographical area of the availability of sources. In cases, where the cost of orders to be placed is substantial, more than one insertion may be issued after obtaining competent authority approval. For issue of Global tenders, the publications of the NIT is also to be made in Indian Trade Journal in addition to some leading news papers.

[2]. **GeM Procurement** : As per New GFR 2017, GeM Procurement has been added in Mode of purchase

(Click here for Circulars)
In case of open/Global tenders, tender notice publications may also be displayed in NMDC website.

4.3.5 **Restricted Tenders:** Restricted tenders are invited by issuing enquiries to a selected number of firms out of the registered list of suppliers for the class of goods required. This should be adopted only in exceptional cases when the demand is very urgent and there are reasons to believe that chosen field for enquiry would fully meet with the situation with due regard to the economy and dependability. The firms to be addressed would be got approved before issue of enquiry.

4.3.6 Limited Purchase Enquiry should be sent to all those firms in particular category where categorisation has been done with the approval of C/A among those who are registered with NMDC. In exceptional case, enquiries may also be sent to others who are not on the approved list, but are considered suitable (Ann.4-11). The list would be got approved before issue of LTE.

4.3.7 In this connection the market Research cell of the materials management wing will every year compile a list of dependable suppliers for individual materials, groups and forward to various purchase offices. Categorisation of various sources identified shall be done in association with technical department.

4.3.8 Limited tenders may however be issued in case of machinery and heavy and allied equipment where there are only a few authorised agents, manufacturers of such equipments.

4.3.9 In case of restricted tender for value above Rs. 50,000/- enquiries must be issued to atleast 3 firms.

4.3.10 **Single Tender [3]:** Single tender enquiry may be adopted in the following cases:

i. The item of purchase is of a proprietary nature i.e. where there is only one manufacturer available.

ii. On manufacturers recommendations until another proper source is located.

When an item is purchased under single tender basis due to its proprietary nature the fact must be investigated and recorded explaining why alternative materials are not acceptable. Single tender may be allowed in other cases, where only one source is known after examining the proposal on merits with the specific approval of the management.

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[3] **SingleTender** : Revised Single Tender Enquiry guideline and Circular dated 27/07/2017 as per observations made by Audit committee, regarding procurement on STE/ nomination/ Proprietary issued by PC department.

(Click here for Details)  
Back to index
4.3.11 **Repeat order**: The officers of the MM wing can place repeat orders for stores and spares provided

a) the time lag from the placement of the original order is not more than six months.

b) the quantity of the repeat order does not exceed fifty percent of the original order.

c) the previous order is placed based on technically acceptable lowest offer basis. The price against earlier order were not escalated for early delivery or any other reasons and prices are not in downward trend.

d) other units of NMDC can place order based on the original order of any other units satisfying the above conditions at si. No. (a) to (c).

e) repeat order should be released subject to financial concurrence and approval of the competent authority.

4.3.12 **Emergency purchase on verbal/telephonic enquiry**: For this mode of purchase, verbal or telephonic enquiries can be made to cover very limited number of local firms (at least three) whom the purchase officer considers capable of supplying the items from ex-stock/ shortest delivery immediately. In such cases, a note on the mode of enquiry and the decision arrived at should be recorded by the purchase officer. In no case the purchases under this method should exceed a value of Rs. 10,000/- on each occasion and the reasons for going in for such emergency purchase should be recorded and subsequently got approved.

4.3.13 **Cash Purchases**: Cash purchases may be resorted to only to meet the urgent requirements for installation/maintenance/repairs of operational equipment or to meet the general stationery items that are not normally stocked and items whose shelf-life is short. Normally, cash purchases in a month should not exceed Rs. 25,000/- in respect of each production, construction project and Head Office. Cash purchases should not exceed Rs. 5,000/- in respect of Regional Offices and Investigation Projects. No cash purchase of single item shall exceed Rs. 5,000/- in each case. For this purpose, cash purchases by H.O/Regional Offices for the projects should be treated as purchase against the projects. These limits would be open for periodical review.

4.3.14 **Local Purchase**: Normally, all local purchases should be routed through M M Wing. But in urgent cases, however, Head of user Department/ their authorised representative may also go in for local purchases. Local purchases would be made only by a team of officers from MM Wing, Technical & Finance for a value of purchase upto Rs.1,00,000 (Annexure 4-XIII).

4.3.15 No cash purchase should be effected without the nonavailability certificate and clearance of Head Materials and the Head of Departments concerned.

4.3.16 Time allowed for receiving tenders should be regulated with due regard to
the nature of the material and care should be taken to ensure that adequate time is given to the tenderers to submit a satisfactory tender.

However time schedule for various activities for finalising the orders are to be adhered to as per the guidelines issued vide Circular ref. HQMM/G/6.09 dt 26.5.97 as enclosed. These time limits shall be increased by another 10 clear days for enquiries issued from project to allow for postal delays. However, in urgent cases the time limits can be reduced by few days without it being a handicap either to project or the prospective supplier.
In case of the recent Material Management Departmental review meetings when all the officers were present, it has been noted that conversion of indents into orders is still taking considerably long time. After detailed discussions, the following time frames have been agreed for various activities in case of limited tender equiries :

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Nature of work</th>
<th>Time schedules to be adhered to</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Indigenous</td>
</tr>
<tr>
<td>1</td>
<td>Obtaining approval for issue of enquiry from the date of receipt of clear indent.</td>
<td>1 week</td>
</tr>
<tr>
<td>2</td>
<td>Issue of enquiry from the date of approval</td>
<td>1 week</td>
</tr>
<tr>
<td>3</td>
<td>Time to be allowed for receipt of offers : I. Revenue items II. Capital items</td>
<td>4 weeks</td>
</tr>
<tr>
<td>4</td>
<td>Preparation of provisional CST &amp; issue of letters for commercial clarifications, if any.</td>
<td>1 week</td>
</tr>
<tr>
<td>5</td>
<td>Receipt of commercial clarifications.</td>
<td>2 weeks</td>
</tr>
<tr>
<td>6</td>
<td>Receipt of technical appraisal from the project/ Production/Engineering Deptts.</td>
<td>2 weeks</td>
</tr>
<tr>
<td>7</td>
<td>Receipt of technical clarifications based on technical appraisal.</td>
<td>2 weeks</td>
</tr>
<tr>
<td>8</td>
<td>Preparation of final commercial CST and verification by Finance</td>
<td>1-1/2 weeks</td>
</tr>
<tr>
<td>9</td>
<td>Holding TSC meeting &amp; preparation of the minutes</td>
<td>1-1/2 weeks</td>
</tr>
</tbody>
</table>

As per the above schedule, conversion time for indent into orders for indigenous items will be 16 - 18 weeks and for imported items 20 - 22 weeks.
While forwarding the files to Production / Engineering Deptts / Projects, probable date of TSC meeting should be mentioned as per the above schedule, so that technical appraisal are received and clarifications, if any are obtained well in time for the TSC meeting.

While forwarding the above time frames are the outer limits whenever correspondence is sent to parties by post, the cases where correspondence is made on fax / speed post / courier the time frame has to be suitably reduced.

The conversion time for proprietary and single tender indents has to be as minimum as possible as every correspondence can be made on the fastest communication channel i.e. fax / telex / speed post etc. and follow up if any, on telephone / fax etc.

(K V V Sastry)
Sr. General Manager (Mat.)

To
All Purchase officers at HO DYGM (Mat.) HO

Copy to :
1. G M (Fin) HO
2. G M (Engg) HO
3. Dy G M (PC) HO
4. Heads of Projects
5. Heads of Projects M M Wings
4.3.17 Tender Cost: The cost of tender should be so fixed that it should cover some of the expenses and incidental charges incurred in connection with the preparation of the tender. In case of open/global tender, the cost of tender document should be US$ 100 or Rs 5000 including postage cost. The tender documents should be sent by speed post/courier.

4.3.18 The instructions to tenderers for submission of their tenders should be clear and comprehensive. The tenderers should also be required to specify the period of Performance Guarantee of the equipment/materials etc. in the quotation.

4.3.19 Tender sets against open/Global tenders will be sold till the last date & time fixed for receipt of tenders. The unsold tender sets should be return to the office of the issue of the tender sets. The time and date of opening of the tender should be clearly mentioned in the tender forms.

4.3.20 The tenders should be asked to sign only by the constituted attorney of the supplier. Any correction/overwriting or erasing should be authenticated by the authorised persons by signing the tenders.

4.3.21 Rates quoted should be both in figures and words.

4.3.22 A tender box duly locked should be earmarked for receipt of tenders and kept at prominent place with words "TENDER BOX" boldly written.

4.3.23 The tender box key will be under the custody of the Senior officers not less than Dy Manager rank or as nominated by Head of Deptt.

4.3.24 The following system will be followed for opening of tenders/quotations:

a) The tender box should be kept near the main entrance of MM Department so that the tenders can be dropped directly by the tenderers in the tender box.

b) No staff member of MM wing should receive the tender in person from tenderers.

c) Tenders received by post/courier may also be dropped unopened in the tender box by the concerned person receiving the dak after initialling and indicating date of receipt.

d) Tender Box should be opened at least two days in a week by the deputed officer in association with Finance representative for tender opening.

e) All the tenders found in the Tender Box on opening should be recorded in a tender register against respective tender enquiries by officer who is opening tender box. The unopened tenders should be put back in the Tender Box till its opening date.
Only the tenders due for opening should be opened on that day and entered in the tender opening sheet and handed over to the concerned official on the same day for further processing (Annexure 4-IV). While issuing the tender enquiry, the tender opening date is fixed in such a way that it falls on the tender opening day.

f) More than one officers should be nominated by Head (Materials) to open tenders in rotation on prefixed days of a week for a fixed period. In case the officer is on leave on tender opening day, the next officer should open the tender box. In case the opening day is a holiday, the tenders should be opened on the next working day.

g) The Tender Register /tender opening books will be kept with the nominated officer.

h) While issuing the tender enquiries, the tender opening date is fixed in such a way that it falls on prefixed days of the week.

i) Tenders opened before due date due to non-indication of due date on cover, would be initialled by the concerned officer and resealed in another cover along with original cover and sealed after indicating the due date on the new cover, and put in the tender box.

4.3.25 Only sealed tenders in triplicate should be invited with instructions to the tenderer to superscribe the cover with Tender No. and due date. The tenders received should be entered in the tender register against the enquiry issued indicating the date of receipt. The register would indicate the names of firms who purchased tender documents or those invited to participate, in case of limited enquiries. Only original copy of the tender would be considered as authentic tender. One copy will be sent to technical evaluation before meeting the TSC. The format of tender issue register is as per annexure 4-III.

4.3.26 Generally, all open tenders and global tenders should be opened only in public on the due date & time notified i.e. in the presence of the authorised representatives of the tenderers who may choose to be present.

In case of limited tenders, whose estimated value is Rs 10 lakhs and above in case of corporate office and Rs 5 lakhs and above in case of projects can also be opened in presence of the authorised representatives of the tenderers.

4.3.27 The tender opening officer should check up the bonafides of the representatives of the firms to satisfy himself that they are the authorised representatives of the quoting tenderers.
4.3.28 In case of two bid system where the tenderer representatives needs to be present to witness the opening of tenders, in the first instance, they will witness the tender opening of the technical and commercial bids. After techno-commercial evaluation, the price bid of the technically acceptable offers can also be witnessed by the representatives of the technically acceptable tenderers. For this purpose, at least a week advance notice should be given.

4.3.29 The officers opening the tenders will readout the following particulars only from each tenders opened by them for the information of the representative attending the opening.

1. Tender No & Name of the tenderer
2. Articles / nominclature of the stores
3. Quantity offered in the tender
4. Unit price, whether Excise duty, statutory duties sales tax extra or not
5. Whether any rebate/discount offered. If so, quantum & conditions if any.
6. Delivery period offered.
7. Terms of delivery.
8. Any other special conditions, packing charges, deviations from standard condition etc.

4.3.30 The date and time fixed for opening of tenders should be strictly adhered to, unless in exceptional cases where the response is extremely poor i.e. minimum offers or 50% response is not there, suitable extension in due date may be considered. In all such cases purchase officer should report to the Head (Materials) for permission to extend the date and time of tender opening with full details of number of tender documents sold, tenders received and other relevant facts pertaining to the tender justifying the extension. Head (Materials) will decide whether the date and time be extended or not.

4.3.31 In all cases where date and time of the tender has been extended due to unavoidable circumstances, the tenderers who responded should be intimated in writing and in the case of open tender such extension should be notified in the press also. As far as possible, the extension of date and time should be intimated in advance so as to avoid inconvenience to the representatives of the firms who may have to come from far away places to attend the tender opening.

4.3.32 The Officer competent to accept the tenders (or his nominee) should open the tenders along with Finance representative in the presence of tenderers or their authorised agents who may choose to be present at that time in case of all types of tenders as specified in 4.3.26 above.
While opening the tenders each tender should be numbered serially, initialed and dated on the first page. Each page of the tender should also be initialed with date and particularly, the prices, important terms & conditions etc., should be encircled and initialed in red ink by the tender opening committee. Alterations in tenders, if any, made by the firms, should be initialed legibly to make it perfectly clear that such alterations were present on the tenders at the time of opening. Wherever any erasing or cutting is observed, the substituted words should be encircled and initialed and the fact that such erasing/cutting on the original entry was present on the tender at the time of opening be also recorded.

Further, in case of 'Two bid' system, all envelopes containing the price bids should be signed by the tender opening committee and two trade representatives. Thereafter, all the envelopes should be put in a bigger envelope and the same should be properly sealed duly signed by the tender opening committee and trade representatives.

Revised price bids received if any subsequently should be kept separately in another envelope.

4.3.33 Late and Delayed tender

Tenders or modifications to tenders received after the specified time of opening are treated as "Late tender". Late tenders shall not be considered and rejected outright.

Tenders and modifications to tenders received before the time of opening but after the due date and time for receipt of tenders are considered as "Delayed tender". Normally the Delayed tenders also shall not be considered. However, in exceptional circumstances where the Procurement Officer feels that the response through other tenders received in time is not adequate, or competitive and it is established beyond doubt that the delayed tender is bona fide in the sense that no undue advantage would accrue to the tenderer through such consideration, the Delayed tenders can be accepted with the approval of the competent authority.

In two-bid system techno-commercial offers received after the date and time for its receipt and opening will be considered as Delayed or Late tender as the case may be.

Tenders received without superscription of tender enquiry No. and due date, will naturally be opened in normal course. Such tenders and offers received in open will be filed after endorsing on the face of the quotation that „Received in open condition“ and brought to the notice of HOD or approving authority. Decision will be taken on case to case basis.
Where the no. of in-time offers are less than three or 50% of tender enquiries issued whichever is lower against limited/open tender, the offers shall not be normally opened in view of poor response and put up to competent authority for approval. Regarding extension of bid due date, a reasonable time of minimum of 10 days is to be given. However for low value items the available offers may be opened and processed.

In case of single tender enquiry on OEM/OES party or on the basis of Proprietary Article Certificate/ any other grounds, fax offers, open offers or offers without superscription received in time or after due date shall not attract the above formalities and will be opened and considered but a confirmatory offer may be asked for. But the case should not be got delayed due to non receipt of confirmatory offer.

Competent authority/ Approving authority in respect of matters incidental to Purchase of stores, powers have been delegated to the officers at different levels in NMDC. The officers so empowered are defined as Competent authority/Approving authority.

4.3.34 The officer opening the tender should keep a note of the total number of tenders opened by him in tender opening register and Purchase Officer would verify this with the tender opening sheet.

4.3.35 **Receipt and custody of bulky tenders**

Bulky tenders which cannot be dropped in the tender box can be accepted by an officer authorised by Head of Purchase Department. While taking deliveries of such bulky tenders, the officer who receives the tenders will sign on the cover duly indicating the date & time of receiving the tender. The necessary records are to be maintained in the tender receipt/issue register. Such bulky tenders are to be kept in a separate room under lock & key.

4.3.36 **Return of tender document**

In case where the firm requests for return of tender documents before the date of tender opening, in the event of tender opening being extended, there may be no objection in returning the tender documents to the concerned firms as the documents may accompany EMD. The tender documents may be returned with the approval of Competent authority.

4.3.37 **EMD** : Tenders would be required to deposit EMD in the form of DD or BG from any nationalised bank in India.

4.3.38 **EMD exemption and Slabs**

a. Tenders on proprietary basis need not required to submit EMD.
b. For spare parts and other small value purchase upto Rs 5 lakhs, EMD may not be insisted.

c. SSI units and Govt. Depts/Undertakings need not submit EMD. SSI units & DGS&D registered firms are required to submit the valid documentary evidence to the effect from the concerned authorities for the items quoted by them.

d. Manufacturers of steel, cement and POL items need not submit EMD.

e. In case of high value consumable items such as conveyor belts, OTR tyres, RR bits, explosives, the tenderers are required to submit EMD at the rate of 1 % of their offer subject to a maximum of Rs. 5 lakhs where single bid system is followed.

f. For procurement of capital items, valuing more than Rs 10 lakhs, either in 2 bid or single bid system covered under limited/open tenders, the EMD is to be submitted as per following slabs.

<table>
<thead>
<tr>
<th>Description</th>
<th>EMD Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Indent Value between Rs 10 lakhs to Rs 50 lakhs</td>
<td>Rs.25,000</td>
</tr>
<tr>
<td>ii) Indent value between Rs 50 lakhs to Rs 100 lakhs</td>
<td>Rs.75,000</td>
</tr>
<tr>
<td>iii) Indent value between Rs 100 lakhs to Rs 500 lakhs</td>
<td>Rs.2,00,000</td>
</tr>
<tr>
<td>iv) Indent value above Rs 500 lakhs</td>
<td>Rs.5,00,000</td>
</tr>
</tbody>
</table>

g. Any new source even though covered under exemption category is required to submit EMD excluding Govt dept/Undertaking and SSI unit.

h. No interest will be paid on EMD amount and would be refunded to the unsuccessful tenderers after placement of the order. However, in case of successful tenderer EMD will be returned after receipt of security deposit wherever applicable.

In case the tender is issued with stipulation of EMD, normally tenderer is required to submit EMD, alongwith their offer for consideration of their bid, unless & otherwise exception has been permitted in accordance with Govt guidelines. The tenders received without EMD are to be rejected.

4.4.0 ORDER PROCESSING

4.4.1 Comparative Statement: After the tenders have been received and
opened, a comparative statement should be prepared and all relevant points appearing in the tenders should be recorded. Offers of alternative stores should also be included clearly indicating that the offers are alternative. When the comparative statement of tenders is completed as above, the person preparing the comparative statement and the officer dealing with the tenders should sign the statement for its correctness after verifying.

4.4.2 Comparative statement (CS) should be clear and contain relevant information only. The CS shall also indicate rates on common basis for easy comparison and properly ranked based on the FOR destination cost. While reflecting the pattern cost (wherever applicable) in the CS, taxes and duties should not be added but the pattern charges should be shown separately in the CS.
For indigenous items

Preparation of comparative statement for indigenous items:

The preparation of comparative statement should be standardised and following factors to be used for loading as mentioned below.

1) Packing & forwarding charges - 2%
2) Freight - 2% upto 1000 Kms & 3% beyond 1000 Kms
3) Insurance - 0.15%

Computation procedure

a) Basic price
b) Packing & forwarding charges on basic price
c) Excise duty on basic and packing & forwarding charges
d) Sales tax on basic, packing & forwarding & excise duty
e) Freight on basic + packing & forwarding
f) Insurance on basic + packing & forwarding + excise duty + Sales tax + freight.

The above loading is to be adopted wherever specifically tenderers have not specified (Annexure 4-V(a))

For Imported items

a) Basic price
b) FOB price (including inland transport, permission of Statutory authority etc)
c) CIF price (FOB price + freight + insurance)
d) Custom duty at the applicable rate on 101% of CIF value
e) Assessable value = FOB value + freight + insurance + 1% of the CIF price
f) Destination cost = CIF + custom duty + 5% of CIF value towards incidental charges (Annexure 4-V(b))

4.4.3 Comparative Statement (C S) for foreign offers shall indicate inter alia rates in equivalent rupee, rate of customs duty, C.V. duty, freight, insurance and Indian Agent's Commission and exchange rate, as applicable on the date of tender opening of the price bids.

4.4.4 Security Deposit: Successful tenderers should deposit security deposit to paying officer @ 5% of the order value by way of DD within 30 days of acceptance of tenders towards satisfactory performance of the contract. In case the material is supplied and accepted within 30 days of acceptance of tender the security deposit may not be insisted. In case the supplier does not submit the SD as per the terms of the order and negotiate the documents for payment, their payment can be released provisionally after
deducting SD amount wherever possible as per the order. However, the SD amount so deducted can be repaid to the firm after receipt and acceptance of the materials and after passage of scheduled delivery period thereafter. This would bear no interest and would be refunded on satisfactory completion of the contract. Bank guarantee valid for delivery period plus 3 months would also be acceptable as security deposit as alternative to payment through DD. The security deposit may not be insisted against orders for supply of spare parts.

For the following cases, the security deposit may not be insisted

i) Firm of proprietary in nature

ii) Firms registered with SSI units and with DGS&D and Govt Deptts/Undertakings(with specific approval of competent authority)

iii) Manufacturers of steel, cement and POL items.

iv) Spares parts/stores material purchased against depot agreements/rate contracts concluded by NMDC.

v) Purchases below Rs 10 lakhs for corporate office and Rs 5 lakhs for projects.

The SD Clause is essentially required for high value purchases & capital equipment for timely supply.

In case the tenderer do not agree to submit SD as stipulated in the tender conditions, their offer is required to be rejected, except for the tenderers, who have got exemption for submitting the SD as per Govt guidelines.

**4.4.5 PAYMENT**

As per latest guidelines available from CVC, no advance payment terms are acceptable. Hence, a specific clause in payment terms, stating that "no advance payment terms are acceptable", is required to be indicated in NIT. The mobilisation advance should not be paid to the contractor. However, for selected works/contracts, mobilisation advance may be considered. The specific approval of competent authority is to be obtained before acceptance of such mobilisation advance and equal opportunity is to be given to all tenderers. Such advance shall invariably be interest bearing supported by bank guarantee.

The other payment terms are recommended as follows:

i) 90% payment alongwith full taxes and duties is payable against despatch documents through bank.
ii) Balance 10% payment is payable in two parts

a) First installment of 5% payment is payable after satisfactory erection and commissioning supported by bank guarantee of 10% value of order towards satisfactory performance valid for warranty period plus three months. This bank guarantee is required to be drawn from any nationalised bank in India in the standard format of NMDC.

b) Second installment of 5% payment is payable after successful completion of PG test wherever applicable. The PG test is to be carried out within 3 months of commissioning.

c) In such cases, where erection/commissioning/PG test is not envisaged, balance 10% payment is payable supported by bank guarantee for equivalent value valid for warranty period plus three months after receipt and acceptance of the materials.

In case, the tenderers quote different payment terms for balance 10% payment, other than stipulated in the tender conditions, their offer will be liable for rejection.

4.4.6 DELIVERY PERIOD

As per the tender enquiry conditions, the stores are required to be delivered (shipped) within an acceptable range of three months specified in the schedule of requirements. No credit will be given to earlier deliveries and offers with delivery beyond this range will be treated as unresponsive. Within this acceptable range, for evaluation, an adjustment per month at 2% will be added to the quoted price of tenders offering deliveries later than the earliest delivery period specified in the schedule of requirement.

For urgent indents no relaxation is to be allowed.

For such indents, the offers which are not meeting the required delivery period may be treated as unresponsive offers.

4.4.7 PENALTY

In the event of placement of an order, should the contractor fail to deliver the stores in full or part thereof within the delivery date including extended time if any, the Corporation shall reserves the right to levy penalty to the contractor at 0.5% of the price of the undelivered stores for each week or part thereof but not exceeding 5% of the value of such materials. The project reserves the right to cancel the order to make alternative purchase of the materials of similar description from elsewhere at his risk and cost duly giving an advance notice of 15 days to this effect and in such an event the seller will be liable to pay any losses that may be incurred by the buyer.
However in case of capital items, the penalty amount should be calculated on the total equipment value.

4.4.8 **FORCE MAJEURE CONDITIONS**

If at any time during the continuance of the A.T, the performance in whole or in part by either party or any obligation under this AT is prevented or delayed by reason of any war, hostility, acts of public enmity, civil commotion, sabotage, fires, floods explosions, epidemics, quarantine restrictions or other acts of God, provided notice of the occurrence if any such event is given by either party to the other within TWENTY ONE DAYS from the date of occurrence thereof, neither party shall by reason of such event be entitled to terminate this AT., and neither party shall have claim for damage against the performance and deliveries in such cases shall be resumed as soon as practicable after such an event has come to an end or has ceased to exist.

4.4.9 **WARRANTY TERMS**

A) **Other than Capital items**

Warranty covers the materials for a period of 18 months from the date of despatch or 12 months from the date of commissioning whichever occurs early against the manufacturing defects, faulty materials and workmanship.

B) **Capital items**

24 months from the date of commissioning of the equipment or 30 months from the date of despatch whichever is earlier. Variation in standard warranty terms will attract proportionate loading on price to a maximum of 5% of the basic cost of the equipment. The above warranty should be comprehensive and cover all bought out items that go into manufacture of the equipment. Warranty quoted below 12 months from date of commissioning or 18 months from date of despatch will be rejected.

4.4.10 **Performance Guarantee**: A suitable performance guarantee @ 10% of contract value would be insisted upon for procurement of capital equipment and important items like conveyor belts, drill bits, OTR tyres etc. This would be in the form of bank guarantee towards proper performance of the stores and equipment which should be valid for 3 months after the warranty period.

**FOR MOBILE (HEM) EQUIPMENT**:

The equipment should be guaranteed for minimum average availability of 85% during warranty period. The tenderers should be asked to furnish a bank guarantee in NMDC format for 10% value of the equipment valid for
24 months plus three months in support thereof. In the event of machine, not being able to achieve the average availability of 85% during this period, the supplier is required to arrange to repair or replace to ensure that the equipment is in operation for the originally guaranteed period at their cost. In the event of any shortfall in minimum average guaranteed availability (to be minimum 85%), the supplier is liable for penalty @ 1% of the equipment value for every drop of 1% of performance from the guaranteed availability, subject to a maximum of 10%. For shortfall in performance beyond 10% as stipulated in tender/PG conditions, the equipment shall be liable for rejection.

However, in the event of equipment not being able to achieve the average availability of 85% during guarantee period after carrying out the modifications, within three months, the average availability is to be calculated for 24 months after deducting availability of the three months period for repairs/modifications.

Percentage availability = \((Pr - Br) - H\ Pr \times 100\)

\(Pr = \) Production shift hours (-) Schedule maintenance hours.
\(Br = \) Break down hours

In case the supplier offers performance guarantee for a period less than the specified warranty period, their offer will be proportionately loaded, subject to a maximum of 5% of basic cost of the equipment. The offers with performance guarantee below 12 months will be rejected.

FOR PLANT EQUIPMENT

The performance guarantee will be in two parts

PART-I

The mechanical performance of the equipment should meet the values of guaranteed parameters as specified in tender for PG test to be carried out. In the event of equipment not meeting the guaranteed parameters the Corporation will levy penalty @ 1% of the equipment for every 1% fall in the performance or part thereof subject to maximum 5% value of the equipment. Shortfall in performance beyond 5% as stipulated in tender/PG conditions the equipment shall be liable for rejection.

PART-II

The equipment availability should be guaranteed for a minimum of 95% during the warranty period of 24 months. For every 1% drop in the availability 1% value of equipment will be levied as penalty. The
equipment having shortfall in availability beyond 5% shall be liable for rejection.

The calculation of availability shall be done as below:
Performance Availability = \((Pr-Br) \times \frac{100}{Pr}\)

**WHERE**

Pr = Production Shift Hours (\(\cdot\)) Schedule maintenance hours.

Br = Breakdown Hours.

However, in the event of equipment not being able to achieve the average availability of 95% during warranty period, the supplier shall have the option to carry out modification for bringing the availability to the desired level within 3 months. The average availability is to be calculated for 24 months after deducting availability of the 3 months period of repairs/modifications.

In case the supplier offers performance guarantee for a period less than the specified warranty period, their offer will be proportionately loaded subject to a maximum of 5% of basic cost of the equipment.

The offer with performance guarantee below 1 2 months will be rejected.

In case of Proprietary/Single tender/only single acceptable tender, the stipulation of loading on technical/commercial points does not arise.

Following guidelines are to be followed both for security deposit and for performance guarantee.

i) Performance guarantee/SD in the form of DD or Bank guarantee from nationalised bank in India is to be insisted. In case of overseas suppliers who do not agree to submit bank guarantee from any nationalised bank in India, bank guarantee in such case from overseas bank having a branch in India may be accepted after approval of competent authority.

ii) BG format has been standardised after vetting by the Law Deptt at corporate level. The standardised format is required to be followed. In case of any bank does not agree some of the clauses standardised by NMDC Law Deptt., corporate level or Head Office is to be contacted for acceptance of any changes.

iii) Performance guarantee/SD in the form of BG is to be monitored by the consignee/paying officers for seeking timely extensions after
consultation of user department with the approval of competent authority wherever required. Performance guarantee/ SD is required to be returned promptly after completion of supply. BG's will be in the custody of Finance, who will forward a monthly statement to the Materials department who in consultation with user dept will take advance action for extension/ encashment/ return of BG after approval of competent authority.

iv) The specimen form of the standard performance guarantee, security deposit, advance payment and EMD are Enclosed as Annexures 4-VI(a)(b)(c)(d).

The BG should be valid for the delivery period plus three months in case of security deposit and for performance guarantee, it should be valid for warranty period plus 3 months. The BG will be returned by MM Deptt once the supply is made and accepted in case of SD. However, if there is any discrepancy in supply, the BG can be returned after consulting the user deptt. In case of performance BG, the same can be returned after fulfilling the contractual terms after consulting the user deptt.

**4.4.11 ARBITRATION [4]**

1) Indigenous Supplies

**Arbitration other than Govt. Departments/ Public Undertakings**

All disputes of an incidental nature and related to interpretation of any terms herein or any contractual terms of the same shall be referred to an arbitrator to be appointed by Chairman of the Corporation. The provisions of Indian Arbitration & Conciliation Act 1996 and the amendments thereto as well as rules made hereunder for the time before enforce, shall apply to all such arbitration proceedings. The award of the Arbitrator shall be conclusive and binding on both the parties. Any question of dispute as to whether or not particular point or matter falls within the arbitration clause herein shall absolve liable to be adjudged upon herein provided.

**Government Departments/ Public Sector Undertakings**

In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party to the Arbitration of one of the Arbitrators in the Department of Public Enterprises to be nominated by the Secretary.

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to the Government of India in-charge of the Bureau of Public Enterprises. The Arbitration & Conciliation Act 1996 shall not be applicable to the arbitration under this clause. The award of the arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision if the award to the Law Secretary, Government of India. Upon such reference the dispute shall be decided by the Law Secretary / Additional Secretary when so authorised by the Law Secretary whose decision shall bind the parties finally and conclusively. The parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.

2) Overseas firms

In the event of any dispute of difference arising between the firms hereto as to the construction or execution of the contract or the respective rights and liabilities of the parties, such disputes or differences shall except or otherwise expressly provided for herein be referred to the arbitration of two arbitrators, one to be appointed by each party or in the case of the said arbitrators not agreeing to, an Umpire to be appointed by arbitrators in writing before entering on the reference and provisions of the Indian Arbitration & Conciliation Act 1940 or any statutory modifications or enactments thereof and rules framed thereunder from time to time shall apply to such arbitration. If the two arbitrators do not agree on the appointment of the Umpire, the umpire shall be nominated by the international chamber of commerce, Paris. The decision of the arbitrators or in the case of their agreeing that of the said umpire shall be binding both on the seller and the Corporation.

4.4.12 JURISDICTION

All disputes or differences arising out of or in connection with the Tender / Order shall be subject to the exclusive jurisdiction of the place from where the Tender/ Order is released.

4.4.13 TRANSIT INSURANCE/ INSURANCE POLICY [5]


(Click here for Details)
4.4.14 **FOR DESTINATION CASES:**

The supplier should insure the goods at his cost for all transit risks. Failure to do so will make the supplier responsible for making good any loss or damages. In case where contracts are finalised on Ex-works basis, the firms should be asked to despatch the consignments only through any of our approved transporters covering transit risks under our open inland transit policy. The supplier is required to give the intimation immediately on despatch of materials giving the details like LR No., Invoice No., the name of the transporter and truck/trailer No. However, in exceptional cases where the supplier agrees to supply the material on FOR destination basis bearing only the freight elements, the insurance coverage is required to be covered by the consignee.

4.4.15 **Open Policy for transit risks:** Projects would take open insurance transit risk policy for covering inland transit risks from suppliers godown to NMDC stores for covering all risks of incoming & outgoing consignments which are not covered by the suppliers and which are decided to be covered.

4.4.16 The declaration of consignments to be actually covered by such open policy, would be made by the concerned Projects consignee on monthly basis to the Insurance Company and premium would be payable based on such declarations.

4.4.17 The nature of materials which are to be covered by such insurance would be decided by the concerned Projects and quotations called for deciding the insurance company for taking open policy by Projects.

4.4.18 Claims against such open policy should be made and pursued by the Project directly with the insurance company till settled.

4.4.19 Marine transit insurance coverage is to be taken by MM Dept., at corporate office on annual basis.

4.5.0 **TENDER SCRUTINY COMMITTEE**

4.5.1 Where for consideration of the offers received, discussions among the departments concerned is felt necessary for prompt appropriate decision, TSC may be formulated with the approval of the competent authority.

TSC meetings for proprietary items/single tender offers:

Normally, no TSC meeting is required in case of proprietary items / single offer items irrespective of value where the last purchase rate is available and the present offer is comparable.
In case wherever previous purchase price is not available or where there is no evidence to confirm the reasonability of the quoted price, such cases are to be examined by the TSC. In such cases, MM Deptt will compare with the estimates and the tenderer may be asked to submit their revised reduced price, before the TSC meeting is held.

4.5.2 MM Deptt will put up the TSC recommendations and purchase proposal in the prescribed format as per annexure 4-VII for financial concurrence and approval by the competent authority. In case the offer is called in two bid systems and the minutes of the TSC meeting is on technical and commercial points only, the TSC recommendations are required to be got approved by the competent authority after financial concurrence.

4.5.3 However, in case purchase proposal valuing Rs 5 lakhs or less for corporate office and Rs 2 lakhs and less for projects, no TSC is needed. However, approval in such cases can be accorded by the competent authority with the financial concurrence as per delegation of powers. However in such cases, the proposals should be on technically acceptable lowest offer basis.

4.5.4 For purchase proposals upto Rs 10,000 value no financial concurrence is required, provided the proposal is made on technically acceptable lowest offer basis. MM Deptt will ensure the correctness of the price, quality, specifications, etc.

4.5.5 After tenders are opened every effort should be made to finalise the case within available validities. Shortest validity would be prominently displayed on file. Validity extension would be sought well in time in case available validity is not sufficient to finalise the case. The validity of EMD, if any, submitted alongwith the offer is also to be got extended before finalising the case.

4.5.6 Normally, the lowest tenders should be accepted provided the lowest offer is for the stores in accordance with the specifications given by the indenting department. The term “lowest tender” for this purpose will, therefore, mean the lowest technically acceptable tender.

For example, it may be said that a tender for material which differs considerably from the required specifications or a tender which does not confirm to the conditions of supply or is illegible or ambiguous etc. will not be considered as an acceptable tender. However, a tender should not be rejected as unacceptable without substantial grounds.

4.5.7 In such cases, the officer/Tender Scrutiny Committee deciding the tenders will record the reasons for the rejection of the tenders. All the rest will be deemed as acceptable tenders. The lowest tender giving prescribed specifications should not be rejected merely because a higher tenderer has offered to supply the materials of higher quality / specifications. However, if the higher quality/specifications offer is received with the lowest price, the same can be accepted without referring to the other
tenderers who have quoted as per tender specifications.

4.5.8 T.S.C. Constitution: Tender Scrutiny Committee would be constituted by the competent authority immediately after tenders have been called, but before the same are opened for quick processing of tenders against respective cases.

No TSC is required for proposals upto Rs 2 lakhs in respect of projects and Rs 5 lakhs in case of HO provided the recommendations are made on lowest offer and rates are reasonable. In such cases there should be at least 3 offers available. However, in exceptional cases with the approval of competent authority the case can be decided with two offers. This does not apply for purchase of capital equipments/items.

The constitution of TSC - At corporate level, the officers of the following levels are to be nominated as TSC members.

Upto Rs 10 lakhs - E1/E2 scale of MM & Finance Deptts. Technical members are to be nominated by Head (Prod)/(Plg & Engg) Deptts.

Rs 10 lakhs to Rs 40 lakhs - E3/E4/E5 of MM & Finance Deptts. Technical members to be nominated by the concerned Director. The TSC nominations from Rs 25 to Rs 40 lakhs has to be approved by the concerned Directors.

Beyond Rs 40 lakhs - E3/E4/E5/E6 of MM Deptt & Finance Deptts. Technical members are to be nominated by the concerned Director approved by CMD.

However GM (Fin) will nominate finance representative upto the delegated power of Director and Director (Fin) will nominate finance representative beyond the delegated power of Director.

As per discretions of the competent authority, project representatives or other members may be nominated on case to case basis.

In case of projects, following TSC nominations may be made.

Upto Rs 5 lakhs - E1/E2 of MM & Finance and Technical Deptt member will be nominated by respective HOD's.

Beyond Rs 5 lakhs - E3/E4/E5/E6 of MM & Finance and Technical Member will be nominated by Head (project)

TSC nominations will be obtained as per the delegated powers.

4.5.9 While purchasing capital equipment/machinery special care should be exercised regarding selection of initial spares to be ordered with the
equipment. Performance/warranty guarantee should be clearly brought out in the order.

The minutes of TSC meeting should be finalised and agreed on the same date of the meeting by all the members as far as possible.

4.5.10 The TSC recommendations should be submitted to the competent authority immediately after concurrence and approval or otherwise sought at the earliest.

4.5.11 TSC Guide Lines : After opening of the tenders, the MM Deptt will prepare the provisional comparative statement and obtain the commercial clarifications wherever required. User Deptt / Technical Deptt will prepare the technical comparative statement and make the technical appraisal. Based on the technical appraisal, MM Deptt will call the technical clarifications. After receipt of the technical clarifications, the original offer along with the technical clarifications, is required to be referred to user/technical deptt for giving the final technical appraisal. In case of commercial points, the final commercial comparative statement is to be prepared and got checked in Finance before TSC meeting is held. No individual member of the TSC or any individual/official would indulge in direct discussions/negotiations with the tenderers. In the event of inevitable absence of one or more committee members, like on medical grounds/ tour etc., nominee from the department of similar status can be associated in the meeting. However, this point also be brought in the minutes of the meeting. Normally, fresh nominations of TSC members requires approval of competent authority.

4.5.12 Indigenous suppliers of equipments should also be requested to hold spare parts bank at their end for lifting by users as and when required.

The purchase order should also provide clause for advance intimation for making “life time” requirement (spares) purchases in case of manufacturer going out of market.

4.5.13 Approval to purchase shall be sought from the competent authority as per delegation to various officers of the Corporation (Annexure 4- VIII (a), (b), (c) & (d).

4.5.13A Delegation of Powers Amended [17]

4.5.14 All purchase proposals falling beyond a specified value or at the discretion of competent authority shall be finalised on the basis of recommendations of a duly constituted Tender Scrutiny Committee and duly approved by the competent authority as per delegation of powers.


(Click here for DoP Details regarding Purchase of Materials)  Back to index
4.5.15 Tender Scrutiny Committee shall necessarily consist of officers from Materials Management, Finance and User Departments at appropriate levels to be decided by the competent authority for approving the purchase. The TSC can however include other members also as coopted members depending upon the case.

4.5.16 On receipt of the approval, the draft purchase order will be prepared by concerned dealing officer in MM Deptt and items are to be verified by the Section Head. However no financial concurrence is required for the draft order and order is to be released directly by MM Deptt. MM Deptt will take the full responsibility to incorporate all the terms and conditions as per the offer and approval subsequently. However technical specifications of the order are to be verified by technical department before order is released.

4.5.17 SIGNING OF P.O.S.

Corporate Level : Upto Rs 20 lakhs to be signed by Dealing officer and section head.

Beyond Rs 20 lakhs section head and HOD

Project level : Upto Rs 5 lakhs to be signed by dealing Officer and section head.

Beyond Rs 5 lakhs section head and HOD

Before release of purchase order and amendments, the same has to be reviewed for adequacy and approved by competent authority. Immediately after the approval of the purchase proposal, concerned purchase officer is required to issue LOI by fax/ telex / E mail / Regd letters within the validity of the offers.

4.5.18 All purchase order should be sent in duplicate under Registered Post with A/D so as to reach supplier within the validity period. Postal acknowledgement would be kept in file. Purchase Order register will be as per (Annexure 4-IX) Head Office, (4-X) for concerned Projects. Supplier would acknowledge the Purchase order on the duplicate copy and return the same for record and confirm his acceptance of the conditions laid down in the purchase order.

4.5.19 Telegraphic/telex/fax/email acceptances may be given when validities are short to make the commitment within the validity and followed by a detailed order.

4.5.20 Purchase Order copies shall be distributed to all agencies concerned wherever applicable.
In case of imports, copy of the order shall be endorsed to Ministry of Transport and Shipping, New Delhi also.

4.5.21 NEGOIATIONS

Ministry's circular on the subject including negotiations as issued from time to time would also be referred.

Presently, post tender negotiations are banned except in the case of negotiations with L1, i.e. lowest technically acceptable tenderer.

Negotiations would be held only by a duly approved TSC consisting of Technical Department (User) Materials Management and Finance representatives of appropriate level. „No individual would carry out any negotiations with the suppliers”.

However, the Govt policy for purchase preference for PSUs and price preference to small scale industries issued from time to time are to be implemented.

4.5.22 DISTRIBUTION OF ORDER QUANTITY AMONG TECHNICALLY ACCEPTABLE TENDERERS

Many a times, it has been noted that some of the high value consumable items, such as TCRR bits, Conveyor Belts, OTR tyres, etc. are required in bulk quantity. Normally, full quantity is required to be on L-1 tenderer alone. However, keeping in view that in case L-1 tenderer, fails to supply the material in time, there may be huge loss of production and subsequent losses (sufficient reasons to be recorded) and to avoid such eventuality, the order can be distributed between L-1 and L-2.

The L-1 tenderer can be ordered 70% of the tendered quantity, being originally lowest and balance 30% quantity can be ordered on L-2 tenderer. Once it has been decided to distribute the order between L-1 and L-2 tenderer, L-2 tenderer may be asked to match the price of L1 to avoid any additional expenditure for placement of order on L-2 tenderer. In case, L-2 tenderer does not agree to match the L-1 price, L3 tenderer can be asked to match the price of L1 and so on.

While issue of such tenders, a specific point as indicated below is to be recorded for transparency.

"Item No. ______ in the tender enquiry is likely to be distributed among the tenderers. The lowest tender will be offered 70% of the tendered quantity and balance 30% will be offered to next lowest tenderer, subject to matching of the lowest tenderer price on destination cost basis."
However, while placing the order, Govt. Circular regarding price/purchase preference are to be taken care of and negotiations can be held as per the guidelines issued from time to time.

4.5.23 CAPITAL EQUIPMENT PURCHASE:

The tenders for capital equipments would be invited under „two bid“ system with the approval of the competent authority, where the tenderers would submit their bids in two parts in separate sealed covers. The first bid will be technical cum commercial bid giving all technical and commercial parameters of their offer including the EMD with price column blank and second bid will be that of price.

Initially only technical bids, would be opened in presence of representatives of quoting firms” who wish to witness tender opening.

4.5.24 TENDER EVALUATION (Amendment)[6] - Annexure 4-XIX

4.5.25 The recommendations of the TSC will be put up to the concerned Director or CMD through GM (F)/Director (Finance) for approval. In case of projects, the TSC recommendations should be put up to Head project through Head Finance.

4.5.26 After receiving approval/sanction from competent authority, the letters of intent is issued prior to the issue of orders for intimating the tenderers of the acceptance of their offer and should be followed by a regular purchase order in proper form with detailed terms and conditions.

4.5.27 The dealing officer/TSC should ensure that where terms and conditions of the tenderer are in conflict with the general terms and conditions of the Corporation, the TSC should discuss in detail all the issues with the firm and settle them before the orders are issued in order to minimise the correspondence with the tenderer and subsequent issue of amendments.

4.5.28 No negotiation with the supplier should be held by a single individual of any Department. Invariably the concerned purchase officer should associate the officers of the Technical and Finance Department at the time of holding negotiations/discussions with prior arrangements and these would be jointly recorded. Price negotiations should be done with L1 (Technically lowest tender only)

4.5.29 Concurrence of Finance: As per the delegated powers, all cases which are to be referred to Finance for concurrence should be sent to the Finance Department with the authenticated comparative statement of tenders, relevant quotations along with the file together with the recommendations of the Purchase Officer/TSC. The comparative statement should also be accompanied with a brief note discussing the merits of each quotation given in the statement.

4.5.30 The price bids of technically rejected offers are not to be opened. The unopened price bids of such tenderers are to be kept in the concerned purchase file.

4.5.31 Prior to the meeting of the committee, the respective files with all the comparative statements, quotations as well as technical appraisals by the technical wing together with a brief note will be circulated to the members of the committee for their study to facilitate quick finalisation of the tenders.

4.5.32 Consolidated purchase proposal would be given as per proforma placed at Annexure 4-VII.

4.5.33 **Purchase Orders**: After finalising the tenders, the purchase order should be placed on the tenderer on whom it is approved by the competent authority to procure the material. A standard form of purchase order for supply from indigenous sources is placed at Annexure 4-XI(a) and general terms and conditions at Annexure 4-XI(c)

4.5.34 Separate purchase order form would be used for ordering imported items (Annexure 4-XI(b) and General terms and conditions at Annexure 4-XI(d)

4.5.35 Head Office serial number will be prefixed with the letters HQMM and the Kolkata Office Purchase Orders with letters KK and Projects by BK, BB, DN, PD, CWS etc.

4.5.36 The indent number which would show material code group from a particular Project would form part of the PO No. Separate Purchase Order No. slab would be used to distinguish various indenting projects and ordering offices (Annexure 4.XII). Numbering should be continuous till the slab exhaust.
4.6.0 RATE CONTRACTS

4.6.1 For items for which there is likely recurring demand as seen from past experience, Corporation should enter into rate contract with the concurrence of finance for as many materials as possible after calling open tenders/limited tenders.

4.6.2 Ordering Under Rate Contract:

All items for which rate contract exists should be procured under the rate contract entered by the Corporation preferably by Direct Demanding Officer at the project.

4.6.3 Against the rate contract, the project Direct demanding officers would place orders directly on the firms without calling for further quotations. Corporate office would circulate lists of valid rate contracts to all projects on annual basis as soon as a new RC is finalised. Order against RC is to be released keeping in view the expected delivery quoted by the RC holders. A specimen Rate contract is placed at Annexure 4-XI(e).

4.6.4 Instead of extending the existing rate contracts with certain percentage increase in rates, fresh rates may be called if required from various parties for entering into rate contracts, giving chance to other RC parties also.

4.6.5 Parallel R/C would also be entered into to ensure competition and multiple sources of supply to avoid any eventualities for non-supply of one RC supplier. However, the distribution of the order quantity among the parallel RC holders will be decided as per the enclosed office order.

4.6.6 EMERGENCY ORDER UNDER R/C: Normally orders against R/Cs would be placed by the Purchase Offices at the Project. But in emergent cases, even the user department can intimate its requirement to the firm under RC directly and send the covering indent to MM Department and the formal covering order would be placed by the concerned Purchase Officer, with the approval of the competent authority.

4.6.7 NEGOTIATION/ COUNTER OFFER UNDER RC

a) Post tender negotiations should be avoided and the rate contracts may be concluded without negotiations with L1 party as far as possible. However, parallel rate contracts with adequate number of firms at prices within reasonable range to meet the estimated drawals may also be concluded.

b) In cases where the price of L1 is considered acceptable, but there are not enough firms within the reasonable price range, R/C may be concluded with L1 and its price, counter offered to all other higher quoting firms. Those who accept the counter offered prices or below may be awarded parallel rate contracts to meet the estimated drawals.

c) Where, however the price of L1 is not acceptable, NMDC may in the first instance negotiate with L1 only for arriving at a reasonable/
acceptable price. On successful conclusion of negotiations with L1, R/C may be awarded to the L1 at the agreed negotiated price and the same may be counter offered to all the other higher quoting firms and the parallel R/C's concluded in the same manner as above.

d) If the negotiations with L1 is not successful, the price considered as reasonable may be counter offered to the higher quoting firms including L1.

4.6.8 Positions of RC's are to be reviewed on monthly basis at Head office and necessary actions are to be taken either for renewal or for fresh rate contracts. Projects are required to forward the detailed offtakes, performance so that renewal of the RC's can be processed on regular basis.
OFFICE ORDER

Sub : Allocations of Quantity for the orders placed against Rate Contracts.

We have been finalising the rate contracts on different parties for similar items. The percentage of quantity allocation to be made against each party are also intimated to the respective Projects after taking into consideration the performance and cost economics parameters. This practice is to be discontinued henceforth.

Now it has been decided that HO will finalise the rate contracts on different parties for similar items fixing up the price and other terms and conditions only. However, respective projects have to decide the quantity allocation for placement of orders against rate contracts for similar items taking into account the performance and cost economic parameters of respective projects. All the Projects are requested to make note of this for placement of orders against rate contracts finalised by HO for similar items on different parties. This has the approval of competent authority.

S.K. Sardar
Dy. General Manager(Mat)

The Executive Director, Bid. 14
The Executive Director, Bid. 5
The Executive Director, Donimalai
The Executive Director, Panna
The General Manager, CWS, Bacheli
The Sr. Manager (Materials), Bid.5
The Sr. Manager (Materials), Donimalai
The Sr. Manager (Materials), Panna
The Manager (Materials), Bid. 14
The Manager (Materials), Raipur Investigations
The Dy.Manager (Materials), CWS, Bacheli

The office-incharge, Kolkota

CC to :

The General Manager (P&C), HO
The General Manger (Fin) HO
The Sr. Manager (Mat) HO
The Manager (Mat) HO
The Dy. Manager (Mat) HO

4.7.0 **INSPECTION**

4.7.1 Inspection : Predespatch inspection of spares and stores is to check the conformance of the item with stipulated reliability and specifications on dimensional and metal characteristics, so that right quality parts reach user department and prevent substandard parts reaching stores. Predespatch inspection would be carried out or waived according to nature of material ordered through Corporation Engineers or outside agencies like Lloyds DGS&D etc. Inspection procedure would be decided in individual cases before inviting tenders. Predespatch inspection will however not be insisted for spares of proprietary nature and general stores of reputed manufacturers.

On release of PO, consignee is required to communicate predespatch inspection/ waival of predespatch inspection after consulting user department. Waival should be only on study of internal inspection certificate submitted by the party wherever required. Requirement of predespatch inspection should be indicated early.

4.7.2 Predespatch inspection should be carried out at suppliers end to weed out defective items even at stages of manufacture. Performance tests would be carried out for equipments before despatch at suppliers end.

4.7.3 In all cases post receipt inspection should be carried out at Receipt Section before finally accepting the materials/equipments and releasing balance payments.

4.7.4 In case of overseas suppliers, manufacturer's test certificate/ inspection certificate can be accepted.

4.7.5 **PREDESPATCH INSPECTION DECISIONS:**

A) No Inspection : To accept the lot without any predespatch inspection
depending upon the confidence placed on the supplier or on the assumption that the items have been inspected and passed at the supplier's end in case of proprietary suppliers. In case of waival of inspection, reasons for waival of inspection is to be recorded before communicating waival.

**B) Sampling Inspection:** As inspection of each and every items involving cent percent inspection is not always practical, due to time, cost destructibility and fatigue considerations, choose appropriate samples on sampling technique and undertake planned inspection and segregate defective parts and decide acceptance/rejection/ rectification of the lot on that basis.

4.7.6 As all types of inspections cost money, any of the following could be adopted depending on each case

1. By User Department
2. By DGS&D through its inspection wing
3. By specialised Inspection Agency like Lloyds for costly equipments and critical spares

4.7.7 If inspection is proposed to be got done through DGS&D or Lloyds etc. the same should be indicated in the enquiry stage itself and brought out clearly in the order.

4.7.8 Officers going for inspection/tests from User Departments would need instruments for checking the following parameters and also training in Inspection Techniques.

<table>
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<tr>
<th>Instrument</th>
<th>Parameters</th>
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<tr>
<td>i) Vibration Monitors/ Vibration analysers</td>
<td>Vibrations of machines/assemblies</td>
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<tr>
<td>ii) Stethoscope</td>
<td>For abnormal noise of all kinds in devices</td>
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<tr>
<td>iii) Tachometer</td>
<td>Rotational speed of various units/ uniform speed</td>
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<tr>
<td>iv) Megger</td>
<td>For insulation resistance</td>
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<td>v) Oscilloscopes</td>
<td>For frequency, amplitude/ wave forms in electrical circuits</td>
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<td>vi) Dial Gauge</td>
<td>Free end play, backlash in spindles slides alignment</td>
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<td>vii)</td>
<td>Ultrasonic leak</td>
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<td>Multimeter</td>
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<td>Ultrasonic testers</td>
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<td>xiv)</td>
<td>Die penetrant</td>
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<td>xv)</td>
<td>Infrared camera / Thermometer</td>
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<td>xvi)</td>
<td>Micro meter / Vernier</td>
</tr>
</tbody>
</table>

These are only few examples

4.7.9 Inspection Certificate: The inspection officer would issue the inspection certificate after the inspection which would indicate various particulars alongwith details of items and quantities inspected and accepted and rejected and indicate the "identification mark" stamped on the accepted materials for its identification on receipt at the Project (Proforma as per Annexure 4-XIV). Inspection certificate and Test Certificate wherein asked should be obtained with despatch documents. The inspector will clearly indicate the inspected items whether accepted or rejected. If rejected the detailed reasons should be recorded and supplier be advised for its rectification of the defects and get confirmation before despatch of the materials.

A copy of the inspection report should be sent to MM Deptt also.
4.7.10 Inspection certificate would be prepared in sufficient copies and copies signed by suppliers authorised representative and the inspector.

4.7.11 **Rejection Memo**: In case of rejection on joint inspection at supplier end, the rejection memo would be prepared in sufficient copies signed by the supplier and the inspector. Reasons for rejection would be given along with all relevant details and the supplier would be prohibited from despatching the rejected goods (Annexure 4-XV).

4.8.0 **MISCELLNEOUS**

4.8.1 The standard terms and conditions of supply should be included in “General Conditions of PO” at enquiry/tender stage and these should be repeated in the purchase orders placed on the suppliers (Annexure 4-XI(c) & (d), wherever accepted. (Annexure 4-XI(c) for indigenous supplies & Annexure 4-XI(d) for imported supplies).

4.8.2 Proforma for local purchase-cum-instructions is at Annexure 4.XIII to be used for emergent purchases against cash within delegated powers.

4.8.3 **Progressing**: Head of the Purchase Section of each purchase office would submit a monthly report of the status of various indents being dealt by the section to the Head of Materials Management Department showing the detailed status against each indent under process, indicating the indent number, description of stores, indent value and items, along with the latest progress achieved for placing order along with number of items covered and value there against. Copies of progress reports shall also be forwarded to the user departments.

4.8.4 **Progressing of orders**: The orders placed will be regularly progressed and followed up till the materials are despatched by the supplier. This will include obtaining:

i) Order acknowledgement by the supplier

ii) Co-ordination regarding pre-despatch inspection, if any

iii) issuing any amendments, if necessary

iv) co-ordination regarding despatch instructions, mode of despatch and destination station etc.

v) co-ordination with the Project and supplier in case of any problem/dispute arising out of supply.

vi) Coordination with stores for inspection and acceptance of stores.
4.8.5 This will include pre delivery period follow up to ascertain the readiness of the materials on time and post delivery follow up.

4.8.6 Follow up will be done not only through reminders, fax messages/E-mail but would also include telephonic follow up and visits, if necessary, with the suppliers.

4.8.7 The effectiveness of the purchase section will be judged not only by quick placement of orders, but also by timely supplies being made of acceptable quality items against orders placed.

4.8.8 **Ordering cost** : Ordering cost for each purchase office would be worked out on annual basis covering the relevant elements and submitted to HOD.

4.8.9 The purchaser should reserve the right to accept or reject any or all tenders without assigning any reason.

4.9.1 **IMPORTS & IMPORT LICENSING [7]**

At present, most of the capital equipments, spares and general consumable stores are freely importable. NMDC can avail the benefit of advance licence for importation of consumable goods and EPCG licence for importation of capital goods, as per the guidelines issued by DGFT from time to time. For availing the benefit of advance licence, the input output norms are required to be fixed. In case of any bulk consumable items, input output norms have not been fixed by DGFT, proper application is required to be processed before applying the advance licence. The modalities of availing the EPCG and advance licence are indicated below:

4.9.2 **EXPORT PROMOTION CAPITAL GOODS SCHEME (EPCG)**

i) **Scheme** : New capital goods, including computer software systems, may be imported under the Export Promotion Capital Goods (EPCG) Scheme.

ii) **Import on Concessional Duty** : Capital Goods (CG), including jigs, fixgtures, dies, moulds and spares uptp 20% of the CIF value of the capital goods may be imported at 5% Customs duty subject to an export obligation equivalent to 5 times CIF value of capital goods on FOB basis or 4 times the CIF value of capital goods on NFE basis to be fulfilled over a period of 8 years reckoned from the date of issuance of licence.


(Click here for Details)
For calculation of NFE, the provision of paragraph 12.6 of the Policy shall apply.

iii) Eligibility : (a) Under the scheme, manufacturer exporters with or without supporting manufacturer(s)/vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers are eligible to import capital goods. The capital goods imported by the licence holder shall be installed at the factory of the licence holder or his supporting manufacturer(s)/vendor(s). However, agricultural exporters and service providers shall be allowed to shift the capital goods, provided advance intimation is given to the concerned Assistant Commissioner of Customs and Excise. Such equipments shall not be sold or leased by the licence holder.

(b) If the licence issued under the scheme has actually been utilised for import of a value in excess of or less than 10% of the CIF value of the licence, license shall be deemed to have been enhanced/reduced by that proportion. Export obligation shall accordingly be enhanced/reduced as per the actual utilisation of the licence

iv) Conditions for import of Capital Goods : Import of capital goods shall be subject to Actual User condition till the export obligation is completed.

v) Import of components and goods in disassembled/un-assembled condition: A person may apply for a licence under the EPCG scheme to import the capital goods in dis-assembled/un- assembled condition to be assembled into capital goods by the importer or components of such capital goods required for assembly or manufacture of capital goods by the importer. This facility shall not be available for replacement of parts.

vi) Indigenous sourcing of Capital Goods: A person holding an EPCG licence may source the capital goods from a domestic manufacturer instead of importing them in the event of a firm contract between the parties for such sourcing, the domestic manufacturer may apply for EPCG licence under the scheme for the import of components required for the manufacture of the said capital goods.

The domestic manufacturer may also replenish the components after supply of capital goods to the EPCG licence holder.

The export obligation relating to the EPCG licence shall be reckoned with reference to the CIF value of the licence actually utilised.

vii) The domestic manufacturer supplying capital goods to EPCG licence holders shall be eligible for deemed export benefit under paragraph 103 of the Policy.

4.9.3 DUTY EXEMPTION / REMISSION SCHEMES: 

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The Duty Exemption Scheme enables import of inputs required for export production. The Duty Remission Scheme enables post export replenishment/remission of duty on inputs used in the export product.

An Advance Licence is issued under Duty Exemption Scheme to allow import of inputs which are physically incorporated in the export product (making normal allowance for wastages). In addition, fuel, oil, energy, catalysts etc. which are consumed in the course of their use to obtain the export product, may also be allowed under the scheme. Advance Licence can be issued for:

a) Physical exports

b) Intermediate supplies

c) Deemed exports

For physical exports, Advance Licence can also be issued on the basis of annual requirement in respect of export products for which SIONs have been notified.

Duty Remission Scheme consists of (a) Duty Free Replenishment Certificate and (b) Duty Entitlement Passbook Scheme. The scheme allows drawback of import charges on inputs used in the export product (making normal allowance for the wastages).

Advance Licence: (a) Advance Licence is issued for duty free import of inputs, as defined in paragraph (ii), subject to actual user condition. Such licences (other than Advance Licence for deemed exports) are exempted from payment of Basic Customs Duty, Surcharge, Additional Customs Duty, Anti Dumping Duty and Safeguard Duty, if any. However, Advance Licence for deemed export shall be exempted from Basic Customs Duty, surcharge and Additional Customs Duty only. Such licences are issued to:

(a) Manufacturer exporter or Main contractor in case of deemed exports.

(b) Merchant exporter where the merchant exporter agrees to the endorsement of the name(s) of the supporting manufacturer(s) on the relevant DEEC book and in the case of deemed exports, sub contractor(s) whose names appear in the main contract.

Such licences and/or materials imported thereunder shall not be transferable even after completion of export obligation. However, in exceptional cases, the material may be allowed to be transferred on merits by ALC.

Such licences shall be issued with a positive value addition. However, for exports for which payments are not received in freely convertible currencies...
currency, the same shall be subject to value addition as specified in Appendix-39 of Handbook (Vol. 1), 1997-2002.

Advance Licence shall be issued in accordance with the Policy and procedure in force on the date of issue of licence and shall be subject to the fulfillment of a time bound export obligation as may be specified.

(b) Advance Licence for Intermediate supply: Advance Licence may be issued for intermediate supply to a manufacturer-exporter for the import of inputs required in the manufacture of goods to be supplied to the ultimate exporter/deemed exporter holding another Advance Licence.

(c) Advance Licence for Deemed Export: Advance Licence can be issued for deemed export to the main contractor for import of inputs required in the manufacture of goods to be supplied to the categories mentioned in paragraph 10.2(b), (c), (d), (e), (f) and (g) of the Policy.

In addition, in respect of supply of goods specified projects mentioned in paragraph 10.2(d), (e), (f) and (g) of the policy, an Advance Licence for deemed export can also be availed by the sub-contractor of the main contractor to such project. Such licence for deemed export can also be issued for supplies made to United Nations Organisations or under the Aid Programme of the United Nations or other multilateral agencies and paid for in foreign exchange.

iv) Duty Free Replenishment Certificate (DFRC): Duty Free Replenishment Certificate is issued to a merchant-exporter or manufacturer-exporter for the import of inputs used in the manufacture of goods without payment of Basic Customs Duty, Surcharge and Special Additional Duty. However, such inputs shall be subject to the payment of Additional Customs Duty equal to the Excise Duty at the time of import.

(a) Duty Free Replenishment Certificate shall be issued only in respect of export products covered under the SIONs as notified by DGFT.

(b) Duty Free Replenishment Certificate shall be issued for import of inputs, as per SION, having same quality, technical characteristics and specifications as those used in the end product and as indicated in the shipping bills. The validity of such licences shall be 12 months. DFRC and/or the material imported against it shall be freely transferable.

(c) The Duty Free Replenishment Certificate shall be subject to a minimum value addition of 33%.

(d) The export products, which are eligible for modified VAT, shall be eligible for CENVAT credit. However, non excisable, non dutiable or non centrally vatable products, shall be eligible for drawback at the time of exports in lieu of additional customs duty to be paid at the time
of imports under the scheme.

(e) The exporter shall be entitled for drawback benefits in respect of any of the duty paid materials, whether imported or indigenous, used in the export product as per the drawback rate fixed by Directorate of Drawback (Ministry of Finance). The drawback shall however be restricted to the duty paid materials not covered under SION.

v) **Jobbing, repairing etc for re-export**

Imports of goods, including those mentioned as restricted in ITC(HS) but excluding prohibited items, in terms of paragraph 7.2 supplied free of cost, may be permitted for the purpose of jobbing without a licence as per the terms of notification issued by Department of Revenue from time to time.

vi) **Export Obligation**

The period of fulfilment of the export obligation under Advance Licence shall be as prescribed in the Handbook (Vol 1).

vii) **Advance Release orders**

An Advance Licence holder except Advance Licence for intermediate supply, holder of DFRC intending to source the inputs from indigenous sources/canalising agencies/EOU/EPZ/SEZ/EHTP/ STP units in lieu of direct import has the option to source them against Advance Release Orders denominated in foreign exchange/ Indian rupees. In such a case the licence shall be invalidated for direct import and a permission in the form of ARO shall be issued which will entitle the supplier to the benefits of deemed export. The transferee of a Duty Free Replenishment Certificate shall also be eligible for ARO facility.

viii) **Back-to-Back Inland letter of Credit:**
An Advance Licence holder except Advance Licence for intermediate supply, and holder of DFRC may instead of applying for an Advance Release Order, avail of the facility of Back-to-Back inland letter of credit in accordance with the procedure specified in Hand Book (vol.1).

ix) **Prohibited items:**

Prohibited items of imports mentioned in ITC (HS) shall not be imported under the licences issued under the scheme.

x) **Compliance with Export Policy:**

Goods mentioned as restricted for exports in ITC(HS) may be exported without specific export licence under Advance Licence issued with prior import condition. In such cases, the licence holder shall not be allowed to use indigenous inputs and the exported product shall be manufactured only out of imported inputs under Advance Licence.

xi) **Re-import of Exported Goods under Advance Licence:**

Goods exported under Advance Licence/DFRC/DEPB may be reimported in the same or substantially the same form subject to such conditions as may be specified by the Department of Revenue from time to time.

xii) **Admissibility of drawback:**

In the case of an Advance Licence, the drawback shall be available in respect of any of the duty paid materials, whether imported or indigenous, used in the goods exported, as per the drawback rate fixed by Ministry of Finance (Directorate of Drawback). The Drawback shall however be restricted to the duty paid materials as indicated in the DEEC.

xiii) **Value addition**

The value addition for the purposes of this chapter shall be

\[
\text{VALUE ADDITION} = \frac{A - B}{B} \times 100
\]

A is the FOB value of the export realised /FOR value of supply received.

B is the CIF value of the imported inputs covered by the licence, plus any other imported materials used on which the benefit of duty drawback is being claimed.
PROCEDURE (IN BRIEF) FOR APPLYING FOR IMPORT LICENCE [16].

* Request with CIF value to be informed
* Assessment of Export obligation in terms of foreign exchange earned.
* Consultancy with commercial Dept regarding the Foreign exchange earning in the coming years.
* Processing for competent's authority approval.
* Filing application with Jt DGFT , Hyd.

1. Documents required with the application.

   1. Receipt No. dated towards payment of application fee.of Rs.
   2. Self Certified copy of RCMC.
   3. Copy of IE code Number.
   4. Self certified offer copy of supplier alongwith catalogue.
   5. Details of CIF value.
   6. Brief on "End use of Capital Goods".
   8. Copy of Certificate of Incorporation of the Company.
   9. Copy of record note of discussion dt.28.5.99 between MMTC & agreement NMDC Ltd. for export of iron ore for the year 1999-2000.
   10. The renewal of mining lease File No.8-41/97-FC dt. 18.6.99 issued by Ministry of Environment & Forests, Govt of India renewing the mining lease of Bailadila Iron Ore Project, Deposit 14 for a period of 20 years.
   11. Copy of renewal letter No. F.No.8-38/97-FC dt 18.6.99 issued by Ministry of Environment and Forests, Govt of India, renewing the mining lease of Bailadila Iron Ore Project, Deposit 5 for a period of 20 years.
   12. The proceeding of Govt of Karnataka vide order No. FEE 17FFM90, Bangalore dt 28.7.99 conveying their approval for extension of iron ore mining for a period of 20 years of Donimalai Iron Ore Project.
   13. Copy of the Power of Attorney authorising Shri SK Sardar for any type of correspondence, signature and submission of application to DGFT by Chairman-cum-Managing Director of NMDC Ltd.

   * Scrutiny of application by the Jt. DGFT and issue of licence
   * Clearance to purchase section for opening of the LC.
* Sending the custom copy along with the required documents to ports.
* Forwarding of non negotiable documents to port by purchase Dept, for processing of bill of entry at port for clearance of consignments.
* After clearance at port, bill of entry forwarded to HO.
* Copy of the bill of entry along with the licence is forwarded to Vizag/Chennai port, (dealing with export of Iron Ore) for incorporation of the licence No. in to the shipping bills.
* Maintaining the E.O. fulfillment at HO in coordination with both the port.
* Incorporation of F.E earnings details of the bank wise in the prescribed performa, and obtaining the signatures of banker's, Chartered accountant, and exporters.
* Submission of redemption letter.

4.9.5: Integrity Pact [8]:

4.9.6: MSE Procurement[9] : - Public Procurement Policy,2012 regarding MSE Procurement (Amendment)
4.9.8: e-Procurement[11] : - Tender value > 2 lakhs is to be procured through e-Procurement.
4.9.9: Medicines Procurement [12]:- Procedure for indenting, Purchase and Receipt of Medicines at project.

[8] Integrity Pact: With an objective of improving transparency in public procurement and contracts, NMDC Ltd. has entered into MOU with Transparency International India for implementation of Integrity Pact Programme.


[10] CPP : Circulars regarding mandatory publishing of tenders in government CPP portal and limited tenders publishing in CPP.


4.9.5  

i) Duty entitlement passbook scheme (DEPB) –

For exporters not desirous of going through the licensing route, an optional facility is given under DEPB. The objective of Duty Entitlement Passbook Scheme is to neutralise the incidence of Customs duty on the import content of the export product. The neutralisation shall be provided by way of grant of duty credit against the export product.

Under the Duty Entitlement Passbook Scheme (DEPB), an exporter may apply for credit, as a specified percentage of FOB value of exports, made in freely convertible currency. The credit shall be available against such export products and at such rates as may be specified by the Director General of Foreign Trade by way of public notice issued in this behalf, for import of raw materials, intermediates, components, parts, packaging material etc.

The holder of Duty Entitlement Passbook Scheme (DEPB) shall have the option to pay additional custom duty, if any, in cash as well.

ii) Validity: The DEPB shall be valid for a period of 12 months from the date of issue.

iii) Transferability: The DEPB and/or the items imported against it are freely transferable. The transfer of DEPB shall however be for import at the port specified in the DEPB which shall be the port from where exports have been made. However, imports from a port other than the port of export shall be allowed under TRA facility as per the terms and conditions of the notification issued by Department of Revenue.

v) Applicability of drawback: The exports made under the DEPB Scheme shall not be entitled for drawback. The additional customs duty paid in cash on inputs under DEPB shall be adjusted as CENVAT Credit or Duty drawback as per rules framed by the Deptt of Revenue. However, where the Additional Customs Duty is adjusted from DEPB, no benefit of CENVAT/Drawback shall be admissible.
4.9.6 The import of goods in the country is regulated by the Government of India. The procedures to be followed, forms to be used along with details of permitted, restricted and banned items for imports etc. are published as Import/Export Trade Control Handbook of rules and procedures by the Ministry of Foreign Trade (Policy declared on the eve of each financial year) in the form of a book called Import and Export Policy Vol I & II (Red Book). Copy of Hand Book of procedure's and Import and Export policy should be obtained every financial year/ as and when issued for detailed guidance regarding submitting applications for Import Licences To Propriate authorities i.e.Jt.DGFT and DGFT and for other guidelines.

4.9.7 Validity of Imports: Import is valid if it fulfills among other things the following conditions:

a. It is covered by a valid Licence/Open General Licence/Customs Clearance Permit;

b. Description, value and the quantity of the imported goods are in accordance with the licence/open General Licence/Customs Clearance permit

c. The date of shipment of goods is within the validity of Licence/OGL/CCP.

4.9.8 Import Licences are generally issued in duplicate.

a) "Customs purposes" copy to be presented along with bill of entry to the Customs Authorities for obtaining clearance of imported goods.

b) "Exchange Control" copy to be presented to Bank for opening letter of Credit or making remittance of foreign exchange.

4.9.9 Advertisement Procedure: Where the value of Capital Goods required exceeds Rs.100 lakhs, the intending application should advertise his requirement and should be published in Indian Trade Journal or Indian Export Service Bulletin. The applicant should submit I/L application to Licensing Authority within 12 months from the date of advertisement. Advertisement procedure will not apply to R&D Laboratory for Import of Capital Goods, if R&D is recognised by Central or State Government.

4.9.10 Import of Spares: Spare means a part or sub-assembly for substitution i.e. ready to replace an identical similar part of sub-assembly or assembly, if it becomes faulty or wornout and includes an accessory (or attachment). Spares have been divided into two categories: (1) Permissible spares and (2) Restricted spares. Actual users are permitted to import under Open General Licence permissible spares which are required by them for operation and maintenance of the Capital
equipments, control and laboratory equipment and safety appliances installed or in use by them as on 1st April of the Licensing year.

4.9.11 **Import of Restricted spares:** Actual user may apply for a licences to the Regional Licensing authority for import of restricted' spares.

4.9.12 Licence for restricted spares will be issued with the general description Restricted" spares required for operation and maintenance of capital goods installed or used by the Licence holder, including spares of ancillary equipment, control and laboratory equipment and safety appliances.

4.9.13 **Registration of Licences at port:** Import Licences are to be registered with Customs Authorities at the specified port of entry.

4.9.14 After obtaining the Import Licence, irrevocable letter of credit would be opened with Bank in favour of foreign supplier along with A/T copy and Exchange Control copy of licence.

4.9.15 The L.C. particulars would be intimated to supplier with request to arrange supplies within the validity period.

4.9.16 The foreign supplier would despatch the ordered goods as per the despatch instructions and predespatch inspection, as the case may be, and negotiate the despatch documents through their bankers which would negotiate the same through purchasers banker where LC has been opened and credit the supplier's account with corresponding amount.

4.9.17 The despatch documents would mainly consist of (1) Bill of Lading/ Airway Bill etc. (Original-negotiable) (2) Packing list (3) Insurance (4) Inspection Certificate (if provided) (5) Warranty certificate (6) Certificate regarding country of Manufacture/origin (7) Bank guarantee towards performance etc.

4.9.18 Advance copy of despatch documents (non-negotiable) would be sent by the supplier immediately after the despatch is effected to the (1) Port Consignee (2) Ultimate consignee (3) Purchase Office (4) Paying Officer.

4.9.19 **Clearance at Port:** The Corporation is utilizing the services of DGS&D clearing agency appointed by NMDC for the clearance of imported consignments mainly through Chennai port and pay service charges. Asst.Director(Shipping) DGS&D, Regional Managers of the port consignee. As regards clearance Kolkata port, clearance being done through a clearing agent appointed by regional office at Kolkata.

4.9.20 On receipt of shipping documents, Bill of Entry would be prepared and submitted to the Customs Authorities for assessment of Customs Duty by the A.D. Shipping or clearing agents in required numbers of copies along with necessary documents through clearing agents.

4.9.21 Technical explanations as and when required by the Customs would be
given by the Corporation Officers along with required catalogues etc. by the end user through ultimate consignee. The technical write up constitute the material of construction, applicability and end use.

4.9.22 All correspondence regarding shipment documents etc. would be carried out by Import Section at Head Office which would co-ordinate with customs clearance section at Kolkata / Chennai for expeditious clearance of Import (Ship/air) consignments.

4.9.23 Customs Clearance Section : Customs Clearance works at Kolkata/Chennai include (a) coordinating with clearing agents; (b) Receiving and forwarding shipping documents, obtaining freight amount figures (c) Signing Bill of Entry (d) Explaining the same technically to appraiser directly or with technical help from Project (e) assessing the expected customs duty (f) arranging funds from Projects in advance and depositing with Customs under Deposit Account (g) location of shipments in ports (h) attending open appraisement (i) follow-up for early clearance from customs and port (k) payment of port charges arranging surveys (m) obtaining shortage/damage certificates, if any. n) filing claims with Customs, shipping agent and insurance; and (p) Arranging despatch to Projects, fixing road transporters and arranging road despatches after taking proper delivery as AD(S) does not make road despatches (q) obtaining acknowledgements from Projects, (r) After crossing state borders is required to be counter sign by the check post and to be returned by the transporter to NMDC/Clearing agents/Salex Tax authorities.

4.9.24 Monitoring the clearance of various shipments and follow-up of claims and maintaining necessary registers (Proforma 4.XVI, 4.XVII & 4. XVIII).

4.9.25 The co-ordination with clearing agent at Chennai would be done by import section at Head Office.

(Note :These are policy matters subjected to change by DGFT from time to time.)

4.10.1 AUDIT ENQUIRIES

a) The Government Audit during the course of their audit at Project/Corporate Office shall issue the Audit Enquiries to Respective Executive Departments/Material Department through Finance.

b) The Executive Department shall arrange to submit reply to the Government Audit/through Finance within three days from the date of receipt of the Audit Enquiry.

c) The replies to Audit Enquiries shall be furnished with the due approval of the Head of the Department.

d) Wherever considered necessary, the Executive Department may consult the Finance and Accounts Department in drafting the replies before forwarding the same to the Government Audit.
e) Wherever Executive Departments feel it necessary to make a reference to Head office or to the Project, such reference shall be made promptly and information will also be supplied by the other units promptly.

f) A statement showing the cases where replies are not furnished to the Government Audit within the stipulated time i.e. three days from the date of issue of the Audit Enquiry shall be made out by the Finance Department every month clearly bringing out the reasons for the delay and submitted to the Head of Project/ offices for his information and issue of instructions to concerned departments.

4.10.2 AUDIT INSPECTION REPORTS

a) The Inspection Report issued by the Government Audit shall be received in Audit & Report Section of Head Office Finance. Immediately on receipt of the Inspection Report, various paras of the Inspection Reports shall be referred to the concerned Executive Departments in Head Office. However to save delay simultaneously the copy of the Inspection Report shall also be forwarded to the concerned Project/Corporate Office wherever copy of report is not directly forwarded to Project by Government Auditors indicating therein the Department to which the replies of the various paras are to be furnished.

b) The project/Corporate office shall arrange to submit replies to the various paras to the concerned Executive Departments in Head Office in duplicate in the proforma given below within a fortnight from the date of receipt of the Inspection Report.

| Audit Observation | Project/Office replies | Comments of HO |

4.10.3 (a) Replies received from the respective Projects/Offices shall be examined by the concerned Executive Departments in Head Office and comments thereon wherever considered necessary given. Thereafter, replies along with the comments of the Head Office will be sent to Audit & Report Section of Head Office Finance through concerned Chiefs in Finance Department.

(b) It shall be ensured by the concerned Executive Departments of Head Office that replies to the various paras of the Inspection Reports are furnished to Head Office Finance within one month from the date of receipt of the reference made to them. All correspondence in regard to getting replies from the Project/ Office shall be done by concerned Executive Department of Head Office directly.
(c) On receipt of replies from concerned Executive Departments of Head Office, Audit & Report Section shall arrange to forward replies to Government Audit.

(d) A statement of cases where reply to Inspection Reports are not furnished within the stipulated time i.e. four weeks from the date of receipt of the Inspection Report shall be made out by Finance & Accounts Department of Head Office at the end of every month clearly bringing out the reasons for the delay, and submitted to Director (Finance) for his information.

4.10.4 REPLIES TO DRAFT PARAS

(a) Draft Paras issued by the Government Audit shall be received in Audit & Report Section of Head Office. On receipt of such paras, reference shall be made to the concerned Executive Department in Head Office.

(b) The concerned Executive Department shall arrange to furnish replies to the draft paras within three weeks from the date of receipt of the reference by them. The replies to draft paras before sending to Finance shall be approved by the concerned Directors.

(c) On receipt of replies from the concerned Executive Departments Audit & Report Section shall arrange to send replies to the Govt. Audit after the same are seen by the Director (Finance)/ Managing Director.

(d) A statement of the cases where the replies to the Govt. Audit are not furnished within the stipulated time i.e., two months from the date of receipt of the draft para shall be made out at the end of every month by Finance & Accounts Department of Head Office and submitted to Director (Finance)
NMDC Ltd - HO MM Wing

Proposal for approval of issue of enquiry

1. File ref. Date:
2. Indent No:
3. Date:
4. Proj:
5. Description of Item :
6. Cap/Rev: 7. Imp/Ind or Both:
8. Indent Value:
9. Budget Provision:
10. Prop/ST Item :
11. Name of Prop/ST Source:
12. Proposed Mode of tendering : GT/0T/LT/ST/R0/:
13. Sources for issue of enquiry
   
   From last File/ VENDOR LIST New Sources Proj/Engg Suggestion

14. Established Sources not considered with reasons:
15. Remarks:

16. Competent Authority for approval:
   (Dealing Officer)

Competent Authority
Under certificate of posting

Grams :  
Telex :  
Tel :  

NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED  
Materials Management Department  
PURCHASE ENQUIRY  

No.………  
Dt. ………

M/s.……………………

Subject : ...........................................................................

Dear Sirs,

Sealed tenders in triplicate/duplicate, superscribing on the envelop with the enquiry no. and date of opening, are invited from interested parties for following items:

We require the materials for use in our .................. projects Destination (Rly Stn) for delivery by ...........

Please submit your offer so as to reach us on or before 2 pm on .............

Equipment reference .....................

<table>
<thead>
<tr>
<th>SI.No./ Item No.</th>
<th>Code</th>
<th>Part No.</th>
<th>Description</th>
<th>Unit</th>
<th>Qty</th>
<th>Desired Nos. delivery</th>
</tr>
</thead>
</table>

NOTE :

1. For general terms and conditions of purchase, please see reverse.
2. Offers not complying with our requirement and terms are likely to be rejected.
3. If you have nothing suitable to offer, please inform the same for our records.
4. Please arrange to return drawings with your offer/regret letter.
5. Leaflets, literature and details of orders executed, if submitted along with offer, will facilitate speedy finalisation of the case.
6. Rates should be quoted both in figures and words.

Yours faithfully,

Asst/Dy/Sr/Materials Manager

Copy to: 1. Sr Manager (Materials)
GENERAL TERMS AND CONDITIONS OF ENQUIRY

1. Any person signing the tender form or any documents forming part of the contract shall be deemed to have the authority to bind the supplier, and if it subsequently comes to light that the person so signing had no authority to do so, the purchaser may without prejudice to other civil and criminal remedy cancel the order or the tender and hold the supplier liable for all costs and damages.

2. DELIVERY: Delivery period quoted should be definite and guaranteed. Time is the essence of contract.

3. PLACE OF DELIVERY: As shown in the purchase enquiry.

4. PRICE: Prices should be firm and fixed without any variation factor adjustment and valid for acceptance for a period of 90/120 days from due date. Rate should be inclusive of all charges, such as Freight, Packing and Forwarding, Insurance. Excise Duty etc. The rates should be given in both words and figures. Corrections/over-writings should be avoided. Price shall be quoted F.O.R. Destination as shown in the purchase enquiry. Firm and fixed prices would be preferred.

5. PAYMENT:

No advance payment is acceptable.

90% payment alongwith full taxes and duties against the despatch documents through bank. The following documents are required to be negotiated for claiming the payments:

i) Clear Lorry Receipt

ii) Invoice/Bill

iii) Packist list

iv) Inspection / test certificate

v) Warranty certificate

vi) Documentary evidence towards excise duty

a) Balance 10% payment against the receipt and acceptance of material at site within 30 days.

In case where the performance is to be linked with the payment, the balance 10% payment is payable against submission of invoice and performance BG.
6. BANK CHARGES: On respective accounts.

7. TAXES: CST/ST at concessional rate will be paid extra against Form C specified form if any.

8. MANUFACTURERS: All offers should clearly indicate the name of Manufacture of the items and full specification.

9. SPECIFICATION: The firm should confirm that the stores offered conform strictly to specification. Alternatives/deviations to be stated. Detailed specifications, catalogues/literatures, samples etc. should be sent with the quotation invariably.

10. RATE CONTRACT: If the stores are covered under Rate/Running Contract of DGS&D, the rate quoted should be as per R/C. If the stores are not covered under Rate Contract, a Certificate has to be recorded on the quotation that the rates charged are not higher than the rates generally charged to other PSUs / Govt. Deptts. including DGS&D. The Corporation is not a D.D.O.

11. INSPECTION: Final Inspection of the stores will be done at Project site after receipt (even if predespatch inspection carried out) which will be final and binding. In case, the stores supplied are rejected either fully or partly on account of defects, bad workmanship or other reasons the suppliers will have to arrange for free replacement of the same. The freight and incidental charges for return of the rejected materials will have to be borne by the supplier. In case, rejected materi also are not collected after receipt of notice, no liability in respect of loss, damage, deterioration etc. shall lie with this Corporation. Initial inspection may be carried out before despatch at consignee's discretion. NMDC reserves the right to get the ordered item inspected by DGS&D, Lloyds or third party in addition to NMDC.

12. E.M.D.: Your Tender must be accompanied by Demand Draft or Bank Guarantee from a Nationalised Bank of India for % value of the item tendered. Without EMD the tender is liable for rejection. EMD bears no interest and is refundable after finalisation of order.

13. WARRANTY: Supplier shall guarantee the materials for a period of 18 months from the date of receipt or from the date of commissioning at site whichever occurs early against the manufacturing defects, faulty materials, etc., and replace free of charge such defective materials.

14. In Income Tax Clearance, Certificate duly countersigned by the Income Tax Officer of the Circle concerned under the seal of his office shall be submitted by the tenderers who are not borne on the approved list of contractor/supplier maintained by the DGS&D, along with their tenders.

15. SECURITY DEPOSIT: You shall deposit towards security deposit to the Paying Officer i.e. NMDC Ltd. at 5% of the basic value of the order within 30 days of acceptance of tender towards satisfactory performance of the order in case your offer is accepted. The Security Deposit bears no
interest and is refundable after satisfactory completion of the order. Security deposit shall be submitted in the form of DD or bank guarantee (as per endorsed format) from any Nationalised Bank of India.

16. PENALTY: In the event of placement of an order, should the contractor fail to deliver the stores in full or part thereof within the Delivery date the Corporation shall reserve the right to levy penalty to the contractor @0.5% of the price of the undelivered stores for each week or part thereof but not exceeding 5% of the value of such materials. The project reserves the right to cancel the order to make alternative purchase of the materials of similar description from elsewhere at seller’s risk and cost duly giving an advance notice of 30 days to this effect and in such event the seller will be liable to pay any losses that may be incurred by the buyer.

17. The Corporation reserves the right to reject or accept any tender in part or full without assigning any reason, or place order for part or full quantity.

18. All correspondence in connection with the above may be addressed to the Head Materials Deptt.

19. In case of change in Part Numbers, if any, suppliers shall indicate in their offer both the new as well as superseded part Numbers and shall certify that the new part numbers offered by them will be suitable for the Machine for which these have been offered.

20. Delay on the part of sub-contracts/suppliers shall not be pleaded as cause for the delay and the Corporation will not accept such plea as defence for the delay. Except for the reasons specified in the Force Majeure Clause, the Corporation shall have the right to levy penalty, as already provided, for the delay.

21. All disputes or differences arising out of or in connection with this Tender/Order shall be subject to the exclusive jurisdiction of

22. The supplier is responsible for the due return of all purchaser's Property including specifications, drawing certified samples with labels intact and will be liable for full value, if not returned.

23. Sample will not be returned in respect of consumable items. Other samples will be returned on specific request by the bidder.

24. It will be the responsibility of bidder to remove the rejected materials if any within the time communicated to him by Consignee at his expense, failing which ground rent will be charged and after reasonable period the materials will be disposed off without making any back reference.

25. Quotation received after the above date and time will not be considered by N.M.D.C. Limited.
# N.M.D.C. TENDER ISSUE/RECEIPT REGISTER

**PURCHASE OFFICE**

<table>
<thead>
<tr>
<th>T.O.R. SL. No.</th>
<th>Tender Enquiry No.</th>
<th>Name of firms addressed</th>
<th>Due date of</th>
<th>Extended date if any</th>
<th>Date of Actual Opening</th>
<th>Tender posted &amp;</th>
<th>Signature of Tender</th>
<th>Delayed/ Late offer Reed.</th>
<th>Dealing Officer Sign</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>
## TENDER OPENING SHEET

NMDC LTD  
PURCHASE OFFICE:

**Tender Enquiry No. & Date**

**Description of Store**

**Opening date & time**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the tenderer</th>
<th>Details of EMD if any</th>
<th>Signature of Firms Re. attending Tender Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
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<td>10</td>
<td></td>
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</tr>
</tbody>
</table>

OPENED IN THE PRESENCE OF THE FOLLOWING OFFICERS

Name & Design (NMD) …………………… Sign & Date (Rep of MM Wing)

Name & Design (Finance) …………………… Sign & Date (Rep of Fin)
## COMPARATIVE STATEMENT OF TENDERS FOR INDIGENOUS ITEMS

<table>
<thead>
<tr>
<th>Tender Enquiry No.</th>
<th>Date</th>
<th>No. of Enquiries issued / Tenders purchased</th>
<th>Opened on</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sl. No.</td>
<td>Code No</td>
<td>Part No</td>
<td>Specification</td>
</tr>
<tr>
<td>Indent No.</td>
<td>Date</td>
<td>Indent Value Rs.</td>
<td>Project</td>
</tr>
<tr>
<td>a) Basic Price</td>
<td>b) Packing &amp; Forwarding</td>
<td>c) Sub Total (a)+(b) .......</td>
<td>d) Excise duty</td>
</tr>
</tbody>
</table>

### VALIDITY

Prepared by

Countersigned by:

Checked by:

Note: All important commercial Terms & Conditions should be included.
ANNEXURE 4-V(b)

NMDC

COMPARATIVE STATEMENT OF TENDERS FOR IMPORTED ITEMS

<table>
<thead>
<tr>
<th></th>
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</tr>
</tbody>
</table>

a) Ex-work Price
b) Add. Inland freight + permission of statutory authority etc.
c) FOB Price (a)+(b) .......
d) Add. Freight and insurance
e) C.I.F. price (c)+(d) .......
f) Assessable price (101& of C.I.F.)
g) Add. Custom duty on Assessable price as applicable
h) Incidental Charges @5% on C.I.F.(towards port handling & transportation upto destination)
i) Destination cost (e)+(g)+(h) .......

VALIDITY

Prepared by

Countersigned by:

Checked by:

Note: All important commercial Terms & Conditions should be included.
GUARANTEE FOR ADVANCE PAYMENT

In consideration of M/s National Mineral Development Corporation Limited, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad-500 028 (hereafter called the Corporation) having agreed to pay advance of 10% of the value of the contract to M/s. ___________ (hereafter called contractor which expression shall includes us successors, administrators executors and assigns, under the terms and conditions of Order No. __________ date __________ issued to the Contractor (hereinafter called The Agreement) for due utilisation in performance of the contract as the Bank Guarantee for Rs. __________.

1. We, __________ (hereinafter referred to as The Bank (at the request of M/s __________ contractor do hereby undertake to pay to the Corporation an amount not exceeding which shall be adjusted with the recovery by Corporation of advance paid to the Contractor from their bill after execution of the order without demur and protest against due repayment of the loan so advanced.

2. We, __________ do hereby undertake to pay the amount due and payable under this guarantee without any demur, reservation contest, recourse or protest and/or without any reference to the contractor or as reduced with the recovery by the Corporation, merely on a demand from the Corporation stating that the amount claims is due by way of repayment of the loan so advance. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding or as reduced with the recovery by the Corporation.

3. We, __________ undertake to pay to the Corporation any money so demanded not withstanding any dispute or disputes raised by the Contractor in any suit; or proceeding pending before any court or tribunal relating thereto out liability under this present being absolute and unequivoeal. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the contractor shall have no claim against as for making such payment.

4. We, __________ further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for repayment of loan so advanced and that it shall continue to be enforceable till the entire loan of Corporation is repaid or till the Corporation certificates that to entire loan is repaid. Unless a demand or claim under this guarantee is made on us in writing on or before __________ we shall be discharged from all liability under this guarantee thereafter.
5. We, _______ further agree with Corporation that Corporation shall have the fullent liberty without any correct and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said Contractor from time to or to post pone for any time or from time to time any of the power exercisable by the Corporation against the said contractor forebear or enforce, any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation act or commission on the part of the Corporation or any indulgencee by the Corporation to the said contractor or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constution of the Bank or the Contractor.

7. We, _______ lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Corporation in writing.

8. The Bank Guarantee shall remain in full force and effect uptto (date) and the owner shall have the right to demand or claim or encash/negotiate this Bank guarantee within 3 months after aforesaid date i.e. ______ (date). A demand or claim in writing if received by us within the period i.e. on or before ______ (date) will be honoured.

9. This Bank Guarantee shall be extended from time to time for such period (not exceeding one year) by M/s. __________ on whose behalf this guarantee has been given as may be desired by Corporation.

Date this _______________ day of __________ 19 ________

Signature ___________ Signature ____________________

Witness (1) Name Banks Rubber Stamp
Signature ___________________ NAME:

(2) Name Designation Bank Stamp
Address
1. In consideration of National Mineral Development Corporation Ltd., having agreed to exempt ________ (hereinafter called “the said Contractor(s)”) from the demand, under the terms and conditions of an Agreement no. ________ dated ________ made between ________ and ________ and ________ for (hereinafter referred to as „the Bank”) do hereby undertake to pay to the National Mineral Development Corporation Limited, Hyderabad an amount not exceeding Rs. ________/– against any loss or damage caused to or suffered or would be caused to or suffered by the National Mineral Development Corporation Ltd., Hyderabad by reason of any breach by the said Contractor(s) of any of the terms and/or conditions contained in the said Agreement.

2. We ________ Bank Ltd., do hereby undertake to pay the amount due and payable under this guarantee without any demur, reservation, recourse, contest or protest and/or without any reference to the contractor, merely/on a demand from NMDC stating that the amount claimed is due by way of loss or damage caused to or would be said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the said Contractor(s) failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. ________/–.

3. We ________ Bank Ltd., further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the NMDC under or by virtue of the said agreement have been fully paid and its claim satisfied or discharged or till ________ NMDC certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Contractor(s) and accordingly discharges the guarantee. The Corporation is at liberty to ask the Bank before the expiring of this Bank Guarantee to extend the validity/term of the Bank Guarantee from time to time.

4. We ________ Bank Ltd., further agree with the NMDC that the NMDC shall have fullest liberty without our consent and without affecting in any manner or obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the National Mineral Development Corporation Limited, against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall
not be relieved from our liability by reason of any such variation, or extension being
granted to the said contractor(s) or for any forbearance, act or omission on the part of
NMDC or any indulgence by NMDC to the said Contractor(s) or by any such matter
of thing whatsoever which under the law relating to sureties would but for this
provision have effect of so relieving us.

5. We, ______Bank Ltd., lastly undertake not revoke this guarantee during its
currency except with the previous consent of the National Mineral Development
Corporation limited, in Writing.

Dated the _______ day of _______ 20___
For _____________________ Bank Ltd.
ANNEXURE 4-VI(c)

PROFORMA BANK GUARANTEE BOND FOR EQUIPMENT PERFORMANCE
(To be stamped on Rs.100 non-judicial stamp paper)

Ref. ________  Bank Guarantee No. __________________________  Date__________

To,

National Mineral Development Corporation Ltd.,

Khanij Bhavan, 10-3-311/A, Castle Hills,

Masab Tank, Hyderabad-500 028.

Dear Sir,

In consideration of the National Mineral Development Corporation Ltd.,
(hereinafter referred to as the "Owner" which expression shall unless repugnant to
the context or meaning thereof, include its successors, administrators and assign)
having awarded to M/s. __________ with its Registered/Head Office at_________
(hereinafter referred to as the 'Contractor' which expression shall unless repugnant to
the context or meaning thereof, include its successors, administrators, executors and
assigns), a contract by issue of Owner's Letter of Award No.________ dated _____
and the same having been unequivocally accepted by the contractor resulting in a
contract bearing No.__________ dated _________ valued at _________ for
___________ (scope of contract), and the Contractor having agreed at provide a
contract performance guarantee for the faithful performance of the entire contract
equivalent to * _________% (_______ percent) of the said value after contract to the
Owner.

We ______ (i.e. Name and address), having its Head Office at __________
(hereinafter referred to as the Bank which expression shall unless repugnant to the
context or meaning thereof, include its successors, administrators, executors and
assigns) do hereby guarantee and undertake to pay the Owner, on demand any and
all money payable by the Contractor to the extend of ______ as aforesaid at any
time upto * * __________ (i.e. days/month/year) with-out any demur, reservation,
contest, recourse or protest and/or without any reference to the contractor. Any such
demand made by the Owner on the Bank shall be conclusive and binding not with-
standing any difference between the owner and contractor or any dispute pending before any court, tribunal or any authority.

The Bank undertakes not to revoke this guarantee during its currency without previous consent of the owner and further agrees that the guarantee herein contained shall continue to be enforceable till the owner discharges this guarantee.

The owner shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee from time to time to extend the time for performance of the contract by the contractor. The owner shall have the fullest liberty, without affecting this guarantee is postpone from time to time the exercise of any powers, vested in them or of any right which they might have against the contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any convenience contained or implied, in the contract between the owner and contractor or any other course of or remedy or security available to the owner. The Bank shall not be released to its obligations under these presents by any exercise by the owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other acts of omission or commission on the part of the owner or any other indulgence shown by the owner or by any other matters or thing whatsoever which under law would but for this provision, have the effect of relieving the Bank.

The Bank also agrees that the owner at its option shall be entitled to enforce this guarantee against the Bank as a principal debtor, in the first instance without proceeding against the contractor and notwithstanding any security or other guarantee that the owner may have in relation the contractors liabilities.

1. The Bank guarantee shall remain in full force and effect upto ________ (date) and the Owner shall have the right to demand or claim or en-cash / negotiable this Bank Guarantee within 3 months after the aforesaid date i.e. _____________ (date). A demand or claim in writing if received by us within the period i.e. on or before ______ (date) will be honoured.
2. This Bank Guarantee shall be extended form time to time for such period (not exceeding one year) by _____ on whose behalf this guarantee has been given as desired by the corporation.

WITNESS

DATED THIS _______ DAY OF _______ 20____ AT _____
WITNESS

______________________  ______________________
(signature)  (Signature)

______________________  Bankers Rubber stamp
(Name)  Designation with Bank Stamp

Attorney as power of
Attorney no. ______
Dated ______

Note:

* This sum shall be ten percent (10%) of the contract price.

** The date will be ninety (90) days after end of the warranty period as specified in the contract.
ANNEXURE 4-VI(d)

PROFORMA FOR BANK GUARANTEE TOWARDS E.M.D.
(To be stamped on Rs.100 non-judicial stamp paper and the non-judicial stamp paper should be in the name of the issuing bank)

Ref. Bank Guarantee No.

Date:

To,
National Mineral Development Corporation Ltd.,
Khanij Bhavan, 10-3-311/A, Castle Hills,
Masab Tank, Hyderabad-500 028.

Dear Sirs,

In accordance with your invitation to tender under specification no._____________ M/s. __________ having its registered/Head Office at________ (hereinafter called the tenderer) wish to participate in the said tender for________ and you, as a special favour, have agreed to accept an irrevocable and unconditional Bank Guarantee for an amount of ________ valid upto ________ on behalf of the tenderer in lieu of tender deposit required to be made by the tenderer, as a condition precedent for participation in the said tender.

We, the ______________________ bank at________, having our Head Office at_________________________ (local address) guarantee and undertake to pay immediately on demand by National Mineral Development Corporation Limited, the amount of ______________________ (in figures and words) without any reservation, protest, demur and recourse. Any such demand made by said Purchaser shall be conclusive and binding on us irrespective of any dispute or difference raise by the tenderer.

This guarantee shall be irrevocable and shall remain valid upto ______________, if any further extension of this guarantee is required, the same shall be extended to such required period (not exceeding one year) on receiving instructions from M/s __________ whose behalf this guarantee is issued.

This date should be 30 days after the guarantee is valid.

In witness where of the Bank, through its banker has set its hand and stamp on this ______ 20______.
PURCHASE PROPOSAL

1. Date:

2. Purchase File No. HQMM/
   Last Note No. ; Last page No. (Corr):
   No.of pages : (Note):

3. (a) Project:
   (b) Indent No:
   (c) Date:

4. (a) Whether Cap/Rev: (b)Imp/Ind:

5. Indent Value:

6. Description of Material:

7. Whether proprietary in nature (Yes/No):

8. Name of Proprietary Source:

9. Mode of Tender: Single/limited/Open/Global Tender/ :
   Repeat order/RC
10. (a) No of Firms Contacted:
    (b) Date of Tender Issue:

11. (a) Tender Due Dt:
    (b) Extension, if any:

12. Details of Offers Received:
    (a) No. received within due date:
    (b) No. regretted:
    (c) No. delayed:
    (d) No. late received:
    9e) No. of open offers:

13. Comparative statement: a) Technical:
    b) Commercial:

14. TSC Recommendations: a) Initial:
    b) Final:

15. Rank of the Offer Accepted:

16. Reasons for Ignoring Lower Offers, if any:

17. Name of the Firms Recommended:

<table>
<thead>
<tr>
<th>Basic</th>
<th>Landed</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(in lakhs)</td>
</tr>
</tbody>
</table>

18. Name of Indian Agent (in case of import):
19. Agency Commission Payable:

20. Other Important Commercial Terms:

i) Price :

ii) Taxes :

iii) Duties, if any :

iv) Packing & forwarding :

v) Delivery point :

vi) Delivery period :

vii) Payment terms :

viii) Warranty :

ix) Performance Guarantee :

21. Remarks about the proposal :

22. The above proposal for placement of order on M/s. _______________ mentioned at para 17 above at a total estimated landed cost of Rs. __________ lakhs may please be approved by __________ . The proposal fall within the powers delegated to __________.

Dealing officer

SECTION HEAD HOD
Competent Authority
NMDC Ltd.

**ANNEXURE 4 – VIII(a)**

**Schedule of Powers delegated to**  
**Materials Manager Head Office**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Nature of Powers</th>
<th>Extent of Powers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tenders and Contracts: open Tenders: Acceptance of tenders when open tenders are invited and when -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) More than one valid tenders are received</td>
<td>Rs. 10 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>ii) Only one tender is received</td>
<td>Rs. 2 lakhs C.F.A.</td>
</tr>
<tr>
<td>2</td>
<td>Limited Tenders: To invite and accept Limited Tenders</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) When more than one valid tenders are received</td>
<td>Rs. 5 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>ii) When only one tender is received</td>
<td>Rs. 5 lakhs C.F.A.</td>
</tr>
<tr>
<td>3</td>
<td>Single Tender: i) Placement of orders on single tender for proprietary/ monopoly items where no alternative source of supply/alternative products are available subject to record of a Certificate by the Materials Manager (Materials Management) that there is no alternative to the same.</td>
<td>Rs. 2 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>ii) Placement of order on single tender enquiry</td>
<td>Rs. 2,000/- (limited to Rs. 20.00 lakh in any year) C.F.A.</td>
</tr>
<tr>
<td>4</td>
<td>Acceptance of tender other than lowest (Reasons to be recorded win writing)</td>
<td>Limited to cases in which the difference between the lowest tender and the accepted tender does not exceed 5% or Rs. 25,000/- whichever is more C.F.A.</td>
</tr>
<tr>
<td>5</td>
<td>RATE CONTRACT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) Placement of order on the basis of NMDC Rate contract of all items of stores &amp; spares including the</td>
<td>Full Powers C.F.A.</td>
</tr>
<tr>
<td></td>
<td>Items ordinarily reserved for purchases by Head Office.</td>
<td>Full Powers</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>ii)</td>
<td>Placement of orders on the basis of DGS&amp;D rate contract in respect of all items of stores and spares.</td>
<td>Full Powers</td>
</tr>
<tr>
<td>6</td>
<td>To obtain additional quantities against contract</td>
<td>Full powers upto 30% where lowest tender has been accepted</td>
</tr>
<tr>
<td>7</td>
<td>To place repeat order if the orders are placed on the basis of tender previously accepted and within six months of original order provided there is no reason to think that there might have been a downward trend in the prices and quantity on repeat order is not more than 50% of the original order.</td>
<td>Full powers upto Rs.2 lakhs</td>
</tr>
<tr>
<td>8</td>
<td>To Waive or reduce penalties stipulated in the contract in respect of orders / contracts placed by the projects</td>
<td>Full powers</td>
</tr>
<tr>
<td>9</td>
<td>Forefeiture of earnest money and security deposit</td>
<td>Full powers according to the terms of the Tender / Contract</td>
</tr>
</tbody>
</table>

(C.F.A. means concurrence of Financial Authority)
## NMDC Ltd.

### Schedule of Powers delegated to Materials Manager Head Office and Kolkata Office

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Nature of Powers</th>
<th>Extent of Powers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tenders and Contracts:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>open Tenders:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acceptance of tenders when open tenders are invited and when -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) More than one valid tenders are received</td>
<td>Rs. 10 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>ii) Only one tender is received</td>
<td>Rs. 2 lakhs C.F.A.</td>
</tr>
<tr>
<td>2</td>
<td>Limited Tenders:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To invite and accept Limited Tenders</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) When more than one valid tenders are received</td>
<td>Rs. 5 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>ii) When only one tender is received</td>
<td>Rs. 1 lakh C.F.A.</td>
</tr>
<tr>
<td>3</td>
<td>Single Tender:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) Placement of orders on single tender for proprietary/ monopoly items where no alternative source of supply/alternative products are available subject to record of a Certificate by the Materials Manager (Materials Management) that there is no alternative to the same.</td>
<td>Rs. 2 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>ii) Placement of order on single tender enquiry</td>
<td>Rs. 2,000/- (limited to Rs. 20,000 in any year) C.F.A.</td>
</tr>
<tr>
<td>4</td>
<td>Acceptance of tender other than lowest (Reasons to be recorded win writing)</td>
<td>Limited to cases in which the difference between the lowest tender and the accepted tender does not exceed 5% or Rs. 25,000/- whichever is more C.F.A.</td>
</tr>
<tr>
<td>5</td>
<td>RATE CONTRACT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) Placement of order on the basis of NMDC Rate contract of all items of</td>
<td>Full Powers C.F.A.</td>
</tr>
</tbody>
</table>
stores & spares including the items ordinarily reserved for purchases by Head Office.

<table>
<thead>
<tr>
<th></th>
<th>ii) Placement of orders on the basis of DGS&amp;D rate contract in respect of all items of stores and spares.</th>
<th>Full Powers</th>
<th>C.F.A</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>To obtain additional quantities against contract</td>
<td>Full powers upto 30% where lowest tender has been accepted</td>
<td>C.F.A</td>
</tr>
<tr>
<td>7</td>
<td>To place repeat order if the orders are placed on the basis of tender previously accepted and within six months of original order provided there is no reason to think that there might have been a downward trend in the prices and quantity on repeat order is not more than 50% of the original order.</td>
<td>Full powers upto Rs.2 lakhs</td>
<td>C.F.A</td>
</tr>
<tr>
<td>8</td>
<td>To Waive or reduce penalties stipulated in the contract in respect of orders / contracts placed by the projects</td>
<td>Full powers</td>
<td>C.F.A</td>
</tr>
<tr>
<td>9</td>
<td>Forefeiture of earnest money and security deposit</td>
<td>Full powers according to the terms of the Tender / Contract</td>
<td>C.F.A</td>
</tr>
</tbody>
</table>

(C.F.A. means concurrence of Financial Authority)
<table>
<thead>
<tr>
<th>Item No.</th>
<th>Nature of Powers</th>
<th>Extent of Powers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tenders and Contracts: open Tenders: Acceptance of tenders when open tenders are invited and when -</td>
<td>Rs. 25 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>i) More than one valid tenders are received</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) Only one tender is received</td>
<td>Rs. 5 lakhs C.F.A.</td>
</tr>
<tr>
<td>2</td>
<td>Limited Tenders: To invite and accept Limited Tenders</td>
<td>Rs.20 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>i) When more than one valid tenders are received</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) When only one tender is received</td>
<td>Rs.5 lakh C.F.A.</td>
</tr>
<tr>
<td>3</td>
<td>Single Tender:</td>
<td>Rs. 5 lakhs C.F.A.</td>
</tr>
<tr>
<td></td>
<td>i) Placement of orders on single tender for proprietary/ monopoly items where no alternative source of supply/alternative products are available subject to record of a Certificate by the Materials Manager (Materials Management) that there is no alternative to the same.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) Placement of order on single tender enquiry</td>
<td>Rs.10,000/- (limited to Rs.1 lakh in any year) C.F.A.</td>
</tr>
<tr>
<td>4</td>
<td>Acceptance of tender other than lowest (Reasons to be recorded win writing)</td>
<td>Limited to cases in which the difference between the lowest tender and the accepted tender does not exceed 10% or Rs.75,000/- whichever is more C.F.A.</td>
</tr>
<tr>
<td>5</td>
<td>RATE CONTRACT</td>
<td>Full Powers C.F.A.</td>
</tr>
<tr>
<td></td>
<td>i) Placement of order on the basis of NMDC Rate contract of all items of stores &amp; spares including the items ordinarily reserved for purchases by</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Head Office.</td>
<td></td>
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</tr>
<tr>
<td>ii) Placement of orders on the basis of DGS&amp;D rate contract in respect of all items of stores and spares.</td>
<td>Full Powers</td>
<td>C.F.A</td>
</tr>
<tr>
<td>6</td>
<td>To obtain additional quantities against contract</td>
<td>Full powers upto 30% where lowest tender has been accepted</td>
</tr>
<tr>
<td>7</td>
<td>To place repeat order if the orders are placed on the basis of tender previously accepted and within six months of original order provided there is no reason to think that there might have been a downward trend in the prices and quantity on repeat order is not more than 50% of the original order.</td>
<td>Full powers upto Rs.5 lakhs</td>
</tr>
<tr>
<td>8</td>
<td>To Waive or reduce penalties stipulated in the contract in respect of orders / contracts placed by the projects</td>
<td>Full powers</td>
</tr>
<tr>
<td>9</td>
<td>Forefeiture of earnest money and security deposit</td>
<td>Full powers according to the terms of the Tender / Contract</td>
</tr>
</tbody>
</table>

(C.F.A. means concurrence of Financial Authority)
### Schedule of Powers

**Section-IV**

*(Plant, Machinery and Stores)*

**Delegated to Head (Projects)**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Nature of Powers</th>
<th>Powers delegated to Head of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sanction to purchase of stationery stores, forms, printing etc., office appliances, furniture and contingencies</td>
<td>Full powers</td>
</tr>
</tbody>
</table>
| 2        | Sanction to purchase of plant and machinery | i) Rs.10.00 Lakhs subject to provision in DPR / replacement programme  
ii) Upto Rs.2.0 lakhs in each case subject to a limit of Rs.10.00 lakhs in each financial year and availability of funds in the approved budget of the year. |
| 3        | Sanctioned to purchase of other store items including operational stores and spares (i.e. other than those covered by items 1) and 2) as included in approved Revenue Budget or against 10% provisions in the 2 years indent for unspecified items. | Full powers. |
| 4        | Tenders and Contracts:  
Open Tenders:  
Acceptance of tenders when open tenders are invited and when - | Rs. 25 lakhs |
|          | i) More than one valid tenders are received |  
ii) Only one tender is received | Rs. 10 lakhs |
| 5        | Limited Tenders:  
To invite and accept Limited Tenders | Rs.20 lakhs |
|          | i) When more than one valied tenders are received |  
ii) When only one tender is received | Rs.10 lakh |
| 6        | Single Tender:  
 i) Placement of orders on single tender enquiry for proprietry/ monopoly items where no alternative source of supply/alternative products are available subject to record of a Certificate by the Materials Manager | Rs. 10 lakhs |
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ii) Placement of order on single tender enquiry</td>
<td>Full powers upto Rs. 5 lakh in each case</td>
</tr>
<tr>
<td>7</td>
<td>Acceptance of tender other than lowest (Reasons to be recorded in writing)</td>
<td>Limited to cases in which the difference between the lowest tender and the accepted tender does not exceed 10% or Rs.1.0 lakh whichever is more</td>
</tr>
<tr>
<td>8</td>
<td>RATE CONTRACT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) Placement of order on the basis of NMDC Rate contract of all items of stores &amp; spares including the items ordinarily reserved for purchases by Head Office.</td>
<td>Full Powers</td>
</tr>
<tr>
<td></td>
<td>ii) Placement of orders on the basis of DGS&amp;D rate contract in respect of all items of stores and spares.</td>
<td>Full Powers</td>
</tr>
<tr>
<td>9</td>
<td>To obtain additional quantities against contract</td>
<td>Full powers upto 30% where lowest tender has been accepted</td>
</tr>
<tr>
<td>10</td>
<td>To place repeat order if the orders are placed on the basis of tender previously accepted and within six months of original order provided there is no reason to think that there might have been a downward trend in the prices and quantity on repeat order is not more than 50% of the original order.</td>
<td>Full powers upto Rs.5 lakhs</td>
</tr>
<tr>
<td>11</td>
<td>Extension of time limit</td>
<td>Full powers</td>
</tr>
<tr>
<td>12</td>
<td>To Waive or reduce penalties stipulated in the contract in respect of orders / contracts placed by the projects</td>
<td>Full powers</td>
</tr>
<tr>
<td>13</td>
<td>Forfeiture of earnest money and security deposit</td>
<td>Full powers according to the terms of the Tender / Contracts</td>
</tr>
<tr>
<td>14</td>
<td>To rent out stores articles to employees and Cultural Institutions with which employees are associated.</td>
<td>Full powers, according to rates fixed by Project/Corporation.</td>
</tr>
<tr>
<td>15</td>
<td>Sale/issue of stores to Contractor other bodies.</td>
<td>Full powers at rates as per our rules.</td>
</tr>
<tr>
<td>16</td>
<td>To declare stores including vehicle and equipment as surplus, unserviceable, obsolete or scrap.</td>
<td>Subject to the general procedure for disposal as laid down in Circular of Head Office No.</td>
</tr>
<tr>
<td>17</td>
<td>Sale of surplus stores a) By Tenders b) By direct sale</td>
<td>HQMM/8/3/Policy, dated 28.3.84 its amendment from time to time on disposal of surplus equipment, spares and stores.</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Full powers</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 18 | i) Disposal of scrap, unserviceable and obsolete items as declared by Survey Committee.  
   | ii) Disposal of equipment which are surplus/obsolete/unserviceable to the Corporation and whose original purchase price in each case was not more than Rs.2 lakhs.  
   | iii) Disposal of surplus/obsolete/unserviceable equipment which have been fully depreciated through advertised tenders. |
|   | Full powers, subject to 1) Quarterly report to Director (Production) and 2) General procedure for disposal laid down in circular no. HQMM/8/3/Policy, dated 28.3.84 its amendment from time to time. |
|   | iv) Disposal of surplus/obsolete/unserviceable equipment which have been fully depreciated through Public auction, irrespective of initial purchase value. |
|   | Full powers |
| 19 | Extension of time limit and enforcing or waiving of around rents and penalty in connection with sale of scrap, unserviceable items etc., |
|   | Full powers according to the terms of sale |
| 20 | Writing down the value of surplus or obsolete item. |
|   | Full powers subject to the limit of Rs.1,000/- in each case |
| 21 | Warfage and Demurrage Charges |
|   | Full powers |
| 22 | Freight Charges |
|   | Full powers |
| 23 | Bank charges and commission |
|   | Full powers |
**ANNEXURE 4 – VIII(D)**

**NMDC Ltd.**

**Schedule of Powers**

Section-IV

*(Plant, Machinery and Stores)*

**Delegated to Director (Production)**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Nature of Powers</th>
<th>Powers delegated to Head of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sanction to purchase of stationery stores, forms, printing etc., office appliances, furniture and contingencies</td>
<td>Full powers</td>
</tr>
</tbody>
</table>
| 2        | Sanction to purchase of plant and machinery                                       | i) Rs.10.00 Lakhs subject to provision in DPR / replacement programme  
<p>|          |                                                                                  | ii) Upto Rs.2.0 lakhs in each case subject to a limit of Rs.10.00 lakhs in each financial year and availability of funds in the approved budget of the year. |
| 3        | Sanctioned to purchase of other store items including operational stores and spares (i.e. other than those covered by items 1) and 2) as included in approved Revenue Budget or against 10% provisions in the 2 years indent for unspecified items. | Full powers.                          |
| 4        | Tenders and Contracts:                                                           |                                      |
|          | Open Tenders:                                                                    |                                      |
|          | Acceptance of tenders when open tenders are invited and when -                   |                                      |
|          | i) More than one valid tenders are received                                      | Rs. 50 lakhs                        |
|          | ii) Only one tender is received                                                  | Rs. 20 lakhs                        |
| 5        | Limited Tenders:                                                                |                                      |
|          | To invite and accept Limited Tenders                                             |                                      |
|          | i) When more than one valid tenders are received                                 | Rs.40 lakhs                         |
|          | ii) When only one tender is received                                             | Rs.20 lakh                          |
| 6        | Single Tender:                                                                  |                                      |
|          | i) Placement of orders on single tender enquiry for proprietary/monopoly items where no alternative source of supply/alternative products are available subject to record of a Certificate by the Materials Manager | Rs. 20 lakhs                        |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Materials Management) that there is no alternative to the same.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii) Placement of order on single tender enquiry</td>
<td>Rs. 10 lakh in each case</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Acceptance of tender other than lowest (Reasons to be recorded win writing)</td>
<td>Limited to cases in which the difference between the lowest tender and the accepted tender does not exceed 10% or Rs.2.0 lakh whichever is more</td>
</tr>
<tr>
<td>8</td>
<td>RATE CONTRACT</td>
<td></td>
</tr>
<tr>
<td>i) To approve rate contract of an item wherever the annual offtake of the item does not exceed Rs.20 lakhs (Rupees twenty lakh only)</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>ii) Placement of order on the basis of NMDC Rate contract of all items of stores &amp; spares including the items ordinarily reserved for purchases by Head Office.</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>iii) Placement of orders on the basis of DGS&amp;D rate contract in respect of all items of stores and spares.</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>To obtain additional quantities against contract</td>
<td>Full powers upto 30% where lowest tender has been accepted</td>
</tr>
<tr>
<td>10</td>
<td>To place repeat order if the orders are placed on the basis of tender previously accepted and within six months of original order provided there is no reason to think that there might have been a downward trend in the prices and quantity on repeat order is not more than 50% of the original order.</td>
<td>Full powers upto Rs.10 lakhs subject to the certificate by Director to the effect that there has been no downwar trend in the prices.</td>
</tr>
<tr>
<td>11</td>
<td>Extension of time limit</td>
<td>Full powers</td>
</tr>
<tr>
<td>12</td>
<td>To Waive or reduce penalties stipulated in the contract in respect of orders / contracts placed by the projects</td>
<td>Full powers</td>
</tr>
<tr>
<td>13</td>
<td>Forfeiture of earnest money and security deposit</td>
<td>Full powers according to the terms of the Tender / Contracts</td>
</tr>
<tr>
<td>14</td>
<td>To rent out stores articles to employees and Cultural Institutions with which employees are associated.</td>
<td>Full powers, according to rates fixed by Project/Corporation.</td>
</tr>
<tr>
<td>15</td>
<td>Sale/issue of stores to Contractor other bodies.</td>
<td>Full powers at rates as per our rules.</td>
</tr>
<tr>
<td>16</td>
<td>To declare stores including vehicle and equipment as surplus, unserviceable, obsolete or scrap.</td>
<td>Full powers</td>
</tr>
<tr>
<td>17</td>
<td>Sale of surplus stores</td>
<td>Full powers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>18</td>
<td>i) Disposal of scrap, unserviceable and obsolete items as declared by Survey Committee.</td>
<td>Full powers</td>
</tr>
<tr>
<td></td>
<td>ii) Disposal of equipment which are surplus/obsolete/unserviceable to the Corporation and whose original purchase price in each case was not more than Rs.4 lakhs.</td>
<td>Full powers, subject to 1) Quarterly report to Chairman and 2) General procedure for disposal laid down in circular no. HQMM/8/3/Policy, dated 28.3.84 its amendment from time to time.</td>
</tr>
<tr>
<td></td>
<td>iii) Disposal of surplus/obsolete/unserviceable equipment which have been fully depreciated through advertised tenders.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>iv) Disposal of surplus/obsolete/unserviceable equipment which have been fully depreciated through Public auction, irrespective of initial purchase value.</td>
<td>Full powers</td>
</tr>
<tr>
<td>19</td>
<td>Extension of time limit and enforcing or waiving of around rents and penalty in connection with sale of scrap, unserviceable items etc.,</td>
<td>Full powers according to the terms of sale</td>
</tr>
<tr>
<td>20</td>
<td>Writing down the value of surplus or obsolete item.</td>
<td>Full powers subject to the limit of Rs.5,000/- in each case</td>
</tr>
<tr>
<td>21</td>
<td>Warfage and Demurrage Charges</td>
<td>Full powers</td>
</tr>
<tr>
<td>22</td>
<td>Freight Charges</td>
<td>Full powers</td>
</tr>
<tr>
<td>23</td>
<td>Bank charges and commission</td>
<td>Full powers</td>
</tr>
</tbody>
</table>
# NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED

## MATERIALS MANAGEMENT DEPARTMENT

### A.T. REGISTER FOR HEAD OFFICE

<table>
<thead>
<tr>
<th>File No. Indent No. &amp; Date</th>
<th>A.T. No &amp; Date</th>
<th>Description of Stores</th>
<th>Import/Indian</th>
<th>A/T Value</th>
<th>Foreign Currency</th>
<th>Landed Cost Rs.</th>
<th>Indian Agency Commission %</th>
<th>Amt</th>
<th>Divry Date</th>
<th>MFR Dealer/Agent</th>
<th>SSI Yes/No</th>
<th>Hindi Versn. of A/T Y/N</th>
<th>Signature &amp; Date of Person Making Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Annexure – 4-IX
# A.T. REGISTER FOR PROJECTS

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Indent No &amp; Date</th>
<th>Order placed</th>
<th>Description of Stores</th>
<th>Qty</th>
<th>Amount</th>
<th>Delivery date as per order</th>
<th>Nature &amp; date of A/L issued</th>
<th>Receipt position RV No &amp; Dt.</th>
<th>Reviewed on</th>
<th>Action taken</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
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</tr>
</tbody>
</table>
ANNEXURE - 4-XI(a)

NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
(A GOVERNMENT OF INDIA UNDERTAKING)
10-3-311/A, CASTLE HILLS, MASAB TANK, HYDERABAD-28

ACCEPTANCE OF TENDER

No.HQMM/1007-99/TCP/Screen/1425 SUPPLIER CODE NO. T-001
Dt:11 /01 /2000

M/s.TRF Limited, 601, Paigah Plaza,
HYDERABAD - 500 063

Regd.Post A/D

Sub: Supply of Screens to our TCP/Bid-14 Project.

Dear Sirs,

In continuation of our fax Letter of Intent dated 31 /12/99, the Corporation is pleased to accept your offer for the supply of four nos. of Screens to our Bid-14 Project and issue this acceptance of tender as per terms and conditions given below:

1. Description and price of goods: As per Annexure-I, II & III enclosed.
2. a) Price : Rs. 72,83,456.34
   b) Price Basis: F.O.R. Destination basis including Packing & forwarding, taxes and duties, freight and insurance. However the prices are firm and fixed during the entire delivery period except statutory variation in taxes and duties.
4. Freight & Insurance charges: Inclusive as per Annexure-I.
5. Mode of Transport: The materials may be despatched through your authorised transporter. Supplier will be fully responsible for safe arrival of the consignment at our project site.
6. Transit Insurance: Insurance will be done by TRF. A copy of the insurance coverage may be forwarded for our future reference and records.
7. Despatches: Each package should be properly marked with description as well as case number giving net weight and SI.No. if any, for easy identification at project site.
8. **Duties & Taxes:**

   **a) Excise Duty:** The present ED rate of 16% for equipment and spares is included in the price as per Annexure-I. However, statutory variations are applicable against documentary evidence as applicable at the time of despatch.

   **b) Sales Tax:** C.S.T. @ 4% against form yC' is included in price as per annexure-I. Our C.S.T. Registration No.BSR/DNT/255 dt.15/1179.

9. **Delivery:** Within 6 to 8 months after receipt of order. The supply is to be completed by 31/8/2000. However, efforts may be made to improve the delivery and arrange early supply.

10. **Terms of Payment:** 90% Payment alongwith full taxes and duties against following despatch documents through bank is payable:-

   1. Clear Lorry Receipt
   2. Packing List
   3. Invoice/Bill
   4. Predespatch Inspection/Inspection/Test Certificate
   5. Documentory evidence towards ED Payment
   6. Warranty Certificate

   b) Balance 10% shall be made after satisfactory erection, commissioning & trial run/PG test supported by Bank Guarantee towards satisfactory equipment performance valid for warranty period plus 3 months. However, the erection and commissioning and trial run/PG test should be completed within six months from the date of receipt of material at site otherwise balance 10% payment will be released within six months from the date of receipt of material at site.

11. **Bank Charges:** Your bank charges to your account and our bank charges to our account.

12. **Destination:** NMDC Ltd., Bailadila Iron Ore Project, Deposit-14/11C, PO Kirandul, Dist:Dantewada, M.P., Pin-494 556

13. **Consignee:** Manager(Materials), NMDC Ltd., Bailadila Iron Ore Project, Deposit-14/11 C, PO Kirandul, Dist:Dantewada, M.P., Pin-494 556

14. **Paying Officer:** Sr.Manager(Finance), NMDC Ltd., Bailadila Iron Ore Project, Deposit-14/11 C, PO Kirandul, Dist:Dantewada, M.P., Pin-494 556

15. **Bankers:** 1) State Bank of India, Kirandul Branch, Kirandul(M.R)

   2) United Commercial Bank,Bailadila Branch, PO:Bacheli (M.P.), Br.Code:1143

16. **Liquidated Damage Clause:** Subject to "Force Majeure" clause, NMDC would levy LD at the rate of 1/2% (half percent) per week or part thereof subject to a maximum of 5% (five percent) of the order value.

17. **Monitoring of Progress of Manufacture:** NMDC reserves the right to post or depute from time to time an officer of the Corporation for checking up and monitoring the progress of manufacture. The supplier shall furnish all necessary facilities in this regard.
18. Submission of Drawing: TRF is required to submit drawings to GM(Engg), NMDC Ltd, Hyderabad. GM(Engg), Hyderabad will approve the same promptly before start of the manufacturing of Screens.

19. Inspection: Materials shall not be despatched unless inspected at your premises and accepted by our representative. The inspection schedule shall be drawn well in advance and the supplier shall give at least 15 days advance notice for the Inspector to carry out inspection. For inspection procedure or waiver of inspection you may contact only the consignee directly.

20. Warranty: The equipment covers the warranty 24 months from the date of commissioning or 30 months from the date of supply, whichever is earlier.

21. Performance Guarantee: TRF will submit Bank Guarantee for 10% basic value of the equipment valid for warranty period plus 3 months from any Nationalised Bank in India towards satisfactory performance as per enclosed format.

The performance guarantee should be in two parts as below:-

a) The equipment should meet the performance of guarantee parameters spelt out at SNo.18 of technical specifications (Annexure-III) and also as per clause no. 4.0 of technical specifications of NIT, during the PG test.

In the event of equipment not meeting the guaranteed parameters, the corporation will levy penalty at 1% value of the equipment for every 1% fall in the performance or part thereof subject to maximum of 5% of the value of the equipment. The equipment shortfall in performance beyond 5% shall be rejected.

b) The equipment availability should be guaranteed for a minimum of 95% during the warranty period. For every 1% drop in availability, 1% value of the equipment will be levied as penalty. The equipment having the shortfall in availability beyond 5% shall be rejected.

The calculation of availability shall be done as per the formula given below:-

\[
\text{Percentage Availability} = \frac{[\text{Pr} - \text{Br} - \text{Sm}]}{\text{Pr} - \text{Sm}} \times 100
\]

Where

\(\text{Pr} = \text{Production shift hours}\)
\(\text{Br} = \text{Breakdown hours}\)
\(\text{Sm} = \text{Scheduled maintenance hours}\).

22. Training: TRF will impart training during erection & commissioning and P.G. test in the operation & maintenance of machine on free of cost basis.

23. Manuals and Technical Literature: 5 Sets of operating manuals and parts catalogues are to be supplied free of cost along with the screen to the consignee.

24. After Sales Service: Prompt and adequate after sales service shall be rendered
during the warranty period and non warranty period. Regular contacts has to be made during the warranty. The following After Sales Services are to be ensured.

a) It will be supplier's obligation to ensure continuous and prompt supply of spares and accessories during the life time of the machine in required quantities and at required time against separate orders placement. The supplier shall intimate well in advance, any change in design obsolescence of any particular part.

b) During the warranty period TRF will depute their representative promptly free of cost basis.

25. **Security Deposit**: The supplier shall submit Bank Guarantee of 5% value excluding taxes & duties of the contract price within 20 days of receipt of A/ T towards security deposit. The same shall be refunded after satisfactory execution of the A/T. The Bank Guarantee shall be valid for the delivery period plus three months thereafter. Bank Guarantee should be drawn from any Nationalised Bank in India as per enclosed format.

26. **Supervision of Erection and Commission**: TRF will depute their representative for Supervision of Erection and Commissioning for 6 days on free of charge basis beyond which on chargeable basis @ Rs.3000/- per day per engineer only in case of delay attributable to NMDC.

27. **Commissioning Spares & Tools & Tackles**: TRF has not envisaged any Commissioning Spares requirement during erection and commissioning. However, first fill of lubricants and any other spares if required, will be supplied by TRF free of cost. Special Tools and Tackles are not required.

28. **Force Majeure Clause**: If at any time during the continuance of this A.T, the performance in whole or in part by either party or any obligation under this AT is prevented or delayed by reason of any war, hostility, acts of public enmity, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions or other acts of God, provided notice of the occurrence if any such event is given by either party to the other within TWENTY ONE DAYS from the date of occurrence thereof, neither party shall by reason of such event be entitled to terminate this AT., and neither party shall have claim for damage against the performance and deliveries in such cases shall be resumed as soon as practicable after such an event has come to an end or has ceased to exist.

29. **Arbitration**: All disputes or differences arising out of or in connection with this Tender / Order shall be subject to the exclusive jurisdiction of Hyderabad only. All disputes of an incidental nature and related to interpretation of any terms herein or any contractual terms of the same shall be referred to an arbitrator to be appointed by Chairman of the Corporation. The provisions of Indian Arbitration Act 1940 and the amendments thereto as well as rules made hereunder for the time before enforce, shall apply to all such arbitration proceedings. The award of the Arbitrator shall be conclusive and binding on both the parties. Any question of dispute
as to whether or not particular point or matter falls within the arbitration clause herein shall absolve liable to be adjudged upon herein provided. The venue of the arbitration proceedings shall be Hyderabad (Andhra Pradesh) only.

30. **General Conditions**: This acceptance of tender is also subjected to all the General terms & conditions of NIT enclosed alongwith tender but for those which are not specifically covered above. One set of Bank Guarantee format for security deposit and performance guarantee is enclosed for ready reference.

You are required to return one copy of this A/T duly signed and stamped as token of unconditional acceptance of this A/T.

Please acknowledge.

Yours faithfully,

for & on behalf of NMDC Limited,

Copy to:
1) GM(Engg), HO
2) Manager(Materials), Bld-14
3) Sr.Manager(Finance), Bld-14
4) DGM(Mech)Plant, Bld-14(TCP)

FOR OFFICE USE:
1. SSI UNIT :No (2) TYPE OF ORDER: RC/Others (3) CURRENCY: Rs.
(4)E.D:16% (5) CST @ 4% AGAINST FORM'C'
ACCEPTANCE OF TENDER

No. HQMM/2005-99/TCP/2551


To
M/S.Nordberg Singapore Pte Ltd.,
501, Orchard Road,
# 05-09, Wheelock Place,
Singapore - 238880,

Copy to:
1) M/S. Nordberg Singapore Pte Ltd.,
   India Branch Office,
   No.304 - 306, 3rd Floor,
   Barton Centre,
   M.G. Road, Bangalore - 560 001.
2) M/S. Industrial Marketing Service,
   1-7-264, G-15 & 16 Emerald House,
   Sarojini Devi Road,
   Secunderabad - 500 003.

Dear Sir,

Sub: Procurement of 2 nos. 7’ super heavy duty cone crusher to our Bailadila Iron Ore Project, Deposit No. 5.

Ref: 1. Our Global tender notice and Purchase Enquiry No. HQMM/2005-99/ TCP dtd. 10.08.99,
2. Your offer dtd. 28.10.99.

Further to our Letter of Intent at ref. (4) cited above, we are pleased to accept your offer for the of supply 2 nos. 7 foot super heavy duty cone crusher and along with its spares with supervision of Erection and commissioning and issue this acceptance of tender as per terms and conditions given below:
1. Description and Price of the articles ordered: As per Annexure-I to Annexure-IV enclosed.

2. Price:
   a) Price:
      1) Crusher (2 nos)  = USD. 18,20,000.00 (As per Annexure-II)
      2) Spares (As per Annexure-III)  = USD. 1,33,321.10
         Total  = USD. 19,53,321.10
   b) Price Basis: FOB any USA Sea Port.
      Prices are firm & fixed for entire delivery period.


4. a) Freight Charges: To NMDC account
    b) Insurance Charges: To NMDC account

5. Delivery point: Any USA Sea Port.

6. Delivery period:
   a) Entire shipments should be completed before 31.7.2000 for 2 nos. crusher as per the details below.
      1) First Machine - by end June – 2000
      2) Second Machine - by end July – 2000

   However, efforts may be made to improve upon the delivery period and arrange early shipment as our requirement is urgent.

   b) Part shipment equipment-wise is allowed. Lash transport bills are acceptable to us. The shipment is to be completed within the delivery schedule and the documents may be negotiated within the validity of the letter of credit.

7. Terms of payment:
   a) 90 % payment of net F.O.B. Value of USD. 17,11,039.55 [i.e. (19,53,321.10 - 52,166.06)*0.90] after deducting the Indian Agency Commission at the rate of 2.5% on equipment value and 5% on spares on the total F.O.B value as shown in the Annexure-II will be released on presentation of the following despatch documents through bank against the Letter of Credit to be established by NMDC.

   1. First Original Bill of Lading
   2. Invoice/Packing lists.
   3. Manufacturer’s quality / test / Inspection certificate.
5. Warranty Certificate.

b) Balance 10% (USD. 1,90,115.50) will be released after satisfactory erection, commissioning trial run and performance guarantee test at the project site. A separate letter of credit will be established for this payment immediately after receipt of the materials at site. Following despatch documents are to be negotiated for this payment through bank while claiming the payment.

1. Three (3) sets of signed invoice.

2. Final acceptance certificate from the Engineer - in - charge at the project site regarding successful erection, commissioning, trial run and PG Test etc..

3. Bank guarantee for 10% of the basic order value of the equipment towards satisfactory performance of the equipment valid for warranty period plus three months. This bank guarantee should be drawn from any Indian Nationalized bank strictly as per the NMDC format enclosed at Annexure-VI.

c) Bank charges:

Bank charges to be respective accounts, i.e., NMDC will bear buyer's Bank charges while establishing and retiring the documents through bank and the supplier should bear their bank charges while negotiating the documents through bank.

d) Despatch documents:

Three (3) sets of non-negotiable shipping documents to be forwarded to Dy. General Manager (Materials), NMDC Ltd, Masab Tank, Hyderabad-500 028, A.P. India, soon after the shipment is completed. One set of the non-negotiable despatch documents should also be sent to the consignee at port immediately after the shipment.

e) Indian Agency Commission (IAC):

Indian Agency Commission of USD.52,166.06 (i.e. at the rate of 2.5% on F.O.B Value of equipment and 5% on the F.O.B value of spares) will be payable to M/S. Industrial Marketing Services, Secunderabad in equivalent Indian Rupees at the same exchange rate at which the payment is made to M/S. Nordberg Singapore pte. Ltd., Singapore. The Indian Agency Commission will be released to M/S.Industrial Marketing Services, Secunderabad after the consignment is cleared at destination Port on submission of the Indian Agency Commission Bill in triplicate and proof for the shipment. The Indian Agency Commission bills should be forwarded to the NMDC Ltd., Hyderabad directly by M/S.Industrial Marketing Services, Secunderabad for making payment. M/S.Industrial Marketing Services will also assist to clear the consignment at destination port in co-ordination with NMDC office at Calcutta.

This payment will be released as per the following terms.
i) 90% payment (USD 46,949.45) in Indian Rupees against one set of despatch documents and three (3) sets of invoice.

ii) Balance 10% payment (USD 5,216.61) in Indian Rupees will be paid after successful erection and commissioning, trial run and performance guarantee test supported by signed invoice in three (3) sets.

f) Short / wrong supply:

Any shortshipped or wrong supplied items shall be supplied/ despatched/ replaced by the supplier on free of cost basis (i.e. on FOR site basis, Customs duty, Freight and insurance pre-paid) without effecting the erection schedule. The supplier should take adequate care for correct supply at the first instant itself.

8. Mode of Shipment:

By Sea, FOB any USA Sea Port. The materials shall be packed in seaworthy export standard packing with adequate protection from damage rust etc., during transit to ensure safe arrival of the consignment at port and then the consignee.


10. Ultimate Consignee:

Sr. Manager (Materials),
NMDC Ltd,
Bailadila Iron Ore Project, Deposit no. 5,
Bacheli, Dantewada (Dist),
Madhya Pradesh - 494 553.

11. Consignee at Port:

Regional Manager,
NMDC Ltd.,
13, Camac Street,
Calcutta - 700 017. India

12. Shipping Instructions:

a) Shipping Arrangements:

Shipping arrangements will be made by,

The Secretary,
Shipping Co-ordination Committee,
Ministry of Shipping and Transport (Chartered Wing),
1, Sansad Marg, NEW DELHI - 110 001.
CABLE: TRANSCHART, NEW DELHI.
TELEX: VAHAN IN 31-61157, 31-61158, 31-61159,

through their forwarding agent/nominee, who will arrange the shipping space required in the ship.
M/S.OPT Overseas Project Transport Inc.,
(A Thyssen Haniel Logistic Co.,
46,Sellers Street, Kearny,
New Jersey - 07032.
Tele : (201)998-7771,
Telex : 673 – 3586
Telephone : (201) 998 - 7833.

The contractor or his nominee should give at least six weeks advance notice about readiness of each consignment to the forwarding agent from time to time for finalization of the shipping arrangements. The Bill of Lading should be drawn so as to show shippers: GOVERNMENT OF INDIA and consignee: NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED, (A.P.) INDIA.

b) Two copies of the non-negotiable copies of the bill of Lading indicating the freight amount and discount, if any, allowed, should be forwarded to,

The Shipping Coordination Officer,
Ministry of Shipping and Transport (Chartering Wing),
Parivahan Bhawan ,
New Delhi - 110 001
Immediately after the shipment is effected.

c) Shipping Clause :

i) The Cargo should be carried by mechanically propelled "Sea Worthy" Vessel of steel construction of having classified by Lloyds Register Ref.No.100A1 or BS or any equivalent classification society as per the institute classification clause and approved by General Insurance Corporation of India.

ii) Lash transportation bill is acceptable.

iii) Part shipment equipment-wise is allowed.

13. Warranty Period:

The equipment to be supplied should cover the warranty period for 24 months from the date of commissioning or 30 months from the date of shipment/despatch, whichever occurs early. The supplier should warrant for prompt repair and / or replacement at site free of cost if any part of the equipment(s) is (are) found to be defective in design, materials or workmanship within the warranty period.

14. Security Deposit:

The supplier shall submit a bank guarantee for 5% of the basic order value of the equipment price within 20 days of receipt of A/T towards security deposit. The same shall be returned immediately after satisfactory execution of the
contract. This bank guarantee shall be drawn from any Nationalised bank in India only and valid covering entire delivery period plus three months thereafter. The security deposit bank guarantee should be strictly as per the format enclosed herewith at Annexure-V.

15. Penalty:

In the event of delay in delivery the equipment and spares in full or part thereof within the deliver schedule, the corporation shall reserves the right to levy penalty on the contractor at the rate of 0.5% of undelivered part of the contract value for each week or part thereof subject to maximum of 5% of the order value. The buyer reserves right to cancel the order or make alternative purchase of the equipment from elsewhere at the risk and cost of the supplier duly giving an advance notice of 30 days to this effect and in such an event the seller will be liable to pay any losses that may be incurred by the buyer. This is subject to Force Majure conditions indicated at clause no.27 of this A/T.

16. Spares:

a) Supply:

Spares as per list enclosed is to be supplied alongwith the equipment as per the Annexure-III for smooth operations of the equipment.

b) Buy back:

The supplied spares are not consumed within three years of normal operations, than the spares supplied should be taken back by the supplier at same rate with taxes and duties applicable on the date of return. However the price will be varied if the parts are not in the original condition and packing. Parts will not be bought back if they are not in a reasonable condition.

17. Special tools and tackles:

A list of tools and tackles as per enclosed at Annexure-IV should be supplied alongwith the equipment. The cost of tools and tackles is included in the cost of equipment.

18. Commissioning and consumable spares:

Commissioning and consumable spares if any required should be supplied free of cost basis for smooth operation of the equipment. No commissioning and consumable spares will be ordered separately at the time of commissioning of the equipment. The equipment shall be supplied with first fill of oil / lubricants.

19. Supervision of erection and commissioning:

Supervision of erection and commissioning charges of USD.40,000/- on lumpsum basis for 2 nos. crusher will be payable by buyer. No other charges
will be payable by the buyer. This amount is for thirty (30) days of supervision of erection and commissioning. The supplier should depute two (2) Engineers to supervise the installations and two (2) commissioning Engineers for commissioning. The supervision of erection and commissioning of the equipment should be as per the buyer's schedule which will be communicated by the consignee.

The erection commissioning charges (USD.40,000/-) will be paid in full (100%) after satisfactory erection, commission and performance test and final acceptance certificate (FAC). A separate letter of credit will be established for this payment. The final acceptance certificate will be issued by the consignee at the site. This FAC alongwith invoice should be negotiated while claiming the payment through bank.

Any delay during erection and commissioning beyond stipulated thirty (30) and not attributable to the supplier or their agent, then the additional cost will be paid as detailed below by the purchaser.

1. i) Hourly rate (1 Australian Engineer + 1x Indian Engineer) for all hours worked (Monday to Friday) would be USD. 100 /- (One hundred U.S.Dollars) per hour or part thereof for the first 10 hours.

   ii) A rate of 1.5 times the standard rate will be applicable for additional hours including Saturdays.

   iii) A rate 2.0 times the standard rate will be applicable for all Sundays and public holidays.

2. Travelling time to and from site would be charged at USD.90/- (Ninety U.S.D) per hour or part thereof.

3. Accommodation, fares (where required) and general living expenses such as meals would be charged at cost.

20. Performance Guarantee :

   a) The performance guarantee shall be in two parts (i.e.Equipment performance (Mechanical) and equipment availability during warranty period.

   b) The equipment performance will be as per the technical specifications at clause no.5 of the NIT conditions. However the process qualifications and performance testing should be done as per the details below.

   i) Process Qualifications :

      a) The feed grading to the plant must be in accordance with the details as stated at clause no. 2.02.04 of the technical specifications indicated in the NIT.
b) The efficiency of the existing tertiary double deck Screens must not be less than 90% 

Screen Efficiency is defined as:

\[
\text{Mass of undersize material recovered TPH} \times 100% \\
\text{X Mass of undersize material in the feed TPH}
\]

Production throughput will be determined by measuring belt speeds, taking product belt cuts one metre (or more if necessary) in length, weighing and calculation.

c) The feed to each crusher must be unsegregated and evenly distributed around the whole crushing cavity. The supplier should assist buyer by review of technical / layout drawing.

d) The crushing impact work index value and total moisture content will not exceed 19 KWH/T and 4-5 % W/W moisture respectively.

e) To finely tune the tertiary screen and to obtain the (-) 40 + 10 mm desired products, it may be necessary to change a number of the screen panels. Any costs will be for the account of the buyer.

f) Material Bulk Density must not be less than 2.2 tonnes per cubic meter.

g) Prior to testing, a series of mini surveys will be completed. This is required to optimise the crusher and to ensure both seller and buyer are satisfied that the crusher are optimized.

h) If, through no fault of seller, the test cannot be performed during the first year of supply (for example, absence of feed stock, conveyor breakdown etc.), seller will be discharged from the liability of this guarantee.

i) If, during testing the guaranteed performance is not achieved than the seller may alter the crusher operating conditions as deemed necessary and the performance test shall be repeated. The performance test may be repeated if required and as agreed between seller and buyer within one year of the warranty period. At the completion of the two (2) year warranty period, or 30 months after the machines are ready for shipment from the factory premises, whichever comes first, and having not achieved guaranteed performance, buyer may elect to discharge seller from the liability of this guarantee or claim penalties as described in clause no.5.03.(i) of the technical specifications in the NIT.

ii) Performance Testing.

Conditions for performance tests are as under.

a) Buyer guarantees that all the equipment has been installed accordingly to the requirements of the seller for the crushing system.
b) Buyer gets the mine ready according to the requirements.

c) Buyer will arrange workers with appropriate level of technical skills to receive the technical training give by seller.

d) Buyer must provide sufficient volume of feed materials in accordance with the grading detailed above to enable continuous testing to proceed.

e) An adequate supply of raw feed and power must be available at all the times during the test.

f) The feed materials must be free from clay and other deleterious materials and must have a moisture content not more than 4-5%.

g) The granulometric analysis of the feed will be:

<table>
<thead>
<tr>
<th>Size (mm)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>150 mm</td>
<td>97.8%</td>
</tr>
<tr>
<td>100 mm</td>
<td>88.3%</td>
</tr>
<tr>
<td>50 mm</td>
<td>34.9%</td>
</tr>
<tr>
<td>40 mm</td>
<td>13%</td>
</tr>
</tbody>
</table>

h) This granulometric analysis may vary by 2 percentage points at each without affecting the warranty, except that the maximum feed size must remain at 150 mm.

i) Materials bulk density must be not less than 2.2 tonnes / cubic meter.

j) Material impact work index must be no greater than 19 KWH/ Tonne. Work index above is unacceptable to the purpose of the test.

k) The crusher must be fully choke fed via controllable feeders.

l) All ancillary plat and equipment must work satisfactorily, be of correct size for this duty and be able to supply and process material at the necessary capacity.

m) Test must be performed in the presence of a supplier's representative and an authorised representative of the buyer, the machine must be operated and maintained in accordance with procedures specified by supplier. A nalysis must be conducted by a Government approved laboratory. The cost of the tests will be borne by the buyer.

The performance tests on which a performance guarantee has been granted, will be conducted as follows.

a) Pre testing work will comprise the sampling of feed and product materials during the first days of the start up period to establish operational conditions.

b) Between consecutive performance test sampling, the results of the first one will be checked and the necessary corrective measures will be
taken on setting of the machines and the screen mesh in order to achieve the (-) 40 (+) 0 mm before performing the second one.

c) For time effectiveness, the results of the tests must be reported within 24 hrs of the samples being taken.

d) Each sampling will be done on one metre (or more if necessary) of conveyor belt, after having stopped the system in emergency mode during a period of stabilized operation with crushers being constantly choke fed.

e) The crusher feed, discharge and finished products capacity and grading will be determined by taking a belt sample from corresponding conveyors, by weighing the samples and calculating the mass using the following formula:

\[
C = \frac{W \times V}{3.6 \times \frac{L}{X}} \text{(T/H)}
\]

Whereas,
- **C** - Instantaneous capacity (T/H)
- **W** - Sample weight (KG)
- **V** - Verified belt speed (M/S)
- **L** - Cut length (M)

f) "Average Plant Capacity" will be calculated by taking the average of the entire instantaneous belt cut capacities.

g) Samples of the feed materials will be taken to confirm the crushing work index, moisture content and bulk density as deemed necessary.

h) The crusher power and Closed Side Setting will be recorded at the time of sampling.

i) Conveyor belt speed must be confirmed using a calibrated tachometer.

j) All labour and equipment required for the sampling and analysis are to be provided by the customer. Supplier's commissioning personnel will assist in the sampling campaign.

k) The feed and product of crushers will be tested 5 times within a one week period following a period of approximately 50 hrs to allow the running in of manganese wear parts.

l) If the capacity and product size results differ from the figures defined herein, then the reason for the variation shall be analyzed to establish the rectification and then the performance shall be retested.

m) After successful test, responsible people of both parties will sign an acceptance report.

n) If before the performance test, the end user operates the plant (or machine) in industrial production, acceptance of the plant will be automatically granted.
o) The samples of materials utilized during the test will be kept in order to check, if necessary, that the specific characteristics of these materials are in accordance with characteristics of materials determined during the project analysis.

iii) Penalty:

If in the unlikely event the crusher performance fails to reach the capacity undertaking stated above and buyer has complied with all its contractual obligations, seller shall take effective measures to achieve the stated performance within 90 days upon receipt of the written notice from buyer and bear all the expenses arising therefrom. An additional 30 days will be granted if considered necessary if the stated performance can not be achieved within the stipulated period, then seller shall pay the penalty to buyer based on the following.

<table>
<thead>
<tr>
<th>Contracted Production Rate (tph)</th>
<th>Performance penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>0%</td>
</tr>
<tr>
<td>495</td>
<td>1%</td>
</tr>
<tr>
<td>490</td>
<td>2%</td>
</tr>
<tr>
<td>485</td>
<td>3%</td>
</tr>
<tr>
<td>480</td>
<td>4%</td>
</tr>
<tr>
<td>475</td>
<td>5%</td>
</tr>
</tbody>
</table>

The penalty amount will be calculated as a percentage of the contract price of the crushers in accordance with the percentage values in the above table to the maximum level of 5%. This value will be credited to the buyer's account for the purchase of spare parts and wear materials as well as service.

iv) Availability:

For the purpose of understanding, "Crusher Availability" is defined as follows:

\[
\% \text{ Availability} = \frac{(\text{Planned Operating hours} - \text{Schedule Maintenance hours} - \text{Breakdown hours}) \times 100}{\text{(Planned Operating hours} - \text{Schedule Maintenance hours})}
\]

Availability of the crushers as outlined in clause 5.03 (ii) of the technical specifications in the NIT can be achieved only if the machines are operated and maintained regularly in accordance with sellers specifications, only
genuine sellers parts are used and feed consistent with that specified in this tender is maintained. Loss of availability due to downtime attributable to processes upstream or downstream of these crusher or the lack of availability, appropriate spare parts that have neither been ordered or delivered to site is not applicable as downtime for these machines. Any components deemed as unsuitable by the buyer and therefore rejected by buyer will be removed under the supervision of a seller's service Engineer at the prevailing service rates. These components will then be returned to the point of manufacture with the cost being borne by the buyer.

i) Planned operational hours:

The number of crusher operating hours within any given production period excluding any scheduled maintenance hours, scheduled public / religious holidays or other preplanned occasions not mentioned in this definition that result in the shutdown of the crushers and including any unplanned downtime hours due to mechanical, processes, industrial or other unscheduled causes not also mentioned in this definition.

ii) Scheduled maintenance hours:

The number of hours dedicated for maintenance within the given production period in which all the necessary maintenance schedules are undertaken in a timely manner and recorded in strict accordance with the crusher operating and maintenance Manual. This includes the change out Manganese wear parts, lubrication oil changes and other miscellaneous duties necessary to ensure the reliable operation of these machines.

Trained skilled artisans using correct tools and safe work practices must undertake all maintenance work.

Seller's Engineers shouls participate with buyer's personnel in arranging training for the maintenance / service personnel to ensure effective competency levels.

c) Penalty for non-availability:

Equipment shall be available for a minimum 95% during warranty period. For every 1% drop in availability 1% of the equipment value will be levied as penalty.

d) Performance bank Guarantee:

The performance guarantee shall be supported by a bank guarantee for 10% value of the order strictly in the prescribed proforma enclosed herewith. This B.G shall be valid for warranty period plus three months and should be submitted while claiming the final 10% payment. The supplier shall give the performance guarantee for the whole equipment.
21. Inspection and Testing Certificates:

On receipt of the order, Nordberg should submit the QAP. The tests as agreed in the Nordberg's QAP shall be carried out free of cost. The supplier shall give minimum 3 weeks notice in advance regarding the inspection. Within 15 days of such notice, purchaser will inform whether they will depute their representative to witness the inspection or waive the same. Despatch clearance will be given immediately after inspection, provided the goods are found in order, after inspection.

22. Catalogues and Manuals:

Five (5) sets of parts catalogues, and operation / maintenance manuals including important boughtout components are to be supplied alongwith the equipment free of cost basis.

23. Training:

The supplier will impart training for adequate periods to buyers operation staff for operation and maintenance of the crusher during erection and commissioning and performance guarantee test free of cost basis.

24. After Sales Service:

The supplier should depute their service Engineer promptly for providing after sales service during warranty period. Beyond warranty period the seller will provide an Indian service Engineer for after sales service from prevailing Indian branch office. The seller will also supply the spare parts for the life time of the equipment at the prevailing cost. During warranty period the seller should depute their Engineer free of cost basis but beyond warranty period on cost basis.

The present Indian branch office address for the purpose of after sales service is as below:

M/S. Nordberg Singapore Pte Ltd.,
Indian Branch Office,
No.304 - 306, 3rd Floor,
Barton Centre, M.G.Road,
Bangalore - 560 001.
Contact Person : Mr. R.S.Raghavan, Country Manager
Telephone : 080 - 509 1 577
Fax : 080 - 509 1580

25. Make:

The model of the equipment to be supplied is the Nordberg Symons seven foot super heavy duty cone crusher make only. This model should be latest model in the Symons cone crusher series and is to be constructed at Nordberg's Milwaukee USA, facilities at the address below:
The technical specifications are enclosed at Annexure- I. The Nordberg should also guarantee to provide genuine Nordberg parts at the prevailing cost for lifetime operation of the Symons 7 foot super heavy duty cone crusher ordered.

26. Quality Assurance Plan (QAP) and Drawing:
Quality assurance plan and drawings shall be submitted immediately for purchaser's approval without any delay enable the purchaser to approve the QAP duly in time.

27. Force Majure:
In case, at any time during the continuance of this A/T the performance in whole or part by either party or any obligation under this A/T is prevented or delayed due to the reasons of any war, hostility, acts of public enmity, civil commotion, sabotage, fires, floods explosions, epidemics, quarantine restrictions or other acts of God, provided notice of the occurrence if any such event is given by either party to the other within twenty one days from the date of occurrence thereof, neither party shall by reasons of such events be entitled to terminate this A.T., and neither party shall have claim for damage against the performance and deliveries in such cases shall be resumed as soon as practicable after such an event has come to an end or has ceased to exist.

28. Arbitration:
In the event of any dispute or difference arising between the parties here to regarding construction or execution of the contract or the respective rights and liabilities of the parties, such disputes or differences shall except or Otherwise expressly provided for herein be referred to the arbitration of two arbitrators, one to be appointed by each party or in the case of the said arbitrators agreeing to, an Umpire to be appointed by arbitrators in writing before entering on the reference and provisions of the Indian Arbitration Act - 1940 or any statutory modifications or enactment thereof and rules framed thereunder from time to time shall apply to such arbitration. If the two arbitrators do not agree on the appointment of the Umpire, the Umpire shall be nominated by the International Chamber of Commerce, Paris. The decision of the said Umpire shall be binding both on the seller and the Corporation. The venue of the arbitration should be Hyderabad (India) only.


30. General conditions:
Stipulation in respect of various clauses given above in the A/T shall prevail over the terms and conditions of the NIT except wherever stated otherwise. For other conditions NIT terms will be applicable without any alterations.

You are required to return us one copy of the supply order duly signed in all pages as token of unconditional acceptance of the Acceptance of Tender.

Yours faithfully,
For and on behalf of NMDC Ltd,

Copy to:
1. Sr.Manager (Materials), NMDC Ltd, Bld-5.
2. Sr.Manager (Finance), Bld-5
3. Dy.General Manager (Mech)PI, Bld-5
4. The Secretary, Shipping Co-Ordination Committee,
   Ministry of Shipping & Transport (Chartered Wing),
   1, Sansad Marg, New Delhi- 110 001.
5. M/s. OPT Overseas Project Transport Inc.,
   (A Thyssen Haniel Logistic Co.,
   46, Sellers Street, Kearny,
   NEW JERSEY- 07032.
6. Regional Manager, NMDC Ltd., Kolkata
7. General Manager (P & C), H.O
8. General Manager (Engg), H.O
ANNEXURE 4-XI(C)

NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED  
(A GOVERNMENT OF INDIA UNDERTAKING)  
"KHANIJ BHAVAN, 10-3-311/A, CASTLE HILLS, MASAB TANK, HYDERABAD-500 028.

GENERAL TERMS AND CONDITIONS OF A.T.

A. This A.T. should be acknowledge within 10 days of its issue.

B. Copies of all correspondence of this order should be endorsed to the Consignee also.

C. Copies of invoices, despatch particulars and Inspection and Manufacturers Test Certificates (where applicable) should be sent directly to the Consignee and the Paying Officer to facilitate retirement of document and to this office for information. Suppliers are liable for payment of demurrage charges incurred due to non-receipt of documents in time.

D. PACKING: All materials shall be securely and adequately packed to avoid damage / loss in transit and to ensure safe arrival at destination. Packing list should indicate dimensions and weight and be inserted in each package. Materials damaged / lost due to poor packing shall be repaired / replaced by the supplier free of cost. Packages despatched through Railways should conform to Railway specifications and the R/R should not bear any qualifying remarks.

E. INSURANCE: The transit risk will be arranged by the consignee Supplier should advise the Consignee about the despatch particulars immediately after despatch, telegraphically in case the consignment could not be covered under insurance in good time due to delay in receipt of / defective intimation from supplier, all consequential damages shall be to the supplier's account.

F. (i) PENALTY: In the event of delay in supply, penalty will be levied subject to force majeure at the rate of half percent per week of delay for the value of undelivered portion, but not exceeding 5% of the value of order. The Corporation shall however has the option to cancel the unfulfilled portion of A/T and procure from elsewhere the portion undelivered at the supplier's risk and cost.
(ii) Time is the essence of the contract. The delivery shall be completed within the stipulated time.

(iii) Delay on the part of sub-contractors / suppliers shall not be pleaded as cause for the delay and the Corporation will not accept such plea as defence for the delay. Except for the reasons specified in the Force Majure Clause, the Corporation shall have the right to levy penalty, as already provided, for the delay.

G. **SECURITY DEPOSIT** : The Supplier shall deposit five per cent value of the A.T. by Demand Draft / Bank Guarantee to the Paying Officer in his favour within ten days of receipt of this A.T. towards Security Deposit. The same shall be refunded after satisfactory execution of the A.T. The Bank Guarantee shall be valid for the delivery period plus three months thereafter.

(ii) In case the supplier fails to comply with this stipulation their bills, if presented directly, will remain unpaid and if negotiated through Bank, will not be retired and the consequential O.D. Interest, werfage demurrage and other damages, if any, shall be entirely to the risk, account and responsibility of the supplier.

H. **WARRANTY** : The supplier shall warrant that every material to be supplied shall be free from all defects and faults in materials, workmanship, manufacture and shall be of the highest quality. The materials supplied should be consistent with the established, recognised or stipulated standards in respect of materials of the type usually used for the purpose and in conformity, with the specifications, and capable of withstanding extreme dusty and wet condition. The warranty shall continue not-withstanding the inspections payments made and acceptance of the tendered stores, but shall expire only in accordance with the Warranty period specified under Clause No. 12. If any defect is found and proven to the manufacturers as solely arising from faulty design, workmanship and / or quality of materials, the supplier shall repair or replace such materials forthwith without any charges. If the materials are rejected on any ground the same would be returned to the supplier through bank and / freight charges would be borne by the supplier.

I. **FORCE MAJEURE CLAUSE** : If at any time during the continuance of this A.T., the performance in whole or in part by either party or any obligation under this A.T., is prevented or delayed by reason of any war, hostility, acts of public enmity, civil commotion, sabotage, fires, floods explosions, epidemics quarantine restrictions, or other acts of God, provided notice about the occurrence if any such event is given by either party to the other within TWENTY ONE DAYS from the date of occurrence thereof, neither party shall by reason of such event be entitled to terminate this A.T., and neither party shall have any claim for damage against the performance and deliveries in such cases shall be resumed as soon as practicable after such an event has come to an end or has ceased to exist.

J. **ARBITRATION** : All disputes of an incidental nature and relating to the interpretation of any terms hereinfore or any contractual terms of the same shall be referred to an Arbitrator to be appointed by Chairman of the
Corporation. The provision of Indian Arbitration Act 1940 and the Amendments thereto as well as rules made hereunder for the time before in force, shall apply to all such arbitration proceedings. The award of the Arbitration shall be conclusive and binding on both the parties. Any question of dispute as to whether or not a particular point or matter falls within the arbitration clause herein shall also be liable to be adjudged upon as herein provided. The venue of the arbitrations proceedings shall be Jyderabad (A.P.).

K. **VAIRATION**: The Order shall not be capable of being varied except in writing duly signed by both the parties. The Corporation shall not, in the absence of the specified written acceptance, be found by any provision in supplier's quotation, offers, forms of acknowledgement of contract, invoices, packing lists etc., which purport to impose condition at variance with or supplementary to this A.T.
ANNEXURE - 4 – XI (d)

NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
(A GOVERNMENT OF INDIA UNDERTAKING)
"KHANIJ BHAVAN, 10-3-311/A, CASTLE HILLS, MASAB TANK,
HYDERABAD-500 028.

GENERAL TERMS AND CONDITIONS OF A.T.

A. This A.T. shall be acknowledged within 20 days from the date of issue.

B. Marine Insurance will be covered under our Marine Open Cover Insurance
   Policy from the Port of Despatch to our project site. Please intimate the shipping
details by Cable to this office immediately after shipment.

C. (i) Disposal of shipping Documents: The first original Bill of Lading / Air way Bill
   along with Invoice etc. mentioned in Clause No. 4 should be negotiated against
   the Letter of Credit. The second original Bill of Lading / Air Way Bill with 3
   copies each of Invoice and packing lists should be sent to the consignee at Port
   directly by Air Mail Third original and 3 extra copies of Bill of lading / Airway Bill
   5 copies each of invoice, packing Isit, Inspection / Test Certificates, Catalogue /
   Literature / Leaflets etc., should be sent to this Office directly by Air Mail. The
   description of items in invoice and packing list should be as given in thie A.T.

(ii) Advance Documents: To facilitate easy clearance and to avoid demurrage
   charges due to non-receipt of documents in time, the supplier shall arrange to
   keep a set of following documents in a pouch externally fixed to the cases in a
   conspicuous location so that same can be removed without affecting the
   packing and presented to Customs alongwith the Bill of Entry :

   1) Copy of invoice
   2) Copy of Packing list.
   3) Catalogue, Literature, Leaflers, etc.

   The pouch can be made out of water proof canvas cloth of size 9" x 9" or a
   polythene cover sealed on all sides and nailed to one of the sides of the case.

iii) If the supplier fail to comply with the stipulation of codumentation, the
   demurrage, wharfage and other consequential damges, if any shall be borne by
   the supplier.

D. Packing & Marking: The stores shall be securely and adequately packed to
   ensure safe arrival at Destination fully covering overseas shipping hazardsa
   and marked with this order reference, consignees address. Net / Gross weight,
dimensions, etc., one copy of packing list and invoice should be placed in each package.

E. **Warranty**: You shall warrant that the material supplied shall be free from all defects and faults in material, workmanship, manufacturers and shall be of the highest quality. The materials supplied should be consistent with the established, recognised or stipulated standard. In respect of materials of the type usually used for the purpose and in full conformity with the specifications. The materials offered must be capable during the operation of withstanding tropical and extreme dusty and wet conditions. This warranty shall continue not withstanding inspections, payments made and acceptance of the materials, but shall expire after the warranty period specified under Clause 10., if any defect is found and proven to the manufacturers as soley arising from faulty design, workmanship and / or quality of material which exceeds proper wear and tear of material under normal operation, the supplier shall repair or replace on C.I.F. basis as quickly as possible all such materials free of cost.

F. **FORCE MAJEURE CLAUSE**: If any time during the continuance of this A.T. the performance in whole or in part by either party or any obligation under this A.T. is prevented or delayed by reason of any war, hostility, acts of public enmity civil commotion, sabotage, fires, floods, explosios, explosions, epidemics quarantine restrictions, or other acts of God provided notice about the occurance of any such event is given by either party to the other within TWENTY ONE DAYS from the date of occurance thereof, neither party shall by reason of such event be entitled to terminate this A.T. and neither party shall have any claim for damage against the performance and deliveries in such cases shall be resumed as soon as practicable after such an event has comet o an end or has ceased to exist.

G. **PENALTY**: In the event of delay in supply, penalty will be levied subject to Force Majeure at the rate of half percent per week of delay for the value of undelivered portion, but not exceeding 5% of the value of order. The Corporation shall however has the option to cancel the the unfulfilled portion of A.T. and procure from elsewhere the portion undelivered at the suppliers risk and cost. This is the essence of the contract. The delivery shall be completed within the stipulated time.

Delay on the part of sub-contractors / suppliers shall not be pleaded as cause for the delay and Corporation will not accept such plea as defence for the delay. Except for the reasons specified in the Force Majeure Clause, the Corporation shall have the right to levy penalty as already provided for the delay.

H. **Arbitration Clause**: In the event of any dispute or difference arising between the parties hereto as to the construction of execution of the contract or the respective rights and liabilities of the parties, such disputes of differences shall except or otherwise expressly provided for herein be referred to the arbitration of two arbitratorss, one to be appointed by each party or in the case of the said arbitrators not agreeing then to an Umpire to be appointed by arbitrators in writing before entering on the reference and provisions of the Indian Arbitration Act, 1940 or any statutory modifications or enactments thereof and rules framed thereunder from time to time shall apply to such arbitration. If the two arbitrators do not agree on the appointment of the Umpire, the Umpire shall be nominated by the international Chambers of Commerce, Paris.
The decision of the arbitration or in the case of their not agreeing, that of the said Umpire shall be binding both on the seller and the Corporation. The venue of the arbitration will be Hyderabad (India).

I. **Variation** : This A.T. shall not be capable of being varied except in writing duly signed by both the parties. The Corporation shall not in the absence of its specified written acceptance be bound by any provision in suppliers quotation, offers forms of acknowledgements of contracts invoices, packing lists, etc., which purport to impose conditions at variance with or supplementary to the A.T.

j. **Security Deposit** : The Supplier shall furnish a Bank Guarantee within 20 days of the receipt of this A.T. for 5% value of this A.T. for fulfilment of the terms and conditions of this A.T. through State Bank of India, Hyderabad valid for the period of delivery plus six months thereafter.

In case the Supplier fails to comply with these stipulations in their bills, if presented directly, will remain unpaid and if negotiated through Bank will not be retired and the consequential O.D., interest, wharfage demarage and other damages, if any, shall be entirely to the risk, account and responsibility of the supplier.
NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
(A Govt of India Undertaking)
10-3-311/A, CASTLE HILLS, MASAB TANK, HYDERABAD 500 028 (A.P.)

RATE CONTRACT

NO. HQMM/10/RC/Lamps/Philips/397 Dt 20/03/2001

M/s. Ved Electrical Stores,
2-2-120, Opp Punjab National Bank,
M G Road,
Secunderabad - 500 003

Sub:- Rate contract for supply of LAMPS.
Ref:-
2. Your Quotation No. P/VES/RC/530/00-01 dt 10/07/2000

Dear Sirs,

We are pleased to award this Rate Contract for supply of various varieties of lamps as per Annexure-I enclosed and as per the following terms and conditions:

1) VALIDITY:

This contract shall remain in force from 20/03/2001 to 28/02/2002 which can be extended for a further period with mutual consent.

2). DEMANDING OFFICERS:

Direct Demanding Officers authorised to place orders directly against this Rate Contract are as indicated in Annexure-II.

3). FALL CLAUSE:

The prices effective form 20/03/2001 to 28/02/2002 will be as per Annexure-I. These prices will be subject to adjustment on lower side, if necessary as per R/C to be awarded/already awarded to you by other Public Sector Undertakings/Govt Departments.

4). PRICES/PRICE BASIS:

Prices for various LAMPS are given in Annexure-1.

Prices are on FOR Hyderabad basis inclusive of packing charges, but exclusive of freight and insurance. Supply shall be made through our approved transporter and to the destination as specified in the individual orders.
5). **SALES TAX:**

APGST @ 8% or CST @ 4%, as applicable will be paid extra for the specified items in the Annexure. For other items, prices are inclusive of Sales Tax. Form ‘CI Declaration Form will be issued by the paying Officers wherever applicable, at the time of payment.

6) **EXCISE DUTY:**

Prices are inclusive of Excise Duty.

7) **PAYMENT TERMS:**

Full 100% payment will be made against following dispatch document through bank:

- Clear Lorry Receipt, packing list, Invoice in triplicate, Guarantee Certificate.

8) **PAYING OFFICERS & BANKER’S NAME:**

This will be indicated in the order by the consignee.

9) **DELIVERY:**

Available items on Ex - stock basis and balance within 8-10 weeks from the date of receipt of the P O. The supplies will be as per the manufacturer’s standard packing.

10) **MODE OF DESPATCH**

The materials should be dispatched on Freight - to - pay basis through our approved transporters to our nearest transporter godowns, as specified by our DDOs in the P Os.

11) **TRANSIT INSURANCE:**

This will be arranged by the DDOs at their cost against their open policies. Intimation regarding dispatch should be given well in advance so that consignee can arrange transit risk coverage.

12) **PACKING AND FORWARDING:**

The materials should be adequately and properly packed to safe guard against transit hazards.

13) **INSPECTION:**

Material will be inspected at project site, after receipt, by the consignee.

14) **PRICE CERTIFICATE:**

You should submit a price certificate in all your invoices in the following format:
"It is certified that the prices & handling charges indicated in this invoice are not higher than the amount billed to other Govt. depts/PSUs.

15) PARALLEL RATE CONTRACT :

The corporation reserves the right to enter into parallel rate contracts with other firms.

16) WARRANTY/ GUARANTEE :

All lamps and luminaire are guaranteed against manufacturing defects subject to inspection of the Quality Officer of their Principals, M/S Phillips.

17) DISPUTES

All questions, disputes or difference arising under or out of or in connection with this contract, shall be referred to an arbitrator, to be appointed by the Chairman of the corporation. The provision of Indian Arbitration Act 1940 and the amendments thereto as well as rules made hereunder for the time before in force, shall apply to all such arbitration proceedings. The award of the arbitrator shall be conclusive and binding on both the parties. Any question of dispute as to whether or not a particular point or matter falls within the arbitration clause herein shall also be liable to be adjudged upon as herein provided. The venue of the arbitrations/ proceedings shall be Hyderabad (Andhra Pradesh).

18) FORCE MAJEURE :

Your offer is subject to the following force majeure clause: If any item, during the continuance of this contract the performance on whole or in part by either party or any performance on whole or in part by either party or any obligations under this contract is prevented or delayed due to any cause or causes beyond their control including wars, hostilities, acts of the State's enemies, civil commotions, floods, explosions, epidemics, sabotages, fires, lockouts, strikes or other acts of God (hereafter referred to as "eventualities") is given by either party to the other within 21 days from the date of occurrence thereof, neither party shall be by reason of such eventuality be entitled to terminate this contract and neither party shall have any claim for damages against the other in respect of such nonperformance or delay in performance and delivery under this contract shall resume as soon as practicable after such eventuality has come to an end or ceased to exist.

19) PENALTY :

In the event of delay in supply, penalty will be levied subject to force majeure at the rate of half percent per week of delay for the value of undelivered portion, but bot exceeding 5% of the value of the order. The corporation shall however
has the option to cancel the unfulfilled portion of A/T and procure from elsewhere where the portion undelivered at suppliers risk and cost.

Please acknowledge by return mail.

Yours faithfully,
For and on behalf of NMDC Ltd.,

Copy to:-
1. SR MGR (MAT), Bld-5
2. SR MGR (Fin), BLD-5
3. MGR (MAT), BLD-14
4. MGR (FIN), BLD-14
5. SR MGR (MAT), DONIMALAI
6. SR MGR (FIN), DONIMALAI
7. ASST MGR (MAT), PANNA
8. SR MGR (FIN), PANNA
PROCEDURE FOR THE TECHNICAL EVALUATION AND COMMERCIAL LOADING

Presently the revised procedures are under submission for competent authority approval. The annexure will be included after competent authority approval.
5.1.0 STORES RECEIVING & ACCOUNTING

5.1.1 Central Stores

Each project will have Central Stores for receiving and storing of all incoming equipments, spares and stores etc till these are issued or disposed. According to convenience the same would be located at Hill-top and Base camp and would be under the control of appropriate level officers reporting to Head of Materials Management Department at the project.

5.1.2 Central stores will be sub-divided as under for performing following functions

Scope : Stores Section at the project will work under Materials Management Department and will comprise of the following sections :

a) Receipt Section

b) Custody/Issue Section

5.2.1 a) Receipt Section :

Receipt section will be responsible for the following activities :

i) Receipt of despatch documents and proper recording of details.

ii) Taking delivery of incoming consignments from carriers.

iii) Ensuring proper receipt of door delivery consignments.

iv) Transportation of materials from carriers to Receipt Section.

v) Linking of incoming consignments with purchase orders. Coordination for inspection of materials.

vi) Preparation of receipt vouchers.

vii) Custody of incoming consignments till handed over to Custody Section.

viii) Handing over the accepted materials to Custody Section.

ix) Taking claim action regarding rejected/short received/not received materials with the carriers and suppliers and underwriters.

x) Lodging and follow up of claims with carriers, under writers and suppliers.

xi) Checking of Freight bills.

xii) Reconciliation of store in transit.

xiii) Coverage of transit insurance for incoming/ outgoing consignments.

xiv) Coverage of fire insurance policy for Store, POL depot, Important installations/ Capital items etc..

xv) Collection and accounting of depot agreement items.

xvi) Maintaining the Receipt voucher control register/ Outgoing material register.
5.2.2 Head Materials at Project would be the consignee for all incoming consignments.

5.2.3 **Receipt of Material**: Receipt Section will comprise of main Receipt Cell with a sub Receipt Cell depending upon the individual units convenience.

For shouldering these responsibilities, the Receipt Section will perform the following functions and generate/maintain records as under.

5.2.4 **LR/RR Register**: All RRs, PW Bills, LR etc received for incoming consignments would be serially entered in the LR/RR Register showing all relevant particulars like station of booking, destination station, mode of despatch, purchase order reference, number of packages, freight payable/paid and amount etc. (Annexure-5-I).

5.3.1 All the pending RRs, PW Bills, and LRs will be regularly presented to the respective carriers by Stores Official for taking delivery of the consignments there against. In case the respective consignments are not received by that time, necessary endorsements will be got made on these despatch documents to avoid any subsequent claim regarding wharfage and demurrage charges etc by the carriers.

5.3.2 On arrival of the consignments the Stores official will examine the consignments for any outwardly visible damage to the packages at the carrier godown/end. In case of any damage he will ask for open delivery of the consignments.

5.3.3 Open delivery from the carriers would be taken in association with representative of concerned Technical Department for correct identification of items along with concerned purchase order and supplier's bill.

5.3.4 In case of doubt the package would be got reweighed before taking delivery.

5.3.5 Payments of freight and other incidental charges to the carrier would be made while taking delivery of the consignments as per the despatch documents through credit notes or through cash as the case may be.

5.3.6 In case of any short receipt of any package Stores Official would ask for shortage certificate from the carrier.

5.3.7 In case the consignments are not taken delivery within the "free allowed" time, the carriers charge demurrage/wharfage charges for such delays. These charges are linked with chargeable weight and capacity of the wagon in case of wagon consignments.

5.3.8 In case of crane consignments, timely advance action is required to indent for the railway crane immediately on receipt of despatch particulars, otherwise the Railways will claim demurrage charges for the detention of the wagons thus delayed.

5.3.9 If possible project crane should be used for unloading of heavy consignments.
5.3.10 In order to discourage delays in taking delivery of consignments, railways have introduced telescopic rates for calculation of demurrage and wharfage charges which multiply at a very high rate.

5.3.11 In addition to the above charges, some times under-charges are also claimed by the railways on account of incorrect calculations for the railway freight tariff or classification of the materials at the booking station.

5.3.12 Clear certificates for such payments should be obtained from the Railways while making payments by credit notes or cash as the case may be, for its adjustment.

5.3.13 Weekly statement of credit notes issued are to be submitted to Finance so as to make necessary arrangements to recoup and maintain adequate balance for subsequent issue of credit notes.

5.3.14 Necessary approval for payment of demurrage/wharfage charges should be sought on weekly or monthly basis from the competent authority with justification for such payments.

5.3.15 The packages taken delivery from the carrier will be brought to the project by the stores official ensuring its safe handling, avoiding damage in loading, transit and unloading etc.

5.3.16 On arrival at the Receipt Section, the concerned stores Official will enter the details in the SR register (as per annexure 5-III). In case the consignment is required to be sent to other stores, the documentation should be made as per Convey Note (as per annexure 5-II).

5.4.1 **Rail Head Consignment**: In case the nearest Railway station is very far from the project, a Rail Head Stores set up would be established at the nearest Railway Station. Especially in early stages of project under construction, the Rail Head consignee who would receive/ retire the despatch documents, take delivery of consignments, pay freight etc to carrier and arrange despatch of all such consignments to the Project under Daily Receipt Sheet/Store Receipt Sheet.

5.4.2 He would maintain necessary records of RR/PW Bills/LR etc in hand awaiting consignments, consignments taken delivery, consignment despatch to project and open delivery taken and shortage certificates obtained etc.

5.4.3 He would also arrange collection and despatch of Lorry consignments from there.

5.4.4 He would report to Head of Materials Management Department at project.

5.4.5 He would be assisted by Store-keeper and ensure proper custody of all incoming consignments till these are sent to Project and proper acknowledgements obtained from Receipt Section at Project.

5.4.6 He would also arrange to retire the despatch documents from banks against respective POs received at his end and operate the corresponding bank accounts.

5.4.7 Being located in the city he would also assist/coordinate in local purchases or repairing of items or liasion work etc.
5.5.1 All incoming consignments will be entered in the Stores Receipt register of the Receipt Section in serial order of receipt indicating complete details of the supplier, despatch particulars, purchase order along with freight particulars (Proforma Annexure 5-III).

5.5.2 Receipt-cum-inspection vouchers (Proforma Annexure 5.IV) would be prepared in 6 copies storewise for each consignment received indicating details of supplier, despatch particulars, POs references, despatch details etc along with items, quantities ordered, despatched and would be signed by Receipt Section incharge.

5.5.3 Receipt vouchers control register for numbering the Receipt Vouchers and watching the progress of Materials Pending posting in custody section. (Proforma Annexure-5.VII)

5.5.4 The packages will be got opened and items will be tallied with the copy of bills already received by the Receipt Section to ascertain correctness of the number of items and quantities despatched and received there against.

5.5.5 Concerned department will be requested by the Receipt Section incharge, to carry out the inspection of the materials received. (Annexure 5-V)

5.5.6 Following guide lines for inspection are to be followed.

Head of user department will generally inspect/ countersign inspection note for the items like Dumper tyres (18.00 x 24 &above), RR Bits, Conveyor belt, Trailing cables, mantles, Bowl liners and all capital equipments. The head of user department will also countersign for the materials valuing more than Rs. 1 Lakh. The head of user department may also inspect selective items of his discretion, otherwise suitable authorization may be given to his officers to inspect high value items with the approval of Head of project.

5.5.7 The Inspection Officer will sign with designation and date on all copies of the receipt-cum-inspection voucher after having inspected and indicated the accepted quantities in the "Accepted" column of the receipt-cum-inspection voucher.

5.5.8 The rejected quantities would be shown under "Rejected column" and the reasons for rejection under the "Remarks" column of Receipt- cum-inspection voucher.

5.5.9 The accepted quantities of the items will be handed over physically to the concerned storekeeper in the Custody Section along with all 6 copies of the receipt voucher by the Receipt Section Storekeeper for posting and acknowledgements.

5.5.10 The receipt voucher copies would be got made in 6 copies for smooth distribution. Word "Payment Copy" would be printed on top of payment copy.

5.5.11 The storekeeper of custody section will retain one copy of the Receipt Voucher for his record and return the remaining 5 copies to Receipt Section for distribution as under:

<table>
<thead>
<tr>
<th>Copy</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Copy</td>
<td>Computer</td>
</tr>
<tr>
<td>Second Copy</td>
<td>Finance</td>
</tr>
<tr>
<td>Third Copy</td>
<td>Receipt section</td>
</tr>
<tr>
<td>Fourth Copy</td>
<td>Purchase</td>
</tr>
</tbody>
</table>
5.5.12 The officer-incharge of Central stores will sign the receipt voucher after its being posted by Custody Section storekeeper and before release to Finance and would also initial against respective entry in the receipt voucher control register.

5.5.13 The receipt voucher will be numbered as soon as the concerned consignment has been received and receipt voucher is prepared and inspected.

5.5.14 Pending receipt vouchers will be regularly reviewed for early clearance at various stages by the Receipt Section Incharge and also by the Central Stores Incharge.

5.5.15 Pending Receipt Voucher would be reviewed regularly by stores incharge & Head Materials.

5.5.16 Any case of delay of inspection would be reported to Head Materials for taking up with concerned Head of the Department and if necessary brought to the notice of Head (Project).

5.5.17 The receipt section will try to ensure quick clearance of the incoming consignments by co-ordinating with the inspecting officers and with Custody Section so that the limited space in Receipt Section is again available for fresh consignments.

5.5.18 The responsibility for safe custody and accountability of the incoming consignments would remain with the receipt section until the same are handed over to the custody section.

5.5.19 Receipt section is to do correspondence in addition to the physical handling and accounting of the materials.

5.5.20 Bulk materials like H S D and Petrol are directly decanted from Road Tankers to the under ground tanks under Custody Section, but its accounting, dip reading before decanting of the tanker in the underground tanks are to be taken jointly by the receipt section and issue section storekeepers.

5.5.21 The receipt vouchers will be prepared accordingly by the receipt section and handed over for acknowledgement to the custody section on tanker basis which will be considered as one consignment.

5.5.22 The tanker receipts will also be entered in the DRS/SR register and accounted like other consignments.

5.5.23 Similarly, industrial gases received from the suppliers will also be accounted through receipt section which would prepare necessary receipt vouchers indicating the cylinder numbers to keep track of movement of cylinders and return within stipulated retention period allowed by suppliers.

5.5.24 Similarly, details of various identifiable stores such as tyres, will be noted in the receipt voucher on receipt from supplier or after getting it retreaded in first or second or third cycle.
5.5.25 Similarly, bearing nos with make, electric motor serial numbers with make, si
nos. of electric fans, aircoolers, air-conditioners, refrigerators, various
equipments, machinery and vehicles particulars would be recorded at the
time of receipt in Receipt vouchers for its identification during verification at
later stages.

5.5.26 Full description of items as given in the PO would be brought out in Receipt
Voucher with additional particulars as may be available in different cases.

5.5.27 **Non Stock Items:**
Accounting of hospital items: Consignments meant for project hospitals
would also be received in the receipt section and entered in the SR register.
This will be drawn by the Hospital incharge who would acknowledge the
consignments and account the same at the hospital through hospital store-
keeper.

5.5.28 **Medicines[13]** consignments or hospital stores would be handed over
directly to the hospital as a whole for direct accounting by Hospital
incharge/store-keeper attached to the hospital.

5.5.29 **Accounting of stationery items:** Stationery items are to be stocked at
central stores and are to be issued to the respective deptt. However issue of
stationery items will be regulated by administration dept, who raise the
annual requirement also.

5.5.30 **Accounting of Chemical Lab. Items:** These are special items meant for
chemical lab at the project and would be inspected by the chemist incharge
who would inspect and draw materials according to his requirement.

5.5.31 **Miscellaneous consignments:** Any miscellaneous consignments pertaining
to the project school, CISF etc would also be received at the Receipt Section
and would be dealt like other consignments or as may be locally decided. They
may either be stock or non-stock items.

5.5.32 **Gate Passes**

i) The Gate Passes for the consignments released to the concerned
department would be issued by Receipt Section duly signed by officer-
incharge of Central Stores indicating relevant references of SR Register
and would be got acknowledged by an authorised officer.

ii) Gate passes for temporary exit of materials from Receipt Section for
trial or testing in User Departments before final acceptance would be
for limited period and its return would be watched through a register.

5.5.33 Normally no material would be issued to the User Department from Receipt
Section. But in case of extreme urgency, the Receipt Section could allow the
material to the User Department against proper Issue Voucher duly
acknowledged. In such cases the Receipt Voucher with remaining items and
Issue Voucher would be handed over to Custody Section for posting in
Kardex / Stores Ledger. R.V. would be numbered on the date of inspection
and I.V. on the date of posting to ensure continuity of serial number for
completion.

5.6.0 **CLAIMS**
5.6.1 In respect of materials invoiced but not accepted/received due to various reasons after inspection immediate action would be taken.
   a) Materials are not as per specifications of the order.
   b) Materials are received short.
   c) Materials are received in damaged/broken condition.
   d) Non receipt of consignment compared to invoice.

5.6.2 After inspection, the Receipt Section will raise discrepancy report to the supplier with a copy to Purchase Section, underwriters and Finance as per Proforma (Annexure-5.VI) with reasons for rejection/ short received/damaged.

5.6.3 All discrepancies shall be properly listed out in the Discrepancy register and followed up periodically (Annexure-5.VIII).

5.6.4 When materials received in outwardly damaged condition, broken packages and open delivery is taken from Railways/Road Transport carriers, concerned packages be retained by Receipt Section for getting the complete consignment weight for supporting the claim for shortages/damages and should be kept safely till survey is conducted.

5.6.5 The rejected materials will be kept separately under the custody of Receipt Section till these are accepted / replaced or returned to the supplier or disposed off otherwise. (Annexure-5.IX). All rejected materials are to be duly insured.

5.6.6 All pending rejected materials cases will also be periodically reviewed from discrepancy register for early settlement of the cases.

5.6.7 All claims lodged on the carriers and underwriter would be serially numbered in a Claim Register. (Annexure -5 -XIV,5-XV, 5-XVII).

In case of imported consignments, if any shortage/breakage/damage are noticed in the port, the claims responsibility lies on the clearing office at port. However, if the shortage/breakage/damages are noticed during the transit from port to destination, the claim responsibility lies on ultimate consignee.

5.6.8 In case of any consignment becoming overdue for delivery say one month in case of road despatch and 3 months in case of Rail despatch, immediately the claim would be lodged with the respective claim office of the carrier with a copy to the underwriter.

5.6.9 In case the concerned consignment is located and delivered by the carrier later on the claim automatically gets repudiated. Due intimation need to be given to Finance and carrier.

5.6.10 Claim in case of non-delivery of packages, short delivery of packages/ items or due to damages in transit are also to be lodged within the permissible period from the date of despatch to avoid its becoming a „time-barred claim‟.

5.6.11 In order to ensure lodging of the claim in time and to have a proof of having done so, the claim should be always lodged under registered post with acknowledgement due. The claim should also indicate full value of the claim,
billed cost plus freight, incidentals and necessary documentary proof should be provided.

5.6.12 While forwarding original shortage/damage certificate to claim office, photo copy of the same should be retained.

5.6.13 The claim file no., indicated by the carrier on acknowledgement of such claim should also be quoted in future references.

5.6.14 Claims are to be regularly followed by officer-in-charge of stores review by Head (Materials) for any lapse in non-filing of claims or late filings of claims or incomplete filing of claims or nonfurnishing of required details/documents to be conducted as they would lead to rejection of the claims and consequent loss to the Corporation. Hence, high priority is required to be given for timely lodging and regular follow up of claims in time by Receipt Section and officers of the stores.

5.6.15 Purchase Section and Finance Section would also be kept informed of all claims lodged and its progress and settlement.

5.6.16 All claims with suppliers/carriers/underwriters for indigenous supplies will be filed and processed by stores.

5.6.17 In case of imported consignment, initial claims with the steamer agent for non-delivery or shortages or damages established at the port will be lodged by Clearing Office or consignee at port within permitted period.

5.6.18 Claims for excess customs duty paid, refund would also be lodged within time allowed by the clearing Office or by clearing agent at the concerned port regarding the respective consignments with a copy to concerned project consignee and Purchase Office.

5.6.19 Open appraisement in case loss/damage/apprehensions should be asked at port of unloading and claim lodged by Clearing Office or by clearing agent at port as the case may be along with simultaneous claims on the underwriters with copy to Project consignee and Purchase Office.

5.6.20 Claims with Steamer Agents and Customs would be pursued till settled by Clearing Office/Clearing Agents at port and ultimate consignee and paying officer being kept informed.

5.6.21 But claims with underwriters would be taken over by ultimate consignee at the project after its initial lodging by Port Office or Clearing Agents.

5.6.22 Claims would be regularly followed up and reviewed from the Claim registers and personal follow up resorted in cases of old claims.

5.6.23 Claims settled/rejected shall be intimated to the Purchase Officer concerned and Project Finance. Unsettled claim amounts are to be examined in detail and if required competent authority's approval is to be obtained to square up the old claims case.

5.6.24 Claim amount settled by Steamer Agent/Carrier would be intimated to the Underwriter and claim amount is reduced to that extent with request to settle the claim for balance amount.

5.6.25 The claim can not be made as source of income but only to cover the loss.
5.5.26 Credit to the extent claim is settled would be passed on to the concerned project by Clearing Offices.

5.7.0 CUSTODY / ISSUE CELL

5.7.1 Custody / Issue Cell will be responsible for the following functions:

a. Keeping a safe custody of material inside the godowns as well as the open yard.

b. Undertaking periodical preservation action to ensure materials are not allowed to get damaged / deteriorated in storage.

c. Arranging issue of materials against proper authorisation given by the head of the project from time to time.

d. Accounting of materials as per Receipt Voucher and entering transactions in the cardex card promptly.

e. Accounting of materials returned i.e., partly used, scrap materials etc.

f. Examine frequently the condition of fencing, lighting, locking arrangements of godowns and main gates, security checks etc and take remedial measures wherever necessary.

 g. In case of POL depots, proper care/safety is to be followed with displaying board of "NO SMOKING" etc. Fire extinguishers and other safety appliances are to be maintained properly. The area should be properly fenced.

h. For serviceable partly used items are to be accounted in ledger with NIL value. However user dept should return the item with proper return voucher.

5.7.2 Custody section should be located at Hill top/and Valley nearer to the place of consumption. The Custody Sections will be located in fully covered lockable godowns along with open store yards adequately fenced and illuminated for proper security.

5.7.3 Custody section will be the custodian of all the inventory held by the respective project and would be under the control of an officer of appropriate rank.

5.7.4 This section will be sub-divided according to the location of the requirements and nature of equipments and stores and would be staffed by a number of supervisors and store-keepers.
5.7.5 This section will be responsible for safe custody, preservation, issues, accounting and physical availability of materials received by the project.

5.7.6 The activities will cover the following aspects:

a. Receiving the accepted materials against respective purchase orders, depot transfers and LPOs through receipt section with the receipt vouchers, its verification of the items and quantities.

b. Thereafter entering in the cardex cards indicating the location in the cardex and physically placing, the stores items in Almirahs, Racks, floor or yard etc according to the nature of material at those locations. While doing so, the physical suitability of items of fresh receipt should also be checked about item in stock, if any.

c. Acknowledging the fresh receipts to the receipt section after indicating the "balances after posting" figures on the receipt vouchers.

d. Issuing the indented materials to the concerned indentor against proper materials requisitions signed by authorised officer. (Annexure-5.X)

e. Posting the issues in the cardex and physically handing over the concerned items/quantities to the indentor or his representative against acknowledgements.

f. Indicating "Balances" after posting of issue on issue vouchers.

g. Maintaining cardex cards showing the latest stock status(Annexure-5.XVIII(a) XVIII(b),XIX).

h. Indicating the stock position of required items against local purchase indents or for other purposes, to the indentor and to the inventory control cell.

i. Upkeep of the materials to avoid any deterioration in storage which would include not only cleaning, dusting but also applying proper rust preventive and respective preservatives to safeguard life of stored materials against weather conditions sun and rain.

j. Tempting and Volatile stores and items likely to be effected due to humidity etc will be kept properly secured inside the steel almirahs/steel racks in the store godowns, which will be locked by the respective custodians who have physical control over the stores under their charge.

k. Heavy materials not likely to be affected by exposure to sun rain etc will be kept in the open yard at proper locations, properly stacked and in easily retrievable manner.

l. Necessary name plates etc indicating sizes would be kept by the side of such materials. Code nos to be painted for identification of the item.

m. Materials of similar nature would be kept side by side.

n. Items which are easy to stock in a particular fashion would be kept as such.
o. Smaller items would be kept in upper portion of the pigeon hole racks while heavy and bulky items in the middle and lower compartments of the racks.

p. Heavier items would be kept on the ground according to the nature of the materials.

q. Rubber items such as tyres, tubes, 'V' belts, flaps etc would be kept away from sun and rain and preferably should be kept in air-conditioned chambers to avoid deterioration in storage.

r. Vulcanising materials and splicing materials which have short shelf life should be kept in air-conditioned chambers to avoid any reduction of its shelf life. The shelf life would be indicated on bin cards and Kardex for timely intimation to user departments for its utilisation.

s. The principle of first-in-first-out should be generally adhered to.

t. Machined polished surfaces should be protected against rusting by keeping them in original packages with rust preventives.

u. Bearings should also be kept in the original packings to avoid any deterioration due to rusting and if required special chemical should be applied to prevent rusting.

v. Filter elements should be kept in the original covers and away from dust, rats etc..

w. Bolts, nuts etc should be dipped in diesel to give protective layer to avoid rusting of threads.

x. Lubricant drums and transformer oil drums should be kept horizontally with the lid in 3'0 clock/9'0 clock stock position to avoid minimum leakage. Grease drums should be kept in vertical position.

y. Tyres especially OTR should be rotated by 90 degrees every month to avoid any deformation of their shape due to its own weight. French chalk should be applied periodically.

z. Conveyor belts drums being a heavy and needing crane handling which can not be kept inside godowns, should be covered through tarpaulins to protect against sun and rain. The drums should be jacked up on stands to avoid direct contact of conveyor belts with ground.

aa. Materials kept inside the racks should be arranged in such a way that they do not project outside the racks.

ab. The racks should be arranged in straight line with back to back arrangement and leaving sufficient passages in between various rows for the movement of ladder/trolley and incoming materials.

ac. Similarly, side pathway gallery should be provided with sufficient space to enable free movement.

ad. All pilferable items would be got stamped with words NMDC where this would not damage or injure the parts. Such pilferable items should be identified at indent Stage itself and provided in the orders for such Stampings or engravings through the manufacturer as far as possible and should be kept in almirah as far far as possible under lock and key.
5.8.1 **Stores Preservation**: Proper materials storage is important and goes a long way in conserving the spares.

5.8.2 For carrying out an effective preservation programme, factors such as economic aspects, period of idleness of a part, condition of the part nature of exposed surface as well as applicability of specific protectives to be applied should not exceed the cost of the part to be preserved.

5.8.3 All ferrous spares should be given a protective coat of paint/varnish and stored.

5.8.4 Precision spares like instruments, electronic and electrical spares, ball and roller bearings should be covered in polythene bags, enclosing moisture absorbent chemicals like silica gel etc.

5.8.5 Precision spares should be maintained in dust free air-conditioned rooms without sunlight and moisture.

5.8.6 French chalk powder should be sprinkled whenever possible on rubber items like tyres, tubes, hoses, 'V' belts etc.

5.8.7 Items like electrodes should be kept intact in original packings and kept in dry storage room with some heaters to avoid excess of moisture effecting the coating.

5.8.8 Sintered bush bearings should be Soaked in warm oil for 24 hours once in a year.

5.8.9 Pipes over 2" are flushed/cleaned with dry air. In these cases the exterior painting is done by protective paints.

5.8.10 Vertical stocking of grinding wheels with partitioning in between is necessary so that the faces do not come into contact with each other.

5.8.11 Strip heaters in all high voltage motors, LT motors should be provided to avoid moisture entering into the motors.

5.8.12 Copper parts must be protected against ingress of ammonium salts.

5.8.13 Silver and lead parts must be cleansed with fresh water.

5.8.14 Compressors and turbines of multistage pumps should be rotated on their bearings every quarter to prevent stagging/clogging.

5.8.15 Anti-rodents and insecticides measures should be taken on regular basis.

5.8.16 Shafts gears and impellers must be stored horizontally after painting with dewatering protecting films such as Rusgard and Rustoline etc.

5.8.17 Fasteners and screws which are kept in the racks may be treated with hard preservation films.

5.8.18 Perishable spares like 'V' belts with a low shelf life should be identified and the FIFO method of issue, should be practised.

5.8.19 All transactions of receipts and issues are to be routed through stores duly preparing the receipt vouchers and issue vouchers.

5.8.20 The issue vouchers would be prepared in 5 copies (Annex-5.X) (1st copy to computer cell, 2nd copy to Accounts, 3rd copy to stores, 4th copy as gate pass and 5th copy to users) by the concerned indenting (user) department
indicating the items, quantities demanded, code number, cost centre number etc, serially numbered for each department duly signed by the authorised officer upto the value limits fixed for drawal before presentation to the Custody Section for drawl of materials. The storekeeper concerned while issuing would indicate his serial number reference of the voucher on all copies along with quantities issued and balances after posting of the issue. The same will be recorded in the Issue control register.

5.8.21 The issue voucher will also be signed by the stores-incharge, alongwith store keeper concerned.

5.8.22 One copy of the issue voucher will be collected at the stores gate by the security staff as a gate pass for taking out the materials issued.

5.8.23 Used materials will normally be returned against drawal of new materials to the extent it is practicable. Such used materials would be accounted through ledger by weight/nos. In case of new and unused material is returned through a return voucher the user dept is required to indicate previous issue voucher reference against which the material was initially drawn.

5.8.24 Custody and Issue Cell would generate/maintain the following documents.

a) Issue voucher control register... Annexure-5.XX

b) Transfer Voucher Control Register...Annexure-5.XXII.

c) Return voucher register for materials returned either in the form of scrap/un-serviceable/partly used....Annexure-5.XXIV.

d) Surprise stock checking register by various officers of store department Annexure-5.XVI

e) Dip register for the underground tanks for receipt/issue of petrol, diesel.... Annexure-5-XIII

f) Register for receipt/issue of Gas cylinders....Annexure-5.XXIII

g) Reconciliation of discrepancies in stocks wherever necessary.

h) Issue voucher control register for Contractor A/C....Annexure- XXI.

i) Unserviceable /scrap issue voucher ..Annexure 5-XXV

5.8.25 Transfer of stores from one stores depot to another stores depot or project would be made under Depot Transfer of Stores Voucher to be prepared in six copies (Proforma as per Annqxure-5.XI)

5.8.26 A consolidated issue voucher would be prepared in triplicate at the end of the day covering piecemeal issues made regarding diesel, petrol, kerosene, gear oil, under codes 33A and 33B during the day to different machines and posted as one entry in the concerned ledger (Proforma Annexure-5.XII).

5.8.27 Petrol and Diesel tanks dip register will be maintained seperately for each underground tank and dips taken and recorded every day by the concerned storekeeper in the register as per proforma at Annexure- 5.XIII.

5.8.28 Monthly statement of receipt vouchers raised and released will be signed by the officer-incharge of receipt section and similar statements of issue vouchers released by each of the storekeeper during the month would be issued by the stores-incharge to thet Head of the Materials Management.
5.8.29 The physical verification of stocks of different items will be systematically verified not only by the storekeeper concerned but also by the concerned officer incharge who will maintain respective stock verification register indicating the date of verification, items, code, location, part number, book balances and physical balances, condition of the materials etc for the items verified.

5.8.30 Such verifications would be carried out and items would be picked at random in different store groups. The discrepancies found if any in the physical verification book balances or locations of the materials would be recorded in the register which will be signed by the officer verifying the stocks and by the concerned storekeeper.

5.8.31 Surprise verification of some of items of stores at random would also be carried out by Stores In-charge and also by HOD (Materials) at the project. In addition any senior officer from other departments would also be entitled to check stocks under the surprise checking system and record their findings in the surprise check register being maintained in the stores. (Annexure-5.XVI) Monthly report is to be forwarded by Head of project to concerned director and for onward submission to Vigilance and copy also to be sent to HOD (Materials) at Corporate office.

5.8.32 These surprise checkings will be in addition to the perpetual stock checkings being undertaken by the stock-verifiers under the Finance department. The discrepancies found during these stock verifications or surprise checkings would be explained and reconciled with the reasons.

5.8.33 The book balances regarding such discrepancies will be immediately brought in line with the physical balance count by preparing necessary corrective receipts/issue vouchers and posting the same and releasing the copies to the Accounts.

5.8.34 The explanations given for the discrepancies would be critically examined by Head of the Materials Management Department before recommending for its reconciliation to the Finance.

5.8.35 Security : All the store keepers will lock their godowns properly at the closing of the shift to avoid any theft or pilferage. Similarly, stock-yard main gate also would be kept locked during non-functioning hours.

5.8.36 Watch and ward duties will be performed by the security staff under CISF who would guard the stores and also patrol the store yard from outside the fencing.

5.8.37 The store yard will have at least 8 ft high chain link 2” x 2” fencing with another 2 ft bent angles at the top with the barbed wire stripplings to prevent any entry in the store-yard. Store yard will be adequately illuminated with flood-lights during night hours as a security measure.

5.8.38 The stores godown roofs would also be checked periodically against rain water leakages or entry of clouds through ventilators during monsoon.

5.8.39 All entries in the store yard will be restricted to only Corporation employees visiting stores in connection with inspection or issue of materials. Entry of outsiders like suppliers etc in the stores would be regulated through entry
passes and necessary record of such entries would be maintained at the store gate. These passes would be issued by CISF/MM dept./Mines Manager.

5.8.40 **Fire prevention**: As lot of inflammable materials will be stored in the central stores, it is necessary that adequate fire prevention arrangements/precautions are taken to avoid any mishap due to fire. In this connection the following measures would be strictly followed:

i. Stores godown, store-yard and storage area around petrol, diesel tanks, lubricants etc will be declared strictly as "no-smoking zone". Prominent boards with "No-smoking" painted there upon would be displayed at all such places.

ii. Adequate number and types of fire extinguishers (soda acid type, foam type, CTC type) would be provided at proper places to combat general fires, oil fires and electric fires. Adequate numbers of fire buckets with sand and some with water would be kept in stands duly filled to be used in case of any eventuality of fire. The fire alarm bell (bronze bell) would also be mounted on the fire bucket stands to sound fire alarms. A number of fire Hydrants would be provided in store yards and near godowns along with hoses to fight fire.

iii. Though fire-fighting arrangements and maintenance of the fire fighting systems would be under the control of CISF, the stores staff working in the vicinity of such areas should also be conversant with use of fire fighting systems to meet any emergency.

iv. Drainage arrangement with adequate slope would be provided in places of storage of lubricants, paints, varnishes etc so that any leakage may drain off from the storage area.

v. Cotton waste, paints and other inflammable materials should be stored separately. Similarly, chemicals and corrosive materials should be separately stored.

vi. During night times when the store is closed it will be ensured that the main switch of stores is switched off to avoid electrical short circuiting and consequent fire hazard.

5.8.41 **Collection of scrap and used materials**: The indenting departments after using the issued materials would return the corresponding scrap or old spares to the stores for custody and disposal. Such materials will be accounted in separate ledgers and would be subgrouped according to the nature of the materials such as old tyres, old conveyor belts (nylon separate and steel cord separate) empty barrels, old spares of HEM, sub-grouping non-ferrous items like bushes separately, radiators, dynamos, starters, aluminium items separately and accounting by weight/nos. Similarly, old batteries would also be accounted separately by numbers. Even cuttings and borings from the machine shop would be returned to store for disposal. This would be accounted separately by weight according to the nature of items. Structural steel cut pieces left after use in fabrication jobs would also be returned to stores. These will be received by weight in separate identifiable lots. (Annexure 5-XXIV and 5-XXV)
5.8.42 Other miscellaneous scrap items like electric fans, water-coolers, air-conditioners, typewriters, steel furniture, hospital items etc would be returned to stores and will be made in separate lots.

5.8.43 All such scrap items received will be listed and got surveyed by survey committee before offering the same for disposal by tenders or auction.

5.8.44 It will be the responsibility of the user departments to return all the scrap/used materials lying in their works to stores against proper voucher

5.8.45 **House keeping** : House keeping in the custody section will be a regular feature. The stores will be kept properly cleaned and neatly arranged at the indicated locations. Store racks and steel almirahs used for storing the materials would be serially numbered each pigeon hole and different compartments would be fully identified by numbers, which would be used to show the location of items.

5.8.46 **Return of materials for reconditioning** : In case of any reconditioning or repairs required to be done through outside agencies, the concerned materials would be routed through central stores against return vouchers and repaired/ reconditioned materials on receipt will also be received through central stores and accounted therein.

5.8.47 No canabilisation will be allowed from any of the old equipments returned to stores for disposal without prior permission of the competent authority. Procedures regarding cannibalisation is to be followed as per the circular No. Prod/Misc/92 dt. 1st October, 1992.

5.8.48 Accounting of items produced in the work-shops : Items produced/ manufactured in the Corporation work-shops would be got accounted through stores and drawn so as to ensure its entry in the consumption records which can be taken into account while planning future requirements.

5.8.49 All returns to stores will be against return vouchers indicating the condition of the materials and giving back reference to the extent possible about its drawal. (Annexure 5-XXVI and 5-XXVII)

5.8.50 Return of old equipments to stores : Old equipments and machinery returned to central stores against return vouchers indicating the reference of replacements or otherwise would be covered by corresponding return vouchers giving full details and would have all its assemblies fitted.

5.8.51 Calibration by Weights & Measures Department : The weighing machines in use would be got periodically tested for accuracy through Weights & Measures Deptt. and got stamped accordingly. Similarly, petrol and diesel dispensing pumps would also be got periodically checked and got sealed to ensure correct quantity deliveries.

5.8.52 For handling stores inside the godowns and in the yard adequate trolleys would be provided and similarly for reaching top levels of the steel racks, mobile ladders would be provisioned for use.

5.8.53 **Cement Godowns** : The roof and sides of cement godowns should be completely leak proofed to avoid any entry of water or moisture in the godowns. Cement bags should be kept on raised platforms/ wooden planks/CGI sheets to avoid moisture reaching the bags from the godown
floor. Not more than 10 bags should be stored one above the another and the top of the stake should be got covered with good tarpaulins. Minimum wall clearance of 3'Ft should be maintained.

5.8.54. The storekeepers, supervisors, stores officers would be always alert and watchful against any attempts to pilfer materials or manipulate any entries in stores records for which consistent review and checking would be required.

5.8.55 Proper licences for starting FISD and Petrol would be obtained under Explosives Act and these licences would be properly displayed in the Petrol issue bunks. These licences would be got revalidated before its expiry.

5.8.56 Proper Fire insurance coverage of important installation/ Capital item, Stores and POL depots with material are to be taken by store.

5.8.57 Cost Cap Accounting [13]: Accounting procedures(Amendment)

5.8.58 Industrial Gases stacking Guidelines[14] (Amendment)

5.8.59 Depot Agreement for HEM spares/COLD for lubricants [15] (Amendment)


**LORRY / RAILWAY REGISTER**

NMDC

MM-5-1

Project : _________________ NMDC Ltd.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Date</th>
<th>LR/RR No. &amp; Date</th>
<th>Wagon No. &amp; type</th>
<th>Goods Passenger Road</th>
<th>Consigner</th>
<th>Dispatching Stn.</th>
<th>Consignee</th>
<th>Destination Stn.</th>
<th>PO No. and Date</th>
<th>Nature of Goods</th>
<th>No. of cases</th>
<th>Freight Paid/To pay</th>
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<th>Charged Weight</th>
<th>Dist. Invoice No.</th>
<th>Remarks in RR/LR</th>
<th>Signature of receipt Section incharge</th>
<th>L.S.C. No.</th>
<th>% and Amount Recommended</th>
<th>Acknowledgement gement of R.R. by Stn. Duty staff</th>
<th>S.R. No. &amp; Date</th>
<th>Marks of the receiving officer</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>
NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
Central Stores
Convey Note No. CSD
Details of materials sent: for Repairs / Retreading / Return / on transfer

To,

_________________________
_________________________
_________________________

Date

The following equipments/stores are sent through Vehicle No. Kindly send the acknowledgement.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>SR No. &amp; Date</th>
<th>RR/LR No. &amp; Date</th>
<th>Description</th>
<th>A/U</th>
<th>Qty.</th>
<th>Name of Supplier</th>
<th>Order No. &amp; Date</th>
<th>Remarks</th>
</tr>
</thead>
</table>

Sign & Designation of receipt Sign of driver Sign of Store Asst. Sign of Store In-charge
### NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED

**SR REGISTER**

**PROJECT:**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>No. Date</th>
<th>Dispatched From</th>
<th>To</th>
<th>RR/LR/ PW No. &amp; Date</th>
<th>Received From Bank/Post or Direct</th>
<th>Wagon No &amp; Type</th>
<th>Remarks on RR</th>
<th>Consignor</th>
<th>Consignee</th>
<th>PO No &amp; Date</th>
<th>Brief Description</th>
<th>Type of packing</th>
<th>No. of package/quantity</th>
</tr>
</thead>
<tbody>
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</table>

<table>
<thead>
<tr>
<th>Owners/ Carrier Risk</th>
<th>Actual Weight</th>
<th>Chargeable Weight</th>
<th>Freight Paid Rs.</th>
<th>To pay Rs. Ps.</th>
<th>Other charges/ Demurrage/Wharfage/Crane Charges</th>
<th>RR/LR Forwarded To</th>
<th>SL No. of Insurance Register</th>
<th>Date of Consignment arrival</th>
<th>Date of Delivery taken</th>
<th>Credit Nt. No. Date/ MR No. &amp; Date</th>
<th>DMR / G.C.No. &amp; Date</th>
<th>Receipt Voucher No. &amp; Date</th>
<th>Remarks</th>
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</thead>
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</table>
**ANNEXURE – 5-IV**

*NMDC LTD.*  
________COPY

**RECIEPT-CUM- INSPECTION VOUCHER**

Project Code:

Store Code:  
Stores Received at  
VS MS

<table>
<thead>
<tr>
<th>PO No.</th>
<th>PO Date</th>
<th>R.V. No.</th>
<th>R.V. Date</th>
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</thead>
<tbody>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Supplier Code</th>
<th>Bill No.</th>
<th>Dt.</th>
<th>Amt Rs.</th>
</tr>
</thead>
<tbody>
<tr>
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<table>
<thead>
<tr>
<th>G.C. Note No.</th>
<th>Date</th>
<th>R.R./P.W.B./L.R.N0.</th>
<th>Date Frt. Paid/Topay R. Date</th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>Item No. of A/T.</th>
<th>Item Code</th>
<th>Description /Part No.</th>
<th>Acctg. Unit</th>
<th>Quantity</th>
<th>Balance after Posting</th>
<th>Report of inspecting Officer</th>
<th>Total Value</th>
<th>Account Code</th>
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<th>Item No. of A/T.</th>
<th>Item Code</th>
<th>Description /Part No.</th>
<th>Acctg. Unit</th>
<th>Quantity</th>
<th>Balance after Posting</th>
<th>Report of inspecting Officer</th>
<th>Total Value</th>
<th>Account Code</th>
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<th>Item No. of A/T.</th>
<th>Item Code</th>
<th>Description /Part No.</th>
<th>Acctg. Unit</th>
<th>Quantity</th>
<th>Balance after Posting</th>
<th>Report of inspecting Officer</th>
<th>Total Value</th>
<th>Account Code</th>
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<thead>
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<th>Item No. of A/T.</th>
<th>Item Code</th>
<th>Description /Part No.</th>
<th>Acctg. Unit</th>
<th>Quantity</th>
<th>Balance after Posting</th>
<th>Report of inspecting Officer</th>
<th>Total Value</th>
<th>Account Code</th>
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</table>

<table>
<thead>
<tr>
<th>Item No. of A/T.</th>
<th>Item Code</th>
<th>Description /Part No.</th>
<th>Acctg. Unit</th>
<th>Quantity</th>
<th>Balance after Posting</th>
<th>Report of inspecting Officer</th>
<th>Total Value</th>
<th>Account Code</th>
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</tbody>
</table>

Finance Accounting C.n. Code

<table>
<thead>
<tr>
<th>Store Keeper(Receipt Section)</th>
<th>Store Keeper(Custodian)</th>
<th>Incharge Stores &amp; Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dt.</td>
<td>Dt.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Inspection Officer</th>
<th>Asst. Finance</th>
<th>Accounting Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dt.</td>
<td>Dt.</td>
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</tbody>
</table>
NNATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED  
(A GOVT. OF INDIA UNDERTAKING)  

STORE RECEIPT INTIMATION

REF NO.  
Date : ______

To,

The following stores have been received from

M/s. _______________________________

Against P.O. No. _____________________  Date __________________

<table>
<thead>
<tr>
<th>SI. No.</th>
<th>SR NO.</th>
<th>Description of Item</th>
<th>No. of Items / Packages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

It is requested that inspection of the above may please be arranged early for taking stores on charge and clearance of the firm’s bill.

copy distribution :

1. User copy

2. Purchase Section Copy  
I/C Stores.

3. Stores copy
Sirs,

Sub : Order No. _____________________ Dated ___________
Ref : Your invoice/challan No. 
R/R/LR/PWB No.

We acknowledge receipt of the consignment referred above but on checking the same we found the following discrepancy:

<table>
<thead>
<tr>
<th>Item No. of P.O</th>
<th>Code No.</th>
<th>Description &amp; Part No.</th>
<th>unit of measure</th>
<th>Quantity</th>
<th>Reasons for rejection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td>Invoiced</td>
<td>Received Rejected/NC</td>
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</tbody>
</table>

In this connection please refer to the clause Nos.: Noted below

1. Even though we have received the packages in good condition, shortage / damage is observed. The open delivery certificate could not be obtained from the Carriers since the packages were in sond condition at the time of taking delivery.

2. The consignment reached the destination in damaged condition and we have taken open delivery and as per open delivery certificate, above items were found as shortage/damaged.

3. You have not complied with packing instructions contained in the order. The damage is caused due to poor packing and so you are liable for the damages/shortages.
4. You are required to make good of the shortages. You have not packed this item erroneously even through you have included in your invoice.

5. You are required to arrange free replacement of the items along with the fresh bill / challan. We shall return the rejected items on receipt of replacement supply from you and on acceptance of the same.

6. Please advice mode of despatch of rejected items. We do not require replacement. We shall recover the value of Rs.______ from your pending bills.

7. We propose to recover Rs__________ from your pending bills towards rectification/ shortage and accept the balance items.

8. You are required to advice whether we can return the rejected materials and send the LR/RR/PWB through bank along with the bill for the advance amount made to you Advise your banker's name for further action.

Please acknowledge receipt of this letter and confirm action taken Your reply should carry our purchase order reference.

Yours faithfully
(Stores Incharge)

Copy:
1) Purchase Section
2) Finance
3) Insurance
# R V CONTROL REGISTER

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Date</th>
<th>RV No &amp; date</th>
<th>SR No.</th>
<th>Name of the supplier</th>
<th>RR/LR /PWB No.</th>
<th>PO No.</th>
<th>Date of inspection requested</th>
<th>Date of inspection</th>
<th>Date of handing over to store official</th>
<th>Signatur e of officer incharge with date</th>
<th>Date of release of RV</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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</tr>
</tbody>
</table>
### DISCREPANCY REGISTER

**MINERALS MANAGEMENT WING**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>R.R./L.R. No. &amp; Date</th>
<th>Invoice No. &amp; Date</th>
<th>Wagon No.</th>
<th>Supplier</th>
<th>Description of Materials</th>
<th>Qty. per RR/LR</th>
<th>Qty. per Firm's Challan</th>
<th>Tot Qty. received</th>
<th>Qty. Found damaged</th>
<th>PO No. &amp; Date</th>
<th>F.O.R. Condition</th>
<th>Cost of shortage rejection in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Whether material insured.</th>
<th>Name of Insurance Co.</th>
<th>Shortage/damage certificate ref.</th>
<th>Date of receipt of shortage certificate</th>
<th>Date of claim Lodged</th>
<th>Total value of claim in Rs</th>
<th>R.V.No. &amp; Date</th>
<th>Claim register ref. No.</th>
<th>Remarks of receiving Officer</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>
# NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED

## ANNEXURE – 5-IX

### REJECTED MATERIALS REGISTER

**PROJECT:**

<table>
<thead>
<tr>
<th>Rejection Entry No. &amp; Date</th>
<th>Supplier</th>
<th>P.O. Ref. &amp; Date</th>
<th>RR/PWB/LR No. &amp; Date</th>
<th>R.V. No.&amp; Date</th>
<th>Description Rejected Materials</th>
<th>Qty.</th>
<th>Invoice/ Bill No. &amp; Date</th>
<th>Value of Rejection &amp; Date</th>
<th>Reasons for Rejection.</th>
</tr>
</thead>
<tbody>
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</table>

### Rejection of Memo No.& Date

<table>
<thead>
<tr>
<th>Rejection of Memo No.&amp; Date</th>
<th>Reference to authority Letter No.</th>
<th>Rebooked to firm under RR/PWB/IR No. &amp; Date</th>
<th>Location</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
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<td>14</td>
<td>15</td>
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</tbody>
</table>


## ISSUE VOUCHER

<table>
<thead>
<tr>
<th>Document</th>
<th>Transaction</th>
<th>Project Code</th>
<th>Store Coe</th>
</tr>
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<table>
<thead>
<tr>
<th>Issue Voucher No.</th>
<th>Date</th>
<th>Copy</th>
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</table>

For equipment No. ____________________________________________ Type of Maintenance ______________

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Item Code No.</th>
<th>Part No</th>
<th>Description</th>
<th>U/M</th>
<th>Quantity Demanded</th>
<th>Quantity Issued</th>
<th>Qty. Returned</th>
<th>Balance after posting</th>
<th>Cost Center Code</th>
<th>Account Code</th>
<th>Debit</th>
<th>Credit</th>
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Sign. & Designation Store Keeper Store Incharge Receiver Sr. Accountant
(Requisition Officer) (Seal)    (Seal) Name: Main Stores
Date: Token No.: Valley Stores

248
# Inter Project / Inter Store Transfer Form

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Item Code No.</th>
<th>Part No.</th>
<th>Description</th>
<th>UM</th>
<th>Quantity Demanded</th>
<th>Quantity Issued/Received</th>
<th>Balance after posting</th>
<th>Value</th>
<th>Account Code</th>
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</tbody>
</table>

## Transaction Code
- Inter Project Receipt
- Store Receipt
- Inter Project Issue
- Inter Store Issue

## Store Code
- Main Store, Valley Store
- Project Code

## Sign. & Designation
- Requisition Officer: Store Asst. Store In charge Receiver Sr. Accountant

## Date
ANNEXURE – 5-XII

NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
(A GOVT. OF INDIA UNDERTAKING)

PROJECT CONSOLIDATED ISSUE VOUCHER

Copy

No. of coupons Enclosed ________________

Issue Voucher No. ________________ Date ________________

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<thead>
<tr>
<th></th>
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<tbody>
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<tr>
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<tr>
<td>ENGINE OIL</td>
<td></td>
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<tr>
<td>33B 1030</td>
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<td>PETROL</td>
<td></td>
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<tr>
<td>100 33A 0001</td>
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</tbody>
</table>

Store keeper Stores Incharge Asst (A/cs) JO(A/cs)
N.M.D.C.Ltd.

**H.S.D./PETROL TANK DIP REGISTER**

**PROJECT:**

Tank No. ___________  Month __________

<table>
<thead>
<tr>
<th>Date</th>
<th>OPENING READING</th>
<th>Initial of S.K./S.S.K.</th>
<th>Initial of Incharge</th>
<th>Qty. received during the day</th>
<th>Qty. Issued during the day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Time of dip</td>
<td>Dip in CM.</td>
<td>Qty. as par dip</td>
<td>Water Contents.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CLOSING READING</th>
<th>DIFFERENCE IN LIMITS</th>
<th>Sign of SK/SSK</th>
<th>Sign of Incharge</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time of dip</td>
<td>Dip in CM.</td>
<td>Water content</td>
<td>Qty. as par dip</td>
<td>Shortage</td>
</tr>
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<td>15</td>
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</tbody>
</table>

ANNEXURE – 5-XIII
6.1.0 SURPLUS DECLARATION & DISPOSAL

6.1.1 Obsolete spares

Obsolete spares are those spare parts which are not used and which have economic life but which are no longer useful for company's operations due to many reasons. These items are different from Surplus spares which have no immediate use but have accumulated in course of time and are not likely to be consumed in future.

6.1.2 Reasons for obsolescence:

a) Sudden change in new technology or design change

b) Change in product design, leading to entire stock of spares of old machinery becoming obsolete

c) Adaption of standardisation and elimination of non-standard varieties making old machinery spares obsolete

d) Cannibalization when practiced on a regular basis

e) Wrong indenting

f) Bulk buying to take care of discounts and transportation economy without considering shelf life, storage space requirements and technological changes leading to obsolete spare parts.

g) Excessive importing of spares with equipments for availing dual benefits, which exceed the life of equipment.

h) Importing of life time requirements of spares for fear and nonavailability later on resulting in obsolescence later on

i) Adapting overcautious approach by treating every spare as insurance that will be useful for a rainy day

j) Purchase in anticipation of expansion which may not come off.

6.1.3 Inventory which has not moved for more than 5 years would be reviewed by the Material Control Section of the unit concerned on annual basis with a view to ascertain as to why it has not moved during the last 5 years or
more and what are its chances of utilization now. Lists will be prepared and circulated to user departments for drawal before surplus declaration.

6.1.4 The items for which there is no possibility of use could be due to reasons as under:

a) The items are obsolete due to the corresponding equipment having become obsolete

b) The corresponding equipment has been phased out or replaced by another model thus rendering the spares as obsolete

c) Due to change in operation system or modifications made in the equipment rendering the corresponding items as surplus.

d) Change in end product specifications resulting in corresponding items becoming surplus to requirements.

e) Over stocking of items compared to its anticipated rate of consumption due to non-adhering to overhauling programme or getting extra life between overhauling.

f) Due to repair/reconditioning decisions versus replacements

g) Due to reconditioning and reuse of parts resulting in non-drawal of stocked items such as re-building of bucket teeth and reconditioning of electric motors.

h) Replacing assemblies resulting in non-movement of corresponding components.

6.2.0 GUIDELINES FOR DECLARING EQUIPMENT, SPARES & STORES AS SURPLUS

The guidelines will be followed as per Circular HQMM/8/3/Policy dt 28.3.1984, the details of which are as per annexure 6-VII(a) and annexure 6-VII(n).

Surplus category will cover the following groups of equipments, stores and spares.
a) Equipments which have become surplus due to receipt of replacements as per approved replacement programme.

b) Equipments which have become surplus due to other reasons and where no replacements are contemplated.

c) Spares declared surplus owing to the related equipment itself having been declared surplus.

d) Spares declared surplus being in excess of the anticipated requirements for the next three years. (Insurance spares needed even after three years may not be included in the list of surplus spares)

e) Stores other than spares surplus to the anticipated utilisation for the next three years, except items of perishable nature losing value with time.

6.2.1 Surplus item is item which has not moved for the last five years and the Technical Scrutiny has certified that there is no use for them in any of the project of the corporation.

6.2.2 Non-moving items which are no-longer required by the Corporation for its immediate or near future use during the next 3 years or more would be processed for declaring surplus through a survey committee constituted by the head of the project consisting of officers from technical department, finance department and materials management department.

6.2.3 The committee would go into the background of the items as to why it was procured, since how-long it has not been moved, and the reasons for its non-utilisation at the site.

6.2.4 Whether the items was continued to be received more than once in spite of being non utilised would also be taken note of and analysed for reasons as to how such receipts were arranged although there was no consumption of that item.

6.2.5 The Committee's recommendations giving complete history for each item proposed to be declared surplus would be submitted to the Head of the project for his consideration and approval with financial concurrence.

6.2.6 After the approval of Head of project, the list of such items proposed to be declared surplus at the corporate level would be initially circulated to other sister-projects under the corporation to ascertain their requirements.
6.2.7 Such requests would be accompanied with the time limit for the reply even ‘nil’ requirement replies would also be insisted.

6.2.8 After the replies are received from the projects, and requirements indicated by them are deducted from the proposed surplus lists, the same would be forwarded to Head Office for declaring the same as surplus at Corporate level.

6.3.1 The projects will send the list of surplus equipments stores and spares under the above categories to the Head (MM Deptt) at Corporate office before 28th February of every year.

6.3.2 The details of equipments declared surplus should be given as per proforma at annexure 6-I.

6.3.3 In case of equipment under category 6.2.0(a) there will not be any further survey committee for the equipments covered under capital replacement programme and approved by the competent authority. Only the details in proforma (Annexure 6.1) need to be sent.

6.3.4 In the case of equipments under category 6.2.0(b) and spares/stores under (c) to (e) the lists will be supported by the Project Survey Committee recommendations duly approved by the Head of the Project. The project Survey Committee shall consist of Officers at appropriate level from the Technical, Finance and Materials Management Departments depending upon the nature and value of the items.

6.3.5 The list of surplus stores/spares should be prepared under the groups concerned and should indicate part number, code number, description, quantity declared surplus and value, along with last receipt and last issue date with reasons for declaring surplus. (Annexure 6-II)

6.3.6 From the equipment returned/to be returned to stores, removal of parts / assembly shall not be normally allowed. In case where this becomes necessary, prior approval of Directors at Corporate office will have to be obtained by the project.

6.3.7 While forwarding recommendations to Head Office for surplus equipment, specific mention must be made in the proforma Annexure- 6-I. as to whether the equipment initially acquired from grants for R & D items and Labour Welfare Cess Fund. In these two cases, R&D Department/Project should also obtain prior approval from the concerned authorities for declaring the equipment as surplus and their subsequent disposal.

6.3.8 After an equipment is surveyed and recommended for replacement, no major repairs to prolong its life may be taken without specific approval of Head of Project. All procurement of spares, if any, for such equipment beyond this date should be only with respect to the period of anticipated use of equipment.

6.3.9 Before forwarding the list to the Head (MM Deptt) at Corporate office, the projects should circulate the lists to the sister projects of NMDC to intimate
their requirements, if any. Even Nil requirement reports should be asked. After getting the reports from sister projects, the lists should be sent to HO MM Deptt to process for approval of competent authority after deducting the requirement of sister projects if any.

6.3.10 There will be no reserve price for the equipments under disposal through tender.

6.3.11 For spares and stores, the book value may be considered as reserve price. There may be some items like cables with copper conductor where market rate may be higher than book value because of increasing prices of copper. In cases of such items book value should be suitably escalated for purposes of reserve prices. Hence when such items are included in disposal, the Head of the Project may constitute a committee to decide the suitability or otherwise of treating book value as a reserve price and make necessary adjustments on either side.

6.3.12 The decision whether equipments / stores / spares are surplus to the Corporation will be examined by the Head Office and final approval of competent authority will be communicated to the project for disposal within 31st May every year.

6.3.13 After receipt of approval from HO for the disposal, Projects will initiate disposal action. However, incase it is decided to dispose by auction corporate office will co-ordinate for disposal.

6.4.0 **SURPLUS DISPOSAL**

6.4.1 After receipt of approval from Head Office for the disposal, the project will initiate disposal action within 30th June.

6.4.2 Adequate care shall be taken for the proper up keep of the vehicles/equipments for maintaining the same in working condition till actual disposal.

6.4.3 As it is likely that vehicles like jeep, trucks and buses, if kept at cities the response will be better and offers may be attractive, the Heads of Projects may, as far as practiced consider keeping these at Vizag/ Raipur in respect of Bailadila range and Bangalore/Hyderabad in respect of Donimalai range.

6.5.0 **DISPOSAL** [16]

6.5.1 The disposal can be through the following modes

i) Open Tenders ii) Limited Tenders
iii) Public Auction/Tender-cum-auction iv) Internet auction/ e-Auction

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(Click here for Circular)
6.5.2 The projects shall publish disposal tender notice in All India newspapers and also in the newspapers of the locality and Indian Trade Journal in addition to issue of notice to other public sector undertakings. In respect of vehicles, particularly, two insertions, one on a week day and another on a Sunday edition in the newspapers of the locality shall be published to give better publicity.

6.5.3 While issuing advertisements in the newspapers, projects will ensure that adequate time is given to the publishers so that there is enough time gap between the date of publication and the last date of receipt of tenders. Minimum time gap should be given about one month.

6.5.4 The projects are advised to get timely confirmation from the Newspapers about the publication of the advertisements and keep it on record.

6.5.5 The project Materials Management Department will finalise the recommendations on that tenders received duly approved by the Head of project within 30 days of opening of tenders. While doing so the projects should also taken into consideration demands from Public Sector Undertakings/sister projects of NMDC.

6.5.6 First preference will be given to the demands from sister projects of N.M.D.C.

6.5.7 Next preference will be given to those of other public sector undertakings/ Government Departments. The sale price may be fixed with due regard to the Market price also.

6.5.8 Adequate justification and basis should be recorded to conclude that prices obtained are reasonable. For this purpose the following factors should be examined clearly recorded in the recommendations before seeking approval of the competent authority for approval of the prices for disposal.

   a. Condition of equipment/spares/stores.
   b. Adequacy of response/tenders received
   c. Estimated market value
   d. Survey Committee's considered view that the prices obtained are reasonable.

6.5.9 Especially in cases where only one offer is received or the response not found adequate, project would exercise more care in its recommendations. If necessary, the Head of the Project may constitute a separate technical committee consisting of members of Finance, M M and Technical wings to study the offers and be satisfied about the reasonableness of the offers.

6.5.10 The disposal of equipment whose initial individual purchase cost is not more than Rs.5 lakhs each will be decided by the Head of the Project. Only those cases which fall beyond this value will be referred to Head Office. In this regard circular reference HQMM/8/3/Policy dt. 15.5.1985
and HQMM/GMM/3.01 dt. 02.08.02 may be referred. (Annexure - 6-VII(b) & 6-VII(n)).

6.5.11 The disposal of stores/spares will be decided by the Heads of the Projects. Heads of Projects may use their discretion if necessary, to dispose off surplus stores/spares even at a price less than the book value keeping in view the market demand, condition of the items and other relevant factors. In all such cases reasons in writing may be kept on record.

6.5.12 Before any equipment is actually disposed off, project Survey Committee will finalise its recommendations duly approved by Head of Project. This is necessary as a number of equipments, which are still in use and for which spares are being procured even after replacements for such equipments have already been obtained and put into use.

6.5.13 The recommendations in respect of disposals beyond the powers delegated to the projects shall reach Head Office within 30 days of opening of tenders. Head Office will communicate its approval within 30 days of receipt of recommendations. For this purpose, a Committee consisting of representatives at appropriate level from Materials, Finance and Technical Wings of Head Office may be constituted for giving their recommendations.

6.5.14 The final decision regarding acceptance or otherwise of the offers will have to be communicated to the tenderers by project within 90 days from the tender opening in all cases.

6.5.15 In addition to published tenders for disposal, the known parties who are dealing in purchase of surplus equipments, stores and scrap etc would also be addressed by the concerned project. The details would be intimated to them through a copy of the tender notice published in the paper thereby giving them a chance to submit their tenders along with others.

6.5.16 Each project would intimate the particulars of all such parties who have shown interest or purchased surplus materials/equipments/scrap etc, to Head Office. These would be consolidated at Head Office and circulated to all projects for addressing them against future disposals. Any adverse performance would be reported for deleting their name from the list.

6.5.17 The material being offered for disposal would be grouped according to the categories i.e. equipments, stores and spares and scrap indicating the following details:

a) For equipments : Model No., SI.No., Engine No., chassis No., Project identification No., HP capacity, make, brand along with present condition of the machine.
b) For Stores & Spares" : Part No., project code no. description (with individual identification details such as bearing nos) quantities offered corresponding equipment reference with its model no etc would also be indicated regarding spares.

c) For Scrap : Scrap will be sub-categorised according to the composition/material offered in any measurable lots. Lots for scrap would be made separately for different types, groups and composition of materials and would be physically kept in separate locations to enable distinct identity.

d) Indication of general group of materials such as MS, Copper, Brass, Bronze, Cast Iron lead etc would also be helpful to attract proper offers for spares and stores.

6.6.0 DISPOSAL THROUGH LIMITED TENDERS

6.6.1 In case of difficulty to find suitable bidders for disposal of surplus stores, spares through open tenders/public auction or for uneconomical lots, the limited tenders could be invited from known parties. The list of such known parties will be maintained by each project and circulated to Head Office for consolidation and this will include all firms who had responded against open tenders and earlier LTEs at different projects. (Annexure 6-1V)

6.7.0 EARNEST MONEY DEPOSIT

6.7.1 Earnest money would be required to be deposited by the tenderers against open tenders as well as limited tenders. The amount would be fixed at 10% of the estimated sale price of the equipment/ stores and spares and should be mentioned in the form of fixed amount. No interest would accrue on EMD.

6.7.2 Earnest money would be deposited in the form of cash with Finance & Accounts Deptt at the respective project or through demand draft (Pay order) payable to the concerned project at the bank and branch operating at the project. No cheques shall be accepted.

The tenderers have to deposit balance amount within one month of the date of sale offer.

If the tenderer fails to deposit the balance amount within the said free period of one month, the corporation reserves the right to levy penalty @ >2% per week on the total sale value for further one month.

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6.7.3 Tenders received without earnest money or inadequate earnest money would not be considered. In order to ensure bonafide and authorised bids being given in tenders for acceptance, depositing of earnest money for the corresponding 10% of the estimated sale price of the equipment/stores and spares as mentioned in the form of fixed amount would be a must.

6.7.4 **Negotiations**: Negotiations against the tenders or limited tenders will normally be not resorted to unless there are specific factors justifying negotiations and are got approved from the concerned accepting authority (Head of the Project) before calling the party. Negotiations if required is to be held with highest bidder/tenderer only.

6.7.5 Negotiations would be held by the TSC duly approved by the Head of the Project.

6.7.6 Sale order would be made as per Annexure 6-V and Delivery Order as per Annexure 6-V1, would be issued thereafter.

6.8.0 **DISPOSAL THROUGH PUBLIC AUCTION**

6.8.1 Disposal of surplus equipments, spares, stores and scrap could also be made against public auction conducted at the respective projects through the auctioneers appointed by the Corporation (against R/C).

6.8.2 Head Office will enter into Rate Contract, if necessary, for conducting public auctions through authorised auctioneers at the respective projects. The rate contract would indicate the terms of commission to be paid to the auctioneer and other general guidelines.

6.8.3 The discretion for arranging disposal through open tender, limited tender or public auction would lie with the head of the concerned project.

6.8.4 In case of decision for disposal through auction, the auctioneer would be intimated for fixing the auction date. The lists of stores, equipments and other materials being offered for disposal would be forwarded to the auctioneer at least one month in advance for giving wide publicity to the prospective bidders. While forwarding such list the project will ensure sales tax applicable on such items and this will be incorporated in the tender notice so that prospective bidders know the financial implications on such sales.

6.8.5 The auction will be supervised by a committee constituted by head of the project, generally consisting of Head (M&S), Head of Materials Management Department, a senior officer from Finance and a senior officer from the concerned technical departments. If felt necessary by the project two representatives from Head Office (One from Materials Management and one from Production Department) would be nominated to this committee. Head Project would also nominate a leader of the auction committee who would give signal for acceptance or rejection of the final bid during the auction.
6.8.6 The auction committee would meet a day before the actual auction. Physically see the various lots being offered for sale against different lot nos and thereafter fix the reserve prices keeping in view various factors such as market value, condition of the item, nature of the item, location of the project etc. These reserve prices should be kept confidential and papers are kept in a sealed cover with the leader of the committee. The same should be got approved by the head of the project before the actual commencement of the auction.

In case of corporate office, the reserve prices are to be got approved by concerned Director before the commencement of Auction.

6.8.7 The auction committee will supervise the auction conducted by the authorised auctioneer in fair and conducive atmosphere thereby allowing every party participating in the bids.

6.8.8 If necessary, the chairman of the committee may seek revised guidelines from the head of the project during the course of auction.

6.8.9 In order to regulate and restrict the entry to the auction hall, each participating firm will be required to deposit entry fee of Rs 1000 per two persons, which will be refunded after completion of the auction. On the acceptance of the highest bid, certain percentage of accepted bid value will be required to be deposited immediately by the successful bidder along with his full particulars in the form of EMD as detailed below.

a) upto Rs 1 lakh, 25% of bid value  
b) above Rs 1 lakh, 15% of bid value or Rs 25,000 whichever is higher.

However, the above limits can be relaxed depending upon the situations, by the auction committee.

The rate of sales tax applicable to each lot will be announced before the start of the bid for the lot and also shown prominently on the board. Any variation in the quantities of the lots or with drawal of the lots would be announced before taking up the bid for that lot.

6.8.10 Balance amount of the accepted bids would be required to be deposited within the fixed period and similarly the time limit for lifting of materials would be specified. Normally, no extension should be given for depositing the balance amount of the bids. Failure to deposit the balance amount would lead to forfeiture of the earnest money (part payment made on the day of auction). However, if the occasion arises to extend the time limit for lifting of materials, the same can be granted with the approval of Head of project.

6.8.11 The relevant sale order would be issued by the auctioneer/concerned project for enabling delivery of the goods and posting of the balance.

6.8.12 If the response for disposal of surplus spares and stores against open tenders/limited tender/auction on two occasions is not upto the
expectations, the market price obtained through auctions would be compared with that received earlier. Third time the stores and spares could be disposed of at the available price, irrespective of the book value, which is within the powers of the heads of projects. The procedure for acceptance of such cases should be followed as per circular no. HQMM/8(3)/Policy dt.9-7-1986 (Annexure 6 VII(e)).

6.8.13 In case of materials covered in Annexure 6-III project would process its declaring them as surplus and their disposal directly, without any reference to Head Office.

6.8.14 For disposal of Burnt oil and lead acid batteries, the statutory guidelines issued by Govt from time to time are to be followed before disposal. Present guidelines are enclosed as per annexure 6 VII(I) and 6 VII (m).

6.8.15 Various circulars issued from time to time are required to be referred before effecting the disposal. (Annexure 6 VII(a) to 6 VII(n) enclosed)
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Equipment</th>
<th>Date of commissioning</th>
<th>Hours worked</th>
<th>cost of purchase</th>
<th>Present book value on. .</th>
<th>Present condition</th>
<th>Cost of spares held on stock</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
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</tbody>
</table>
## NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED PROJECT

Details of Spares/Stores recommended for Surplus/Obsolete declaration

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<tr>
<th>Sl. No.</th>
<th>Code No.</th>
<th>Description</th>
<th>Qty on hand</th>
<th>Qty proposed for surplus declaration</th>
<th>Book value of surplus qty</th>
<th>Whether non-moving for last 5 years</th>
<th>Last date of receipt</th>
<th>Last date of issue</th>
<th>Purpose for which these were procured</th>
<th>Reasons for non-utilisation</th>
<th>Possibility of using on other Machines/Eqpt</th>
<th>REMARKS</th>
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Signature of the committee Members
ITEMS FOR DISPOSAL AT PROJECT LEVEL UNDER THEIR OWN POWERS.

1. Empties (Barrels, bags, containers, bottles, jars, etc.).

2. Spare parts of equipments in the condition of scrap.

3. Used & unserviceable furniture, typewriters, computers, calculators, fax, Machines’ & other office equipment.

4. Iron & Steel Scrap including turnings, borings.

5. Non-ferrous materials Scrap including turnings, borings.

6. Used & waste oils.

7. Tyres, tubes, flaps scrap.

8. Cables & wires scrap.


10. Scrap wire ropes and slings.

11. Air conditioners, refrigerators, water coolers, jack hammers, small welding sets.

12. All other scrap & unserviceable materials.
ANNEXURE – 6-IV

Grams :

NATIONAL MINERAL DEVELOPMENT CORPN. LTD
(A Govt, of India Undertaking)

DISPOSAL TENDER

General Terms & Conditions for disposal of un-used Brand new spares new equipment and vehicles/ scrap materials.

1. Tenders must be sent in sealed cover duly superscribing the tender number (group 'A' 'B' and 'C' separately and due date of opening) so as to reach Sr. Mgr(Mat) N.M.D.C. Limited ...............before 3pm on .................

2. The unused brand new spares//used equipments and scrap lots will be sold on "AS IT WHERE IS BASIS". Interested parties may inspect the lots on any working day except on ......... between 10.00 a m to 3 p m at our ...... and 8.00 a m to 1.00 p m at ......

3. Tenders must be accompanied by Earnest Money Deposit as already mentioned in each group in the form of cash or bank draft drawn on ......... Bank of ............ payable to the Financial Adviser ............... Tenders without EMD will not be considered. Earnest money will not bear any interest.

4. Tenders will be opened on ............ at p m in the presence of such tenders who may like to be present in the office of the Head (Mat) ............ Tender for each category of spares (lot wise) and equipments and vehicles etc is to be given separately. Rate for the spares should be given in lot wise for individual lots separately and for equipments and as vehicles should be given separately for each equipment and vehicle. The rates quoted should be exclusive of state sales tax. Since the sale is to be completed at ....... and other charges, if any as per rules are payable by the successful tenderers.

5. State sales tax as applicable on different category of spares/equipments will be charged extra on the accepted bid value.

6. The rate should be quoted both in words and figures on the list of spares equipments and vehicles etc attached herewith without any correction and over-writting. Rate quoted should be valid for acceptance for three months from the date of opening of tenders.

7. Successful tenderers will be informed about the acceptance of the tender who should deposit the full amount within 30 days of receipt of intimation from us failing which the E M D will be forefited and re-sale will be decided by the Corporation without any further reference to the part. Sale order/delivery order will be issued to the successful tenderers on receipt of full bid value plus sales tax thereon as applicable less earnest money deposited.

8. Successful tenderers shall make his/their own arrangements for taking delivery of unused spares/equipments/vehicles/scrap etc from our site. Normally no
assistance, facilities or crane facilities will be provided by the Corporation for removing/loading the unused spares/equipments/vehicles/scrap etc and transporting the same to the Railway station. However, in case the Gas/Crane facilities if available, are required to be provided the charges as fixed by NMDC is required to be paid in advance before such facilities are provided.

9. EMD of unsuccessful tenderers would be refunded on deciding the tender and that of successful tenderers would be adjusted against the bid value of the items quoted.

10. The successful tenders shall remove the spares/equipment/vehicles/scrap etc within 30 days of receipt of sale/delivery order failing which Corporation shall recover the ground rent as per rules of the Corporation.

11. In case of any dispute, arising due to or as a result of this tender, the same would be referred to the General manager for arbitration and his decision will be final and binding.

12. The Corporation reserves the right to accept or reject any or all tenders, either in part or in full without assigning any reason thereof.

For & on behalf of NMDC Ltd.

Head (Materials)

Encl: List of unused/brand new spares/used equipments/vehicles/scrap.
BY REGD. POST A.D.

NATIONAL MINERAL DEVELOPMENT CORPN. LTD
(A Govt, of India Undertaking)

Ref No.

SALE ORDER

To
M/s

Sub : Sale offer for
Ref :

Dear Sir,

The following equipments/spares/vehicles/scrap materials have been awarded to you in the above referred Open/Limited Tender/Auction being the successful bidder. Please arrange to make the balance payment including State Sales Tax and other taxes leviable at the time of delivery, as given below and take delivery of the items immediately. The amount may be paid by cash or by demand draft payable at_____________ Bank ____________ Drawn in favour of Financial Adviser _________

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Lot No.</th>
<th>Description</th>
<th>Qty</th>
<th>Bid Value</th>
<th>Total Value</th>
</tr>
</thead>
</table>

1. Payment must be made within 30 days of receipt of this sale offer failing which your EMD will be forfeited without any further notice.
2. Rate of sales tax or any other taxes charged at the time of delivery of above goods will be charged before giving full delivery.

Yours faithfully,
for & on behalf of NMDC Ltd

CC to : 1. Head (Finance)
        2. Incharge Stores
ANNEXURE – 6-VI

National Mineral Development Corporation Limited
(A Govt. of India undertaking)

DELIVERY ORDER

Ref No: Ref ………………….. Grams: Date:

Further to this office sale offer as referred to above, project’s …………….. as per details given below/list attached to M/s ………………………………….. in consideration of his/her depositing an amount of Rs …………….. including state sales tax and other charges/taxes as applicable as under the sale is made against………………….. Dated ……………..And this firm is successful bidder for this/those items:

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Lot No.</th>
<th>Description</th>
<th>Qty</th>
<th>Bid value</th>
<th>Total value</th>
</tr>
</thead>
</table>

Now the Vendee is entitled to take delivery of items from our ……………………. during working hours within 30 days (thirty days) from the date of receipt of this delivery order. Also please note that in case the materials are not lifted within the above said date, ground rent as per the rules of the Corporation will be charged.

To,
…………………..
…………………..
…………………..

Copy to:
1. Head (Fin) - This is in continuation to our sale No. ………….. Dated ………… And also w.r.t. his cash receipt No. ………….. Dated. ………. For Rs. ………. And CR No ………….. date for Rs. ………….. He is requested to kindly depute his stock verifier to be present during the time of delivery of materials to the party
2. Store Incharge - Please arrange to issue above items to authorised representative whose signature is

Signature of the representative of bidder
Attested:
………………….for & on behalf of NMDC
ANNEXURE – 6-VII(a)

CIRCULAR

No. HQMM/8/3/Policy Dated: 28.3.1984

1. The General Manager, Bailadila-14
3. The Project Manager, Donimalai.

2. The General Manager, Bailadila-5
4. The Project Manager, Panna

With a view to ensure quick disposal of surplus equipments, stores and spares arising from time to time in our projects certain guidelines were issued on 19th May, 1977 under circular No. HQMM/8/3/Policy/578. However, in the light of experience gained with the passage of time, it is felt that the system could be further improved to ensure quicker disposal and accordingly this matter has been further examined. In supersession of the above circular dated 19th May, 1977 the following guidelines are issued with the approval of competent authority. The instructions are issued in two parts- part I and II

Part-I Guide lines for declaring equipment/spares/stores surplus for disposal and

Part-II Method of disposal.

PART-I :  GUIDE LINES FOR DECLARING EQUIPMENT/SPARES/STORES AS SURPLUS FOR DISPOSAL

1. Surplus category will cover the following groups of equipments/stores/spares:

   a) Equipments which have become surplus due to receipt of replacements as per approved replacement programme.

   b) Equipments which have become surplus due to other reasons and where no replacements are contemplated.

   c) Spares declared surplus owing to the related equipment itself having been declared surplus.

   d) Spares declared surplus being in excess of the anticipated requirements for the next three years. (Insurance spares needed even after three years may not be included in the list of surplus spares).
e) Stores other than spares surplus to the anticipated utilisation for the next three years, except items of perishable nature losing value with time.

1.1 The projects will send the list of surplus equipments/stores/spares under the above categories to the Chief Materials Manager before 28th February of every year.

1.2 The details of equipments declared surplus should be given as per proforma enclosed as Annexure - I.

1.3 In the case of equipment under category 1 (a), there will not be any further necessity for a separate Project Survey Committee recommendations since the Head Office Committee surveys these equipments and submits its recommendations to the Management for approval. Only the list with details in Proforma (Annexure - I) need be sent.

1.4 In the case of equipment under category 1 (b) and spares/stores under 1 (c) to 1 (e), the lists will be supported by the Project Survey Committee recommendations duly approved by the Head of the Project. The Project Survey Committee shall consist of Officers at appropriate level from the Technical, Finance and Material Management Departments depending upon the nature and value of the items.

1.5 The list of surplus stores/spares should be prepared under the group concerned and should indicate part number, code number, description, quantity declared surplus and value.

1.6 From the equipment returned/to be returned to stores, removal of parts/assembly shall not be normally allowed. In cases where this becomes necessary, prior approval of Director will have to be obtained by project.

1.7 While forwarding recommendations to Head Office for surplus equipment, specific mention must be made in the proforma Annexure - I as to whether the equipment was initially acquired from grants for R&D items and Labour Welfare Cess Fund. In these two cases, R&D Department/ project should also obtain prior approval from the concerned authorities for declaring the equipment as surplus and their subsequent disposal.

1.8 After an equipment is surveyed and recommended for replacement, no major repairs to prolong its life may be taken without specific approval. All procurement of spares, if any, for such equipment beyond this date should be only with respect to the period of anticipated use of equipment.

1.9 While forwarding the list to the Chief Materials Manager, the projects should simultaneously circulated the lists to the sister-projects of NMDC to intimate their requirements, if any, before 30th of April every year.

2.0 There will be no reserve price for the equipments under disposal.

2.1 For spares and stores, the book value may be considered as reserve price. There may be some items like cables with copper conductor where market rate may be higher than book value because of increasing prices of copper. In cases of such items book value should be suitably escalated for purposes of reserve prices. Hence, when such items are included in disposal, the Head of the project may constitute a committee to decide the suitability or otherwise of treating book value as reserve price and make necessary adjustments on either side.
2.2 The decision whether equipments/stores/spares are surplus to the Corporation will be examined by the Head Office and final approval will be communicated to the projects for disposal within 31st of May every year.

PART – II : METHOD OF DISPOSAL

3.0 After receipt of approval from Head Office to the disposal, the projects will initiate disposal action within 30th of June.

3.1 Adequate care shall be taken for the proper up keep of the Vehicles/equipments and for maintaining them in working condition till actual disposal.

3.2 As it is likely that vehicles like jeep, trucks and buses, if kept at cities, the demand will be better and offers may be attractive, the Heads of Projects may, as far as possible, consider keeping these at Vizag/Raipur in respect of Bailadilla range and Bangalore/Hyderabad in respect of Donimalai range.

3.3 The Projects shall publish disposal tender notices in All India Newspapers and also in the newspapers of the locality and Indian Trade Journal in addition to issue of notice to other Public Sector Undertakings. In respect of vehicles particularly, two insertions, one on a week day and another on a Sunday edition in the Newspapers of the locality shall be published to give better publicity. Details of the disposal should also be given to BPE for publication in ‘Lok Udyog.

3.4 While issuing advertisements in the newspapers, projects will ensure that adequate time is given to the publishers so that there is enough time gap between the date of publication and the last date for receipt of tenders.

3.5 The projects are advised to get timely confirmation from the newspapers about the publication of the advertisements and keep it on record.

4.0 The Projects Materials Management Department will finalise the recommendations on the tenders received duly approved by the Heads of projects within 30 days of opening of tenders. While doing so the projects should also take into consideration demands from Public Sector Undertakings/Sister-projects of NMDC.

4.1 First preference will be given to the demands from sister-projects of NMDC.

4.2 Next preference will be given to those of other Public Sector Undertaking/ Govt. Departments. The sale price may be fixed with due regard to the Market price also.

4.3 Adequate justification and basis should be recorded to conclude that the prices obtained are reasonable. For this purpose the following factors should be examined and clearly recorded in the recommendations before seeking approval of the competent authority for approval of the prices for disposal.

   a) Condition of equipment/spares/stores
   b) Adequacy of response/tenders received
   c) Estimated market value
   d) Survey Committee’s considered view that the prices obtained are reasonable.

4.4 Especially in cases where only one offer is received or the response not found adequate, Projects are advised to exercise more care in their recommendations. If necessary, the Heads of the Projects may constitute a separate technical committee consisting of members of Finance, MM and
Technical wings to study the offers and be satisfied about the reasonableness of the offers.

4.5 The disposal of equipment whose initial individual purchase cost is not more than Rs. 2/- lakhs each will be decided by the Head of the project as per instructions issued separately (Circular No. 20(2)-83 Sectt. dt. 27.12.83 ). Only those cases which fall beyond this value will be referred to Head Office.

4.6 The disposal of stores/spares will be decided by the Heads of the projects, Heads of projects may use their discretion, if necessary, to dispose off surplus stores/spares even at a price less than the book value keeping in view the market demand, condition of the items and other relevant factors. In all such cases reasons in writing may be kept on record.

4.7 Before any equipment is actually disposed off, Project Survey Committee will finalise its recommendations duly approved by Head of project. This is necessary as a number of equipments, which are still in use and for which spares are being procured even after replacements for such equipments have already been obtained and put into use. The recommendations in respect of disposal beyond the powers delegated to the Projects shall reach Head Office within 30 days of opening of tenders. Head Office will communicate its approval within 30 days of receipt of recommendations. For this purpose, a Committee consisting of representatives at appropriate level from Materials, Finance and Technical Wings of Head Office may be constituted for giving their recommendations.

4.8 The final decision regarding acceptance or otherwise of the offers will have to be communicated to the tenderers by Project within 90 days from the tender opening in all cases.

5. **Earnest Money Deposit** : This should be fixed at 10% of the estimated sale price of the equipment/stores and spares and should be mentioned in the form of fixed amount.

6. Negotiations will not normally be adopted unless there are specific factors justifying negotiations.

7. The above procedure will not be applicable to disposal of surplus items as per Annexure-II of the Circular. In these cases, the Heads of Projects shall be the final authority to decide upon and take disposal action after following the relevant procedures i.e. Survey Committee report, its acceptance by the Head of the Project etc.

CHIEF MATERIALS MANAGER

Copy to :
1. JMM/FA . Bailadila-14
2. JMM/FA . Bailadila-5
3. JMM/FA . Donimalai
4. AMM/DY.COA, Panna
5. CPO(Investigation), Hyderabad
6. CMDE (R&D), Hyderabad
7. CPF., Hyderabad
## Details of Equipment recommended for Surplus /Obsolete declaration

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Equipment</th>
<th>Date of commissioning</th>
<th>Hour worked</th>
<th>cost of purchase</th>
<th>Present book value on...</th>
<th>Present condition</th>
<th>Cost Of spares held on stock</th>
<th>Spares being offered surplus of items</th>
<th>Reasons for not declaring corresponding spares as surplus</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>8</td>
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<td>11</td>
</tr>
</tbody>
</table>

Signature of the Committee Members

List of spares with full details as per Annexure- II are to be furnished for the items to be declared surplus.
## Details of Spares/Stores recommended for Surplus/Obsolete declaration

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Code No.</th>
<th>Description</th>
<th>Qty on hand</th>
<th>Qty proposed for surplus declaration</th>
<th>Book value of surplus qty</th>
<th>Whether non-moving for last 5 years</th>
<th>Last date of issue</th>
<th>Last date of receipt</th>
<th>Purpose for which these were procured</th>
<th>Reasons for non utilization</th>
<th>Possibility of using on other Machines / Equipment</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
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<td>12</td>
<td>13</td>
</tr>
</tbody>
</table>

Signature of the Committee members
CIRCULAR

1. The General Manager,
   Bailadila-14

2. The General Manager,
   Bailadila-5

3. The Project Manager,
   Donimalai.

4. The Project Manager,
   Panna

Sub: Procedure for disposal of surplus equipment

Ref: Head Office Circular of even number dated 28th March, 1984.

It has been decided, with the approval of the competent authority, that action for disposal of equipment which have become surplus consequent upon receipt of corresponding replacement in accordance with the approved replacement programme, can be taken by the Project without obtaining any further approval from Head Office. However, tenders obtained by Projects for disposal in respect of such equipments whose initial individual purchase value is more than Rs. 2 lakhs have to be referred to Head Office for approval.

2. In case of such equipments, Projects should, however, ascertain the requirement of other sister-projects of NMDC before actual disposal of effected.


(R. Kanungo)
General Manager (M)

Copy to:
The JMM/FA, Bld-14
The JMM/FA, Bld-5
The JMM/FA, DNM
The AMM/DCOA, Panna
The CPO (Inv), Hyd.
The CMDE, R&D Labs, Hyd.
The FA, Hyd.
The Chief (MS), Hyd.
## Annexure-I

### Details of Equipments Declared Surplus or Discontinued From Use

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Equipment</th>
<th>Date of commissioning</th>
<th>Hours worked</th>
<th>Cost of Purchase</th>
<th>Present Book value on</th>
<th>Present condition</th>
<th>Cost of spares held in stock</th>
<th>Remarks</th>
</tr>
</thead>
</table>


ITEMS FOR DISPOSAL AT PROJECT LEVEL UNDER THEIR OWN POWERS

1. Empties (Barrels, bags, containers, bottles, jars, etc.).

2. Spare parts of equipments in the condition of scrap.

3. Used & unserviceable furniture, typewriters, computers, calculators, fax, Machines' & other office equipment.

4. Iron & Steel Scrap including turnings, borings.

5. Non-ferrous metirals Scrap including tunings, borings.

6. Used & waste oils.

7. Tyres, tubes, flaps scrap.

8. Cables & wires scrap.


10. Scrap wire ropes and slings.

11. Air conditioners, refrigerators, water coolers, jack hammers, small welding sets.

12. All other scrap & unserviceable materials.
OFFICE ORDER

In partial modification of the office order of even number dated 27th December, 1983, the competent authority is pleased to delegate the following powers to the Heads of the Projects.

"In case of disposal of surplus/obsolete/unserviceable equipment (which have been fully depreciated) through public action, Heads of the Projects are delegated with full powers to dispose off such equipments irrespective of the initial purchase value. Where the disposal action is taken through advertised tenders, the delegation of powers as per office order of even number dated 27th December, 1983 will apply-"

(S.C. Chaudhuri)
Secretary

Distribution:

1) All Heads of the Projects
2) General Manager (MM)
3) General Manager (Finance)
4) Finance Advisor
5) Chief Personnel Manager
6) Chief (MS)

Copy to:

1) Chairman-cum-Managing Director
2) Director (Production)
3) Director (Planning)

For kind information.
CIRCULAR

No. HQMM/8/(3)/Policy

Dt. April 19, 1986

1) The General Manager
   Bailadila-14

2) The General Manager
   Bailadila-14

3) The General Manager
   Donimalai

4) The General Manager
   Panna

Sub: Disposal of surplus stores/spares

It has been experienced that it is difficult to find suitable bidders for disposal of surplus stores/spares by inviting tenders through press advertisements and conducting public auction. One of the Projects has suggested that limited tenders invited from known parties dealing in such items might yield good results. It has, therefore, been decided, with the approval of Director (Tech) that limited tender can also be invited from known parties for disposal of surplus spares/stores. Projects may take further action in this regard.

1) This is in partial modification of Clause 3.3 of the Circular No. HQMM/8(3)/Policy dated 28.3.1984.

(R. KANUNGO)
General Manager (M)

Copy to:

5. The Financial Adviser : Hyderabad
No. HQMM/8/(3)/Policy
Dt. July 9, 1986

Sub: Disposal of surplus spares/stores


It has been decided that in respect of surplus spares/stores awaiting disposal, limited
tenders, may be called twice and thereafter assess the market value. After this
exercise is done, the surplus items may be disposed at available prices irrespective
of the book value. This is in partial modification of clause 2.1 and 4.6 of circular dated

2. This issue with the approval of Chairman.

(S.K. Vaish)
Chief Materials Manager

To
1. The General Manager, Bailadila-5
2. The General Manager, Bailadila-14
3. The General Manager, Donimalai
4. The General Manager, Panna
5. The Financial Adviser, Bailadila-5
6. The Financial Adviser, Bailadila-14
7. The Financial Adviser, Donimalai
8. The Dy Controller of Accounts, Panna
10. The Jt. Materials Manager, Bailadila-14
11. The Jt. Materials Manager, Donimalai
12. The Asst. Materials Manager, Panna
13. The General Manager, (F), HO, Hyderabad
14. The Financial Adviser, HO, Hyderabad
15. The General Manager, (PC), Hyderabad
16. The General Manager, (P&E), Hyderabad
17. The General Manager, (Inv), Hyderabad  
18. The Chief Mineral Dressing Engineer, Hyderabad (R&D)  
19. The Project Manager, Bailadila-11/C, Kirandul  
20. The Project Manager, Bacheli.
ANNEXURE – 6-VII(f)

NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
Castle Hills – Masab Tank – HYDERABAD – 500 028

No. HQMM/8/(3)/Policy  Dt. September 10, 1986
1) The General Manager
   Bailadila-14

2) The General Manager
   Bailadila-14

3) The General Manager
   Donimalai

4) The General Manager
   Panna

Sub:   Disposal of surplus spares/stores
Ref:   Circular No. HQMM/8(3)/Policy dt. 28.3.84; 19.4.86 & 9.7.86.

In order to avoid any confusion regarding above referred circular dt. 9.7.86 it is to
clarify that disposal of surplus spares and stores can be carried out through one of
the following modes of disposal as deemed fit by Project Head:

1. By Open Tender published in news papers

2. By inviting Limited Tenders Enquiries addressed to various firms who had
   responded against open tender and earlier LTEs at different projects of the
   Corporation and other known parties.

3. By Public Auction through Auctioneer appointed by the Corporation.

The Corporation has appointed a professional Auctioneer for disposing spares and
stores through public auction and the contract is valid upto 31st Oct 1 987. The first
set of auctions were conducted by this Auctioneer at Bailadila-14 and Bailadila-5
during February 1986.

In all cases of disposal, copies of list of items are required to be forwarded in
advance to various Government Undertakings for intimating their requirements.

If first two attempts for disposal are not successful through Open Tender/LTE/
Auction, the market price obtained there against would be compared with that
received against the third attempt and stores and spares can be disposed off at the
available prices, within the powers of Heads of Projects.

Please acknowledge receipts and expedite disposal of spares/stores declared
surplus in order to reduce inventory.

(S.K. VAISH)
Chief Materials Manager

Copy to:
G.M. Bailadila-14
G.M. Bailadila-5
G.M. Donimalai
G.M. Panna
ANNEXURE – 6-VII(g)

NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
Castle Hills – Masab Tank – HYDERABAD – 500 028

No. HQMM/8/(3)/Policy Dt. March 2, 1998

CIRCULAR

Disposal action of surplus stores and equipments is to be taken only after the same have been declared surplus by the competent authority. However, a case has been noticed where disposal tenders were invited even before the Survey Committee had even surveyed the equipments. Its approval for declaring surplus by the competent authority was sought after finalising/the disposal recommendations by the project. This is irregular and a popular system is to be followed in such cases in future to avoid any adverse comments later on.

(S.K. VAISH)
Chief Materials Manager

1) General Manager - Bailadila-5/14, Donimalai, Panna
3) General Manager Investigation) Head Office (5 copies)
4) Jt. Materials Manager - Bailadila-5/14, Donimalai
5) Asst. Materials Manger - Panna
6) Controller of Accounts, Panna.

Sub : Surplus declaration of spares/stores/equipments by projects.

While inviting your attention to the guide lines issued for surplus declaration of spares/stores/equipments under circular No. HQMM/8(3)/Policy dt. 28.3.1984, it is once again stressed that all items of spares/stores/equipment recommended for surplus declaration are to be reviewed thoroughly by the project survey committee's constituted for the purpose by taking into consideration complete background of items involved.

It is observed that the recommendations for surplus declaration of items i.e. stores/spares/equipments are being forwarded for Head Office approval without giving full details as required. This is resulting in avoidable delay due to back references to projects before processing for competent authorities approval. To avoid such delays all projects Materials Management Heads are advised to pay proper attention to this aspect and take all possible steps to furnish full details/information as required below in all future cases.

1. For equipment, which have become surplus/obsolete unserviceable for which replacement is not contemplated details are to be furnished in performs at Annexure - I enclosed with this letter. Reasons for declaring surplus obsolete/unserviceable should be clearly indicated covering all aspects of utilisation or otherwise.

2. For spares/stores - full details as performs at Annexure-II to be furnished and reasons for surplus declaration should be catagerised as as detailed below:

   a) Spares declared surplus owing to the related equipment it self having been declared surplus/obsolete.
b) Spares declared surplus being in excess of the anticipated requirement for the next three years (other than insurance items).

c) Spares/Stores not moved for more than 5 years.

d) Stores other than spares surplus to the anticipated utilisation for the next three years except items of perishable nature losing value with time.

In all the above cases of surplus declaration it is to be certified that.

A) The spares/stores recommended for surplus declaration are not useful to the project any further/not required by the project for the next 3 years and can’t be used on any other machine/job.

B) Equipment considered surplus declaration can not be put to alternative use in any works in the project.

Besides the above, in all cases, purpose for which these items were procured and reasons for non-utilisation to be recorded in the project Survey recommendations. You are also advised to obtain replies including nil requirements replies from other sister projects before these items are forwarded for Head Office approval.

Regarding review of non-moving inventory, and preparation of surplus lists the time schedule given in the above circular is to be followed strictly.

Please acknowledgement.

(S.K. VAISH)
CHIEF MATERIALS MANAGER

Copy to:

1. The General Manager, Bld-5/14, Donimalai, Panna
2. The Financial Adviser, Bld-5/14, Donimalai, Panna
3. The General Manager (Inv), Head Office.
4. The Chief Mineral Dressing Engineer, (R&D) Lab, Hyderabad
   For information and necessary instructions.
5. PS to Director (Prod), HO for favour of information to Director (Prod).
### Details of Equipment recommended for Surplus /Obsolete declaration

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Equipment</th>
<th>Date of commissioning</th>
<th>Hours worked</th>
<th>cost of purchase</th>
<th>Present book value on...</th>
<th>Present condition</th>
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</table>

Signature of the Committee Members

List of spares with full details as per Annexure- II are to be furnished for the items to be declared surplus.
### Details of Spares/Stores recommended for Surplus/Obsolete declaration

<table>
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<tr>
<th>Sl. No.</th>
<th>Code No.</th>
<th>Description</th>
<th>Qty on hand</th>
<th>Qty proposed for surplus declaration</th>
<th>Book value of surplus qty</th>
<th>Whether non-moving for last 5 years</th>
<th>Last date of issue</th>
<th>Last date of receipt</th>
<th>Purpose for which these were procured</th>
<th>Reasons for non utilisation</th>
<th>Possibility of using on other Machines/Equipt</th>
<th>REMARKS</th>
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</table>

Signature of the Committee Members
CIRCULAR

Sub : Surplus declaration of obsolete/unserviceable equipments.

It has been observed that at times the equipment/machinery/vehicles which have withdrawn from regular operation due to unfitness or being not required for further use are not surveyed by the Survey Committee immediately for obtaining approval of the competent authority and its subsequent disposal.

Therefore, it is requested that as soon as any equipment/machinery/vehicle is withdrawn from regular operation due to unfitness or being not required for further use, the same should be got surveyed through a Survey Committee and the committee recommendations forwarded for approval of the competent authority. This will minimise the period of holding of surplus and unfit items and its further deterioration.

(M.M. Lai Sharma)
Materials Manager

To

1. GM Bld-5/14, Panna, Donimalai
2. GM (Inv), HO, GM (P&E) HO, CMDE (R&D)
3. JMM - Bld-5, Donimalia/Deptt. MM, Bld-14/AMM Panna
4. Chief Drilling Engineer, Raipur
5. CPO Bhansi, CPO Kothmisonar
   FA Head Office
Guidelines have been issued by the Materials Management Department on 28.3.1984, 16.5.1987 respectively in connection with the above. As per the procedure laid-down equipment/machinery requiring repairs/replacement are got surveyed by a committee of officers of the project concerned. The recommendations of the committee along, with details of each equipment in the form prescribed are referred to Head Office along with the recommendations of the Project General Manager. Based on this, decision is taken for replacement/repairs by the Head Office.

2. Whenever the equipment/machinery has out-lived its normal life and is approved for replacement, the same is withdrawn from fleet of operation when the new equipment is put into use. The equipment so replaced is kept in the custody of stores on AS IS WHERE IS BASIS.

3. Disposal action in respect of the old equipments is initiated by Materials Management Department in accordance with the procedure laid-down. Sometimes it is difficult to get a Buyer or get reasonable price for such old equipment/machinery. On the otherhand, there are several components/assemblies in the equipment/machinery which can be profitably used (with or without repairs) in other similar equipments operating in the projects which will avoid procurement of new costly components/assemblies.

4. In order to enable Head Office to take decision in the matter, the following procedure is to be adopted:

   a. A Committee consisting of Heads of User Department, MM Department and Finance Department of the project will re-survey the replaced
equipment/machinery to give a report on the action to be taken for disposal/dismantling of old equipment keeping in view the following aspects:

b. History sheet of the equipment/machinery in regard to the major repairs undertaken including replacement of costly components/assemblies.

c. Physical condition of various major components/assemblies in the equipment and technical assessment whether any of the components/assemblies are reusable (with or without repairs). A list of such components/assemblies shall be furnished along with the report indicating the:

(i) Cost of repairs if any; (ii) estimated cost of components/assemblies; (iii) the equipment in which they are likely to be used; and (iv) maximum period within which they can be used. The recommendations of the committee shall be forwarded by the Head Office. The matter will be examined by the Technical/Finance/MM Department in Head Office and decision will be communicated after approval of the competent authority.

5. Where approval is accorded for removal of certain specified components/assemblies:

i) the same shall be segregated immediately by the Department concerned under the supervision of HOD;

ii) such components/assemblies shall be sent to stores by the user department through proper return vouchers duly indicating proper material code no.;

iii) These components/assemblies will be accounted for separately by the stores department in separate bin-cards to avoid mix-up of used and new items in inventory.

iv) Against future requirement, such re-usable components/assemblies would be first issued

v) Components/assemblies requiring repairs would be sent to Stores Department by the User Department only after necessary repairs are done:

vi) When spares/assemblies are removed and to be repaired, they shall be recorded in a register by MM Department and got acknowledged from user department. Return vouchers shall give reference to the SI. No. in the said voucher.

vii) All such components/assemblies returned to stores shall be taken at 'nil' value except outside repair cost incurred if any, in account and material control will be kept by the stores department.

viii) Indenting of spares and assemblies shall be done taking into account the entire inventory including such returned items.

6. After taking necessary action for removal of the components/assemblies, the equipment shall be disposed of by the Materials Management department following the usual procedure.
7. The above procedure shall be reviewed after a year. All units of the Corporation shall forward their suggestions for improvement.

8. There will, however, be no change in the existing procedure for surplus disposal of equipments already replaced in case they are to be disposed as such.

9. This issues with approval of competent authority.

(S.K. VAISH)
Chief Materials Manager

Copy to:

1. P.S. to Dir. (Bg) for kind information of Director.
2. P.S. to Dir. (Fin) for kind information of Director.
3. P.S. to Dir. (Prodn) for kind information of Director.
4. General Manager (Fin) Head Office.
5. Chief (Prodn) HO
8. Dy. Materials Manager, Bailadila-14
9. Asst. Materials Manager, Panna
10. Financial Adviser, Bailadila-14
13. Controller of Accounts, Panna
14. Chief (M&S), Bailadila-14
15. Chief (M&S) Bailadila-5
16. Chief (M&S), Donimalai
17. Service Manager, Bailadila-14
18. Service Manager, Bailadila-5
19. Service Manger, Donimalai
20. Manger (Elec), Bailadila-14
21. Manger (Elec), Bailadila-5
22. Manger (Elec), Donimalai

Copy also to Special Officer (T) to CMD
CIRCULAR

Sub : Initial Spares.

It is seen that some of the items ordered as initial spares at the time of Commissioning of the equipment, remained un-utilised during the life of the equipment and are ultimately declared as surplus for disposal.

2. In this connection, it is necessary that while ordering initial spares for equipments, selection of items may be got done with due regard to their usage, availability in the market, lead time, risk etc by the technical officers at higher level. This will help in avoiding holding un-necessary inventory, resulting in surplus declaration and disposal at low values later on.

3. This is for information and for necessary action in future.

(S.K. VAISH)
Chief Materials Manager

To
1. JMM-Donimalai
2. Dy MM-Bailadila-14
3. AMM-Panna
4. Chief (M&S) Bailadila-5,14, Donimalai
5. Sr. Mech. Engineer, Panna

Copy to:
1. Sr. GM Bailadila-5
2. GM Bailadila-14
3. GM Donimalai
4. GM Panna
5. GM (Plg.&Engg.) Head Office.
6. Chief Project Officer.
ANNEXURE – 6-VII(I)

NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
HYDERABAD – 500 028

No. PD/GM(PC)/98/MOS/98

Date : 26.08.98

TO
The Executive Director, Bailadila-14
The Executive Director, Donimalai
The General Manager, DMP, Panna
The General Manager, Bailadila-5,10 & 11A
The Executive Director (Materials), Head Office, Hyderabad.

Sub : Scheme for registration of units engaged in re-finining of used lubricating oil.

Sir,

I am enclosing herewith a copy of letter No. 11(1)/98-MF dt. 18.8.98 received from Dy. Secretary, MOS, New Delhi alongwith its enclosures is sent for information and necessary action at your end please.

Thanking you.

Yours faithfully,

(A.K. Chakravarti)
General Manager (PC)

Enel : A/a
To,
The Chief Executive of all the PSUs under Ministry of Steel.

Sub : Scheme for registration of units engaged in re-refining of used lubricating oil.

Sir,

I am directed to forward herewith a copy of Ministry of Petroleum & Natural Gas letter No. P-19011 /15/98-sup. Dated 26.6.98 on the above subject for information & necessary action.

Yours faithfully,

(Jayashree Mukherjee)
Deputy Secretary

Ends: a.a.
NO. P-19011 /15/98-SUP.
GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM & NATURAL GAS

New Delhi, 26th June, 1998.

To,

1. Secretary, Ministry of Defence, South Block, New Delhi.
2. Chairman, Railway Board, Ministry of Railway, Rail Bhawan, New Delhi.
3. Secretary, Ministry of Surface Transport, Transport Bhawan, New Delhi.
4. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
5. Secretary, Ministry of Industry, Deptt. of Public Enterprises, Udyog Bhawan, New Delhi.
6. Secretary, Ministry of Industry, Deptt. of Industrial Development, Udyog Bhawan, New Delhi.
7. Secretary of Industries/Transport of all State Governments & Union Territories & Administration..
8. Director of Industries of all State Governments & Union Territories & Administration..
9. Director of Transport of all State Governments & Union Territories & Administration..
12. Secretary, Ministry of Power, New Delhi.
13. C&MD of all PSUs.

Sub : Scheme for registration of units engaged in re-refining of used lubricating oil.

Sir,

I am directed to say that a writ petition was filed in Delhi High Court by a refiner of used oil against MSTC where this Ministry was also made a respondent. The grievance of the petitioner is that MSTC had not issued the tender enquiry for disposal of their used oil on the ground that the petitioner was not a registered refiner. The petitioner had referred to the fact that this scheme was discontinue w.e.f. 13.2.1996 and thereafter tender enquiry should have been issued to him without any restriction.
2. With reference to the above mentioned writ petition the Hon'ble High Court of Delhi vide its judgement dated the 31st March, 1998 had directed this Ministry to circulate the notification on 13.2.96 once again to all the Government organisation and PSUs connected with the subject matter of the aforesaid circular so that the said organisations and PSUs can adhere to the directions and also the decisions in the aforesaid circular.

3. As directed by the hon'ble High Court of Delhi, I send herewith a copy of this Ministry's letter No. P-17011 /39/92-Sup dated the 13th February, 1996 discontinuing the scheme for voluntary registration of licensed re-refiners. It will be seen there from that sale of used lubricating oils by Govt, organisations/public sector units can be made to all the licensed re-refiners according to their policy and, keeping in view the Ministry of Environment's conditions imposed from time to time for such disposal and it may not be restricted those units who were covered in the list of registered units issued earlier by this Ministry. Responsibility for quality control shall also lie with the respective State Governments/buyers of re-refiners lubricating oil/lubricants.

4. It is requested that suitable instructions may kindly be issued to all concerned authorities/agencies under your administrative control for strict compliance.

Yours faithfully,

(J.K. MAYALL)
Under Secretary to the Govt, of India
Tele: 338 9464

Copy with a copy of this Ministry's letter No. P-1 7011 /39/92-Sup dated the 13th February, 1996 to Ministry of Steel (Shri Arvinder Singh, D.O.) Udyog Bhawan, New Delhi with reference to their letter No. 11 (1 )98-MF dated 25.5.98.

(J.K. MAYALL)
Under Secretary to the Govt, of India.
New Delhi, the 13th Feb, 1996.

To,

1. Secretary, Ministry of Defence, South Block, New Delhi.
2. Chairman, Railway Board, Ministry of Railway, Rail Bhawan, New Delhi.
3. Secretary, Ministry of Surface Transport, Transport Bhawan, New Delhi.
4. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
5. Secretary, Ministry of Industry, Deptt. of Public Enterprises, Udyog Bhawan, New Delhi.
6. Secretary, Ministry of Industry, Deptt. of Industrial Development, Udyog Bhawan, New Delhi.
7. Secretary of Industries/Transport of all State Governments & Union Territories & Administration.
8. Director of Industries of all State Governments & Union Territories & Administration.
9. Director of Transport of all State Governments & Union Territories & Administration.
12. Secretary, Ministry of Power, New Delhi.

Subject: Scheme for registration of units engaged in re-refining of used lubricating oil.

Sir,

I am directed to refer to this Ministry’s letter No. P-1 70011 /80/82-Sup dated 15.6.84 on the above subject and to say that the whole issue has been examined in view of the liberalisation introduced in marketing and pricing of lubricants. Import of lubricants and lubricating oil base stick has been decanalised. In view of this, it has been decided to discontinue the scheme for voluntary registration of licensed re-refiners introduced in 1979 and as modified in 1984 vide letter referred to above. Sale of used lubricating oils by govt, organisations/public sector units can now be made to all the licensed re-refiners according to their policy, keeping, however, in view the Ministry of Environment’s conditions imposed from time to time for such
disposal, and it may not be restricted only to those, who were covered in the list of registered units, issued earlier by this Ministry. Responsibility for quality control shall also lie with the respective State Governments/buyers of re-refiners lubricating oils/lubricants.

Suitable instructions may please be issued to concerned inistries/Departments for issuing further instructions to Undertakings/Organisations under their administrative control.

Yours faithfully,
NOTIFICATION

Ministry of Environment and Forests
New Delhi, the 16th May, 2001

S.O. 432(E). - Whereas a notification of the Government of India in the Ministry of Environment and Forests was published in the Gazette of India, Extraordinary, Part-II, Section 3, sub-section (ii) vide No. S.O. 491 (E) dated 24th May, 2000 and corrigendum published in Gazette of India Extraordinary Part II section 3, sub section (ii) vide No. S.O. 593 (E) dated 23rd June, 2000 under powers conferred by sections 6, 8 and 25 of the Environment (Protection) Act, 1986 (29 of 1986), inviting objections from persons likely to be affected, within a period of sixty days from the date of publication of the said notification with regard to the Government's intention to notify the Battery (Management and Handling) Rules, 2000.

And, whereas all objections received have been duly considered by the Central Government.


1. Short Title and commencement - (1) These rules may be called the Batteries (Management and Handling) Rules, 2001. (2) They shall come into force on the date of their publication in the Official Gazette.

2. Application - These rules shall apply to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof.

3. Definitions - In these rules, the context otherwise requires :
   a) 'Act' - means the Environment (Protection) Act, 1986 (29 of 1986);
   b) 'assembler' - means a person who manufactures lead acid batteries by assemblies various components;
   c) 'auction' - means bulk sale of used lead acid batteries or component(s) thereof by invitation of tenders or auction, contract or negotiation by individual(s), companies or Government Departments;
d) 'auctioneer' - means a person(s) who mentions used lead acid batteries or components thereof;

e) 'battery' - means lead acid battery which is a source of electrical energy and contains lead metal;

f) 'bulk consumer' - means a consumer such as Central or State Government Departments of Railway, Defence, Telecom, Posts & Telegraph, state Road Transport Undertakings, State Electricity Boards and others who purchase batteries through central 'rate' or running contract centrally placed on behalf of individual departments or user units under their jurisdiction;

g) 'components' - means lead bearing components of a lead acid battery;

h) 'consumer' - means a person using lead acid batteries excluding bulk consumer;

i) 'dealer' - means a person who sells and received lead acid batteries or components thereof to any from the consumers or other dealers or retailer son behalf of the manufacturers, importers, assemblers and reconditioners or otherwise;

j) 'designated collection centre' - means a collection center established, individually or jointly by one or more manufacturers or importers, assemblers and re-conditioners in pursuance of their responsibilities under rule-4 of these rules.

k) 'importer' - means a person who imports new lead acid batteries or components containing lead thereof for the purpose of sale;

l) 'manufacturer' - in relation to any factory manufacturing lead acid batteries or components thereof means a person or Chief Executive Officer (CEO) of the company who has control over the affairs of the factory or the premises for sale and collection of lead acid batteries or components thereof;
m) 'original equipment manufacturer' - means manufacturing of equipment or product using lead acid batteries as a component;

n) 'reconditioner' - means a person involved in repairing of lead acid batteries for selling the same in the market;

o) 'recycler' - means an occupier who processes used lead acid batteries or components thereof for recovering lead;

p) 'registered recycler' - means a recycler registered with the Ministry of Environment and Forests an agency designated by if for reprocessing used lead acid batteries or components thereof;

q) 'State Board' - means the concerned State Pollution Control Board or the Pollution Control Committee as the case may be;

r) 'used batteries' - means used, damaged and old lead acid batteries or components thereof; and

s) the words not defined in these rules will be the same meaning as defined in the Environment (Protection) Act, 1986 and the rules framed thereunder.

4. Responsibilities of manufacturer, importer, assembler and reconditioner - It shall be the responsibility of a manufacturer, importer, assembler and reconditioner to –

I. ensure that the used batteries are collected back as per the Schedule against new batteries sold excluding those sold to original equipment manufacturer and bulk consumer(s);

II. ensure that used batteries collected back are of similar type and specification as that of the new batteries sold;

III. file a half-yearly return of their sales and buy-back to the State Board in Form - I latest by 30th June and 31st December of every year;

IV. set up collection centers either individually or jointly at various places for collection of used batteries from consumer or dealer;

V. ensure that used batteries collected are sent only to the registered recyclers;
VI. ensure that necessary arrangements are made with dealers for sale transportation from collection centers to the premises of registered recyclers;

VII. ensure that no damage to the environment occurs during transportation;

VIII. create public awareness through advertisement, publications, posters or by other means with regard to the following:
   a. hazards of lead;
   b. responsibility of consumers to return their used batteries only to the dealers or deliver at designated collection centers; and
   c. addresses of dealers and designated collection centers.

IX. use the international recycling sign of the Batteries

X. buy recycled lead only from registered recyclers; and

XI. bring to the notice of the State Board or the Ministry of Environment and Forests any violation by the dealer.

5. Registration of Importers - The importer shall get himself registered with the Ministry of Environment and Forests or an agency designed by it by submitting details in Form II.

6. Customs clearance of imports of new lead acid batteries - customs clearance of imports shall be contingent upon:
   a. valid registration with the Reserve Bank of India (with Importer's Code Number);
   b. one time registration with the Ministry of Environment and Forests or an agency designated by it in Form II;
   c. undertaking in Form III; and
   d. a copy of the latest half-yearly return in Form IV

7. Responsibilities of dealer - It shall be the responsibility of a dealer to:
   a) ensure that the used batteries are collected back as per the Schedule against new batteries.
   b) Give appropriate discount for every used battery returned by the consumer.
   c) Ensure that used batteries collected back are of similar type and specifications as that of the new batteries sold;
   d) File half-yearly returns of the sale of new batteries and buy-back of old batteries to the manufacturer in Form V by 31st May and 30th November of every year.
e) Ensure safe transportation of collected batteries to the designated collection centers or to the registered recycler; and

f) Ensure that no damage is caused to the environment during storage and transportation of used batteries.

8. Responsibilities of recycler - Each recycler shall:

I. apply for registration to the Ministry of Environment and Forests or an agency designated by it if not applied already, by submitting information in Form-IV;

II. ensure strict compliance of the terms and conditions of registration. However, those already registered with the Ministry of Environment and Forest or an agency designated by it for reprocessing used batteries would be bound by the terms and conditions of such registration;

III. submit annual return as per Form-VII to the State Bank.

IV. Make available all records to the State Board for Inspection;

V. Mark 'Recycled' on lead recovered by reprocessing; and

VI. Create public awareness through advertisements, publications, posters, or others with regard to the following:

   a. hazards of lead; and

   b. obligation of consumers to return batteries only to the registered dealers or delivery at the designated collection centers.

9. Procedure for registration/renewal of registration of recyclers -

i) Every recycler of used lead acid batteries shall make an application in Form-VI along with the following documents to the Joint Secretary, Ministry of Environment and Forests or any officer designated by the Ministry or an agency designated by it for grant of registration or renewal;

   a) a copy of the valid consents under Water (Prevention and Control of Pollution) Act, 1974, as amended and Air (Prevention and control of Pollution) Act, 1981, as amended.

   b) A copy of the valid authorization under Hazardous Wastes (Management and Handling) Rules, 1989 as amended;
c) A copy of the proof of installed capacity issued by either State Pollution Control Board/District Industries Centre.

ii) The Joint Secretary, Ministry of Environment and Forests or any officer designated by the Ministry or an agency designated by it shall ensure that recyclers possess appropriate facilities, technical capabilities, and equipment to recycle used batteries and dispose of hazardous waste generated;

iii) The Joint Secretary, Ministry of Environment and Forests or any officer designated by the Ministry or an agency designated by it shall take decisions on application for registration within 1 20 days of receipt of application form with complete details;

iv) The registration granted under this rule shall be in force for a period of two years from the date of issue or from the date of renewal unless suspended or cancelled earlier;

v) An application for the renewal of registration shall be made in Form-VI, latest six months before its expiry. The Joint Secretary, Ministry of Environment and Forests or any officer designated by the Ministry or an agency designated by it shall renew the registration of the recycler granted under sub-role (4) of this rule, after examining each case on merit.

vi) The Joint Secretary, Ministry of Environment and Forests or any officer designated by the Ministry or an agency designated by it may, after giving reasonable opportunity to the applicant of being heard, refuse to grant registration.

vii) The Joint Secretary, Ministry of Environment and Forests or any officer designated by the Ministry or an agency designated by it may cancel or suspend a registration issued under these rules, if in his/ her opinion, the registered recycler has failed to comply with any of the conditions of registration, or with any provisions of the Act or rules made there under after giving him an opportunity to explain and after recording the reasons thereof;

viii) It shall be the responsibility of the State Boards to monitor the compliance of conditions prescribed while according registration; and

ix) An appeal shall lie against any order of suspension or cancellation or refusal or registration passed by the Joint Secretary, Ministry of Environment and Forests or any officer designated by the Ministry or an agency designated by it. The appeal shall be in writing and shall be accompanied with a copy of the order appealed against and shall be presented within 30 days of passing of the order.

10. Responsibilities of consumer or bulk consumer –

1) It shall be the responsibility of the consumer to ensure that used batteries are not disposed of in any manner other than depositing with the dealer, manufacturer, importer, assembler, registered recycler, reconditioner or at the designated collection centers.
2) It shall be the responsibility of the bulk consumer to-
   I. ensure that used batteries are not disposed of in any manner other
      than by depositing with the dealer/manufacturer/registered recycler/
      importer/reconditioner or at the designated collection centers; and
   II. file half-yearly return in form - VIII to the State Board
   III. bulk consumers or their user units may auction used batteries to
         registered recyclers only.

11. Responsibilities of auctioneer - The auctioneer shall;
   I. ensure that used batteries are auctioned to the registered recyclers
      only;
   II. file half-yearly returns of their auctions to the State Boards in Form-
       IX; and
   III. maintain a record of such auctions and make these records available
        to the State Board for inspection.

12. Prescribed Authority - The prescribed authority for ensuring compliance of the
    provisions of these rules shall be the State Board. And it shall file an annual
    compliance status report to the Central Pollution Control Board by 30th April of
    every year.

13. Duties of Central Pollution Control Board - The Central Pollution Control Board
    shall compile and publish the data received every year from the State Boards. It
    shall review the compliance of the rules periodically to improve the collection
    and recycling of used lead batteries and apprise the Ministry of Environment
    and Forests, Government of India.

    or an agency designated by it shall develop a system for computerized tracking
    of;
       i. distribution and sale of batteries;
       ii. collection, auction, transport and re-processing of used batteries;
       iii. sale of re-processed lead by registered recyclers; and
       iv. sale of lead from all domestic producers or imports.

SCHEDULE
[See rule 4(i) and 7(i)]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>Number of used batteries To be collected back</th>
</tr>
</thead>
</table>

307
1. During first year of implementation of rules | 50% of new batteries sold  
2. During second period implementation of rules | 75% of new batteries sold  
3. After second year of implementation of rules | 90% of new batteries sold
CIRCULAR

Sub : Procedure for disposal of surplus equipment against tenders
Ref : H.O. Circular No.HQMM/8/3/Policy, dt.15th May, 1985

It has been noted that the prices for small value equipment, such as Light Auto Vehicles and other small equipment, have considerably increased during last few years. As such, it has been decided that offers obtained by the projects against tender for disposal in respect of small value equipment, whose initial individual purchase value is upto Rs. 5 lakhs, can be decided by the respective projects without referring to HO for approval. However, in cases of equipment, whose initial individual value is more than Rs.5 lakhs, such cases have to be referred to HO for approval. The above modifications in the previous circular may be noted, keeping other paras un- altered.

This has the approval of Competent Authority. 

(S.K. Sardar)
Addl. General Manager (Mat)

To

1) The General Manager, Bld.14
2) The General Manager, Bld.5
3) The General Manager, Donimalai
4) The General Manager, Panna
5) The General Manager, CWS

Copy to :

1. G.M. (Fin) HO
2. Dy.General Manager(Mat)/ Sr.Mgr (Fin), Bid. 14
3. Sr.Manager (Mat)/Dy.GM (Fin), Bid.5
4. Sr.Manager (Mat)/Sr.Manager (Fin), Donimalai
5. Dy.Manager (Mat)/Sr.Mgr (Fin), Panna
6. Asst.Manager (Mat), CWS
7. All Officers of MM Deptt. at HO
7.1.0 MARKET RESEARCH & REGISTRATION OF SUPPLIERS

7.1.1. The functions of Market Research at Corporate Office are
   a. Registration work connected with new Vendors
   b. Maintenance of Vendors performance reports
   c. Analysis of price trends including that of scrap materials.
   d. Substitution of imported materials and components by indigenous materials and location of other suitable indigenous suppliers in addition to the existing vendors.
   e. Sub-contract work to the extent necessary.
   f. Analysis of transport facilities.

7.1.2 Head (MC Section) shall look after the functions of market research and shall report to Head (Materials).

7.2.1 This section will be responsible for:
   a. Collection of information regarding the overall requirements of National Mineral Development Corporation Limited
   b. Collection of information regarding suppliers for NMDC's requirement
   c. Registration of Suppliers and Maintenance of Regd. Suppliers list for NMDC and its periodical review.
   d. Collection of information regarding transport agencies
   e. Collection of information regarding price and availability trends
   f. Maintenance of Vendor performance data
   g. Maintenance of DGS&D Contract records and the performance of suppliers who are on rate contract with DGS&D.

7.2.2 The Section shall obtain complete information about the bought-out materials, equipments, stores, parts and the like from all the projects and User Departments. This information shall be classified Material wise.

7.2.3 The information regarding suppliers shall be obtained from various trade journals, bouchers, booklets, directories, magazines etc and cutting and handouts to be filed in folders. The folders should be classified material-wise as per Annexure 7-1. Special information obtained from Salesmen, Tradesmen and from experts during discussions shall be typed and retained in the Section.
7.2.4 Price trends for important materials as indicated in Newspapers and periodicals, the availability or scarcity of materials should be recorded from time to time and this information should be communicated to MM Wing of the projects and other concerned Departments.

7.2.5 Information regarding suppliers for various types of materials should be transmitted to Purchase Section. Such information must be revised from time to time to replace the outdated ones.

7.2.6 VENDOR PERFORMANCE
Vendor Evaluation shall be the joint responsibility of Materials Management department and the user department. Preparation of final rating shall be the responsibility of Materials Management department.

SELECTION OF VENDORS
Whenever a need arises to procure material/components from a new source or a new vendor approaches the project, the following steps shall be taken.

a. The vendor furnishes detailed information about his capacity, capability etc. to MM dept.

b. MM department and the concerned user department shall review the furnished information.

c. A comprehensive proposal for placement of trial order shall be forwarded to head office by the project.

d. Head office will scrutinise the proposal and if necessary arrange visit to the premises of the prospective vendor to assess his capabilities.

e. Based on assessment head office will approve vendor for trial orders.

f. On satisfactory and successful completion of the trial order, the vendor shall be included in the approved vendor list.

VENDOR PERFORMANCE EVALUATION

  g. Items which are critical to the product/process quality have been identified and a list of approved vendors for these items has been prepared by the Materials Management department.

  h. For vendor performance evaluation certain parameters and weightage have been decided as shown in the table as under :

<table>
<thead>
<tr>
<th>Description</th>
<th>Code</th>
<th>Responsibility</th>
<th>Weightage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Rating</td>
<td>QR</td>
<td>MMD</td>
<td>50</td>
</tr>
<tr>
<td>Delivery Rating</td>
<td>DR</td>
<td>MMD</td>
<td>30</td>
</tr>
<tr>
<td>Service</td>
<td>SR</td>
<td>MMD</td>
<td>10</td>
</tr>
<tr>
<td>Rating</td>
<td>User Dept.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>------------</td>
<td>----</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

i. The Delivery Rating (DR) shall be on the basis of Delivery Index (DI) which is calculated as under:

\[
\text{DI} = \frac{\text{Actual Delay in Months}}{\text{Scheduled Duration in Months}} \times 100
\]

Where actual delay is the time taken in months by the vendor beyond the scheduled duration given to the vendor as per work order. The delay beyond 15 days is counted as one month.

j. After calculating the Delivery Index as at 7.2.6(i), Delivery Rating shall be calculated as under:

<table>
<thead>
<tr>
<th>Delivery Index</th>
<th>Marks/Points For Delivery Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 5%</td>
<td>30</td>
</tr>
<tr>
<td>Above 5% upto 25%</td>
<td>25</td>
</tr>
<tr>
<td>Above 25% upto 50%</td>
<td>15</td>
</tr>
<tr>
<td>Above 50%</td>
<td>0</td>
</tr>
</tbody>
</table>

k. Quality rating shall be calculated by the MM Department as below:

\[
\text{Quality Rating} = \frac{\text{Quantity accepted}}{\text{Quantity supplied by the vendor}} \times 50
\]

Where the quantity accepted is decided by the user department based on the inspection with respect to specification/requirements as furnished to the vendor.

l. Service rating shall be calculated based on pre-sales service/after sales service. Material Management department and the user department can allocate a maximum of 10 points each towards this rating.

m. Vendor performance evaluation shall be carried out once in a year viz., at end of December.

n. If during the period of assessment, the vendor has executed more than one order, the weighted average of rating for all such orders shall be taken.

o. Vendor performance evaluation shall be carried out for the vendors of the identified significant items as given in the approved vendors list.

p. Vendor performance evaluation as at end December shall be completed by end January.

q. Concerned dept shall forward the respective service ratings of the vendors to MM dept for final evaluation report.
r. Performance report with respect to Head Office approved vendors and rate contract vendors shall be sent to the MM Dept, at Head Office for further action.

s. Copies of vendor evaluation report shall be circulated at the project to Head of project, Head of production, Materials Management department and concerned user department.

t. The vendors who secure a minimum of 80% in the overall rating to remain on the qualified vendors list.

u. The vendors who obtain less than 80% shall be put in poor performing vendors (PPV) list.

DISQUALIFICATION OF VENDORS

a. The poor performing vendors at the 1st and 2nd instances from the project approved vendor list shall be communicated to improve their performance.

b. In case of Head Office approved vendors and rate contract vendors, based on the vendor performance reports sent by project to Head Office, Materials Management department at H.O. shall take appropriate action.

c. Poor performing vendors shall be deleted from the approved vendors list if their rating is below 80% for three evaluations viz., in any three years.

d. Deleted vendors may be again approved by carrying out the activities as per Selection of vendor procedure.

e. Vendor performance reports shall be maintained by MM dept.

f. If the performance of the goods supplied by the vendor is found to be below the mark on continuous basis for the reasons attributable to him, such vendors will be removed from the vendor list.

7.3.1 REGISTRATION OF VENDORS

If necessary, an advertisement shall be inserted in the leading newspapers inviting applications for registration of firms/suppliers for supply of various types of materials required. The application for registration by the suppliers should be accompanied by DD for suitable amount payable to National Mineral Development Corporation Ltd., Hyderabad.

7.3.2 These applications will be received by M C Section who will scrutinise the same forward a copy of the Registration Form (Annexure 7-II) to the suppliers calling for various details as given therein.
7.3.3 A committee consisting of materials deptt and concerned user dept, will examine the vendors eligibility for registration as regular supplier if necessary further clarifications may be called.

7.3.4 Once a Vendor's name is registered, it should be entered in the list of suppliers and simultaneously in the Vendor's performance Card for rating.

7.3.5 The registration of a firm may be refused when:
   a. the firm under question is not of a good standing
   b. the firm is already on the black list (with DGS&D, other public sector undertakings and other NMDC projects)
   c. adverse reports on the Firms performance are established following confidential enquiries made by MC Section.
   d. the Head (Materials) shall be empowered to cancel / remove any firm from the approved list in any of the above contingencies.
   e. a monthly report shall be submitted to the Head (Materials) showing cases where registration was refused with reasons therefor.
   f. the list of registered suppliers may indicate the value upto which purchase orders can be placed on a supplier at a time.

7.4.1 Head (MC Section) shall obtain an administrative sanction for a suitable amount not exceeding Rs. 10,000/- per year towards the expenditure to be incurred for the purpose of obtaining catalogues newspapers, journals, periodicals Trade Magazines etc.

7.5.1 **CONTROL INFORMATION**
   MC Section will collect the following information:
   a. Number of catalogues, Directories, journals etc received during the previous month
   b. Number of cutting taken out
   c. Number of enquiries made regarding suppliers
   d. Number of purchase orders placed on the basis of information given to Purchase Section.
   e. Number of supplier's list provided to Purchase Section.
   f. Number of Vendor performance recorded.
   g. Number of deregistered vendors

7.6.1 **INDIGENOUS DEVELOPMENT**
   The purpose of this shall be to carry out a systematic investigation for the replacement of imported materials, components, sub- assemblies, parts, tools and processes by indigenous sources.

7.6.2 MC Section shall be responsible for:
   a. collection of information regarding every imported item with its specifications and test data;
b. locating indigenous suppliers for the various imported items;
c. discussions with suppliers of the possibility of manufacture of / supply of such items locally and economically;
d. inspection of manufacturers/supplier's capabilities (if necessary by personal calls at their works) along with Technical Department representatives.
e. checking their supplies against our specifications in co-ordination with projects Service Department and MM Wing.
f. registration of such supplier on the approved list of sub-contractors.
Classification of information regarding sources of supply:

1. Mechanical: HEM-
   (a) Dozers
   (b) Dumpers
   (c) Shovels
   (d) Drills
   (e) Graders
   (f) Compressors
   (g) Pumps
   (h) Vehicles
   (i) Road Roller etc
   OSCL - Crushers, Screens, conveyors, loading Plant, Reclaimer, Stacker, Apron feeder

2. Electrical: Motors, Switchgears, Starters, Control Panel,
   Cables Generator, Measuring instruments Lamps, fittings, appliances etc.

3. Mining: Explosives, Exploders, Blasting materials


5. Rubber items: Tyres, conveyor belts, V belts, Hoses, etc

6. General Stores: Fasteners, Ropes, Electrodes, paints etc

7. P O L

8. Diamond Drill bits and accessories

9. Blast Hole Drills bits rods and accessories

10. Safety items and welfare items

11. Fire fighting items

12. (a) Castings (b) Forgings (c) Fabrication

13. Pipes & Fittings

14. Office appliances & furniture

15. Miscellaneous

These would be further sub-grouped as under:

   a) Manufacturer b) Dealer c) Stockist d) Agent
NATIONAL MINERAL DEVELOPMENT CORPORATION LIMITED
MATERIALS MANAGEMENT DEPARTMENT

Form for Registration of Suppliers

1. Name of Supplier : 
2. Postal Address : 
3. Whether Proprietorship/Pvt.Ltd/ Public Ltd Company : 
4. Name of Proprietor/Partners/MD etc : 
5. Year of Registration : 
6. Sales Tax Registration No. : 
7. Income tax Clearance received upto (latest ITC to be attached) : 
8. Whether Manufacturer/Dealer/ Authorised Stockist/Agent : 
9. Location of Factory/Workshop with postal address : 
10. Details about the factory : 
   a. Name of foreign collaboration, if any 
   b. Location 
   c. Details of covered area 
   d. Machinery installed 
   e. Location of Branch Offices 
   f. Location of Service Depots 
11. a) Number of workers employed in factory 
    b) No. of persons employed in office 
12. Annual turnover (give figures for last 3 years) : 
13. Name of Bankers : 
14. Nature of Stores dealt
   (give details)

15. Nature of stores manufactured
   (give details)

16. Inspection facilities available

17. Whether DGS&D inspection/
    Lloyds inspection facility exists

18. Details regarding supplies made
    to others (attach copy of orders
    executed)

19. List of Buyers from Govt./Undertakings/Organisations to whom
    supplies have been successfully made (Also quote the registration nos. there against)

20. Registration No., with DGS & D

21. Registration No. Under NSIC

22. Registration Nos. with other Govt,
    of India Undertakings (Give names
    with details)

23. Details of items supplied to
    N.M.D.C. Limited

24. Any other details

Date .......................................................... Signature of authorised representative of supplier

(To be filled on receipt by N.M.D.C. Office)

1. Date of Receipt ............................................
2. Order No. ....................................................
3. Registration No. ............................................
   (If agreed for Registration)

Signature of authorised representative of NMDC

8.1.0 COMPUTERISATION OF INVENTORY ACCOUNTING & MONITORING
8.1.1 In order to have timely statements about various aspects covering different transactions of inventory, holding, indenting, ordering position, consumption, non-movement etc, the inventory accounting is being done at the respective projects.

8.1.2 As per the present schedule, the following statements would be drawn from the computer which shows the periodicity of these statements which will be reviewed periodically.

<table>
<thead>
<tr>
<th>Report</th>
<th>Report Name</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-01</td>
<td>Receipt Statement</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-02</td>
<td>Credit Code wise issue statement</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-03</td>
<td>Cost centre wise Issue order under different credit codes</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-04</td>
<td>Debit code wise issue statement</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-05</td>
<td>Item wise consumption statement</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-06</td>
<td>Cost centre wise consumption statement</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-07</td>
<td>Item wise cost centrewise Consumption statement</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-08</td>
<td>Item wise stores ledger</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-09</td>
<td>Report of items whose computed stock does not match with balance after posting</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-10</td>
<td>Item group wise transaction summary</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-11</td>
<td>Inventory Report</td>
<td>Quarterly</td>
</tr>
<tr>
<td>R-12</td>
<td>Stock Status Report</td>
<td>Quarterly</td>
</tr>
<tr>
<td>R-13</td>
<td>Report of non-moving items</td>
<td>Quarterly</td>
</tr>
<tr>
<td>R-14</td>
<td>List of imported items in stock</td>
<td>Annually</td>
</tr>
<tr>
<td>R-15</td>
<td>ABC analysis ( Consumption basis )</td>
<td>Quarterly</td>
</tr>
<tr>
<td>R-16</td>
<td>XYZ analysis(Holding basis)</td>
<td>Quarterly</td>
</tr>
<tr>
<td>R-17</td>
<td>Report of indents not covered by PO's</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-18</td>
<td>Supplier wise purchase order report</td>
<td>Bimonthly</td>
</tr>
<tr>
<td>R-19</td>
<td>Report of purchase orders against which supplies are due but not received</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-20</td>
<td>Item wise indent and Purchase order status report</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-21</td>
<td>Items requiring replenishment</td>
<td>Monthly</td>
</tr>
<tr>
<td>R-22</td>
<td>Inter store receipt statement</td>
<td>Monthly</td>
</tr>
</tbody>
</table>
8.1.3 The input data will be prepared on monthly basis and entered in the computer at the respective projects through the data entered at the projects. This data will be verified for its correctness at the project itself.

8.1.4 Control statements required at Head Office: Instead of receiving copies of all the inventory statements for different projects at Corporate Materials Management Wing, only selected control statements will be received at Head Office from all the projects for review.

i. Code group-wise inventory holding: At the end of each month showing opening balance for the financial year against each code group. This will help in regular monitoring of inventory holding under different code groups in the project and also the total inventory holding for the project. This statement will also show the monthly issues, receipts against different code groups. This statement will be drawn on monthly basis (Annexure-8-I).

ii. List of, A’ Items: List of items accounting for 70% consumption will be drawn by the computer firstly arranging the same in descending order of consumption value and secondly in order of code group wise. These statements would also show the stock holding of those items, number of issues, number of receipts etc. These statements would be utilised for monitoring and controlling the consumption of ,A’ category items. This statement will be drawn on quarterly basis, covering cumulative consumption figures of the corresponding financial year. (Proforma at Annexure 8-II)

iii. High Value Inventory Holding statement: This statement would be given for ,X’ category items accounting for 70% of inventory holding for each project. This statement will also show the past three years consumption figures, along with insurance and surplus aspects. This information will be drawn on quarterly basis. The statement will be in two parts - first in the descending order of inventory held and secondly according to the code groupwise. If necessary, fixed value cut of line such as Rs.50,000/- would be also used for such analysis. This statement will be drawn on quarterly basis. (Proforma at Annexure 8-III)

iv. Non-moving items statement: This statement would be covering items which have not moved for five years or more arranged code group wise to enable analysis of the non-moving items. This statement will be drawn on annual basis for each project.(Proforma at Annexure 8-IV)

8.2.1 Inventory monitoring: Inventory held at various projects will be monitored on monthly basis by the respective projects as well as at the Corporate level. This monitoring will be co-related with reference to the opening balances at the beginning of the previous three financial years for each code wise and also for the total inventory holding. Any increase will be immediately brought to the notice of the Head of Project and also to Director (Production). Code
group wise where increase, is more than Rs. 5 lakhs (In case of Panna project Rs. 1 Lakh) would be specifically identified and listed along with increase and percentage increase over the figures at the beginning of the concerned financial year.

8.2.2 Consumption for different months, quarters and 1 2 months period will be also monitored for high consumption value items falling under 'A' category items. Not only the consumption figures will be compared, but also the stock holdings of such items would be regularly monitored to avoid over-stocking of such items while ensuring regular availability of the same. (Proforma Annexure 8V)

8.2.3 High value holding items monitoring would be to watch against excessive build up of inventory and these would be co-related with the rate of consumption and corrective steps suggested for reviewing indents and orders for the same. These lists will also be circulated to all the projects after consolidation at Head Office and would be used for inter-project transfer of such items to avoid holding of similar stocks by different projects.

8.2.4 Non-moving inventory monitoring by respective projects: Items which have not moved for different periods will be monitored and lists circulated to various projects in order to help its utilisation/reduce its further indenting by other projects.

8.2.5 Surplus declaration of various projects and action taken and progress achieved towards its disposal would also be monitored on quarterly basis.

8.2.6 Pending indents and pending orders for various projects would also be monitored in order to expedite the ordering and supply stages.

8.2.7 In addition to the above, various inventory statements, reports, clarifications etc required by Ministry, BPE etc would also be attended and dealt by this section.

8.3.1 Monitoring of Important Indents: Important indents pending for release of PO for more than 90 days for various projects would be regularly monitored for order placement and supplies. Monthly statement would be submitted to the Heads of projects and Director. (Annexure 8-VI)

8.3.2 Monitoring of critical items: The progress and status of critical items listed in project Head's monthly D.O. letters to Director would be monitored and position reported to the Heads of projects and Director.

8.3.3 Monitoring of Audit Replies: The progress and status of various pending Audit Queries would be regularly monitored and position reported to Head of the department.

8.3.4 Each Purchase Office would forward monthly statement of orders placed for consolidation and intimation to Ministry etc.. Proforma (Annexure 8-VI I).
8.3.5 Project/ Offices would be required to forward intimation regarding Item master additions (Annexure 8 - VIII ) and updation/deletion (Annexure 8 - IX) to computer cell for updating the information.

8.3.6 Projects also required to update the Indent and Purchase order reports from time to time. The Indent Amendment/ Addition form will be as per Annexure-8-X and Purchase order updation/ deletion form will be as per Annexure -8-XI.
NMDC
Project:

Code group wise Inventory Holding as on ______________________

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stores group</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>
## STATEMENT OF ‘A’ ITEMS AS ON

<table>
<thead>
<tr>
<th>Item Code</th>
<th>Item description</th>
<th>Unit of measure</th>
<th>Year to date consumption</th>
<th>Cum. Item</th>
<th>Cumulative consumption</th>
<th>Closing stock</th>
<th>Cum Closing stock value</th>
<th>No. of issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>
## Project:

### STATEMENT OF ITEMS ABOVE RS 50,000/- AS ON

<table>
<thead>
<tr>
<th>Item Code</th>
<th>Item description</th>
<th>Part No.</th>
<th>unit</th>
<th>Consumption during last three years</th>
<th>Consumption this yr to date</th>
<th>Stock qty</th>
<th>Stock value</th>
<th>Order qty</th>
<th>Indent qty</th>
<th>Last purchase rate</th>
<th>Last receipt Yr/MM/DD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
<td>4</td>
<td></td>
<td>5</td>
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<td></td>
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<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
National Mineral Development Corporation Limited

STATEMENT OF NON-MOVING ITEMS FOR 5 YEAR AND ABOVE

<table>
<thead>
<tr>
<th>Item Code</th>
<th>Item Description</th>
<th>Part No.</th>
<th>Unit of measure</th>
<th>Quantity on hand</th>
<th>Value on hand</th>
<th>Quantity on order</th>
<th>Quantity on indent</th>
<th>Date of last recpt/issue</th>
<th>Not mvd (months)</th>
<th>Last RIP date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>
Project:

**Quarterly report for selected group of high consumption items co-related to actual production**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description</th>
<th>A/U</th>
<th>Prodn. (Lakh MT) during earlier year</th>
<th>LUMP FINES</th>
<th>Prodn. (Lakh MT) during earlier year</th>
<th>LUMP FINES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>TOTAL</td>
<td></td>
<td>TOTAL</td>
</tr>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumption for year</th>
<th>Consumption for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qty</td>
<td>Value</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prodn. (Lakh MT) during earlier year</th>
<th>LUMP FINES</th>
<th>Prodn. (Lakh MT) during earlier year</th>
<th>LUMP FINES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td>TOTAL</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumption for quarter ending</th>
<th>Cumulative consumption upto</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qty</td>
<td>Value</td>
</tr>
<tr>
<td>12</td>
<td>13</td>
</tr>
</tbody>
</table>

**REMARKS** regarding increase of average
PURCHASE OFFICE

OUTSTANDING INDENTS STATEMENT AS ON

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Regn No.</th>
<th>DO/DA</th>
<th>Indent No.</th>
<th>Date of receipt</th>
<th>No. of items</th>
<th>Indent value</th>
<th>Description of stores</th>
<th>Order value</th>
<th>Pending items</th>
<th>Position regarding pending items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>
Purchase Office

PURCHASE ORDER PLACEMENT STATEMENT FOR THE MONTH

<table>
<thead>
<tr>
<th>SI. No.</th>
<th>Purchase order No. &amp; date</th>
<th>Description of materials</th>
<th>No. of items</th>
<th>Value</th>
<th>Date of delivery</th>
<th>Name of the firm</th>
<th>Type of stores IND/IMP</th>
<th>SSI/ Large scale</th>
</tr>
</thead>
</table>
ANNEXURE – 8-VIII

N.M.D.C.

PROJECT:

ITEM MASTER ADDITION FORM

<table>
<thead>
<tr>
<th>DOC NO:</th>
<th>Project Code:</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOC DATE:</td>
<td>Store Code:</td>
</tr>
</tbody>
</table>

0 = H/T  
1 = BCL

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Code No.</th>
<th>Description 20</th>
<th>Part No. 15</th>
<th>U/M 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
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<td>5</td>
</tr>
</tbody>
</table>
N.M.D.C.

PROJECT:

ITEM MASTER UPDATION/DELETION FORM

DOC NO : 

DOC DATE : 

Project Code : 

Store Code : 

0 = H/T
1 = BCL

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Option</th>
<th>Item code</th>
<th>Field Name</th>
<th>New Value (Max-20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
## Indent Amendment/Addition Form

<table>
<thead>
<tr>
<th>SL NO</th>
<th>INDENT NO</th>
<th>INDENT DATE</th>
<th>AMD IND</th>
<th>ITEMCODE</th>
<th>U/M</th>
<th>INDENT QTY</th>
<th>VALUE</th>
<th>DEL FLAG</th>
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<tbody>
<tr>
<td>6</td>
<td>6</td>
<td>6</td>
<td>1</td>
<td>9</td>
<td>2</td>
<td>7 + 3</td>
<td>8 + 2</td>
<td>1</td>
</tr>
</tbody>
</table>
ANNEXURE – 8-XI

PURCHASE ORDER UPDATION / DELETION FORM

N.M.D.C LTD.

DOCUMENT : _______  PROJECT CODE : _________  DOCUMENT NO. _________  DATE : _________

<table>
<thead>
<tr>
<th>S. No</th>
<th>P.0 NUMBER</th>
<th>OPTION</th>
<th>ITEM CODE</th>
<th>UM</th>
<th>QUANTITY</th>
<th>VALUE</th>
</tr>
</thead>
</table>

OPTION : UPDATION ‘UP’ – DELETION ‘DL’

SIGN OF INCHARGE
9.1.0 MISCELLANEOUS

9.1.1 Capital Replacement Proposal

Head of the project will constitute a Committee comprising the Head (M&S), Head (Fin) and Head of the users Department to examine the capital replacements required for the ensuing financial year. The Committee will recommend the replacement of equipment keeping in view the guidelines on the subject.

9.1.2 This Committee will submit its recommendations to the Head of the Project for his approval.

9.1.3 The Head of the Project will send the programme duly approved by him to the Production Division, Head Office by April end along with equipment-wise details as per proforma enclosed (Annexure 9-I) in respect of replacement programmes for the following year.

9.1.4 Production Division will examine the proposal and after obtaining orders of Director(P) shall communicate his decision to the Head of the Project. In case the replacement programme furnished by the Project in respect of any particular equipment requires further examination, he may seek such information from head office production division and the project as deemed fit by him to the Project concerned for getting further information as may be required.

9.1.5 Final approval of Director (P) for all replacement programmes will be conveyed by 31st July each year in respect of replacement programme for the following year.

9.2.0 CAPITAL ADDITIONS PROGRAMME

9.2.1 The Head of the Project will constitute a Committee consisting Head (Production), Head (M&S), Head (Fin) and Head of the user Department to identify and justify the items which are to be procured or work to be undertaken as Capital Additions on annual basis.

9.2.2 The recommendations of the Project, duly approved by the head of the project shall be forwarded to Head (Production) at Corporate Office before 31st May of preceding year.

9.2.3 Production Wing will examine the proposal and after obtaining orders of Director (P) communicate his decision to the Head of the Project. In case any of the capital addition programmes recommended by the Project requires further examination, he may seek such information as deemed fit by him from the project concerned for further examination.

9.2.4 Final approval of Director(P) for all Capital Addition Programmes will be conveyed by Production Deptt of Corporate Office.

9.3.0 CAPITAL REPAIRS PROGRAMME
9.3.1 Project shall identify the equipment which require capital repairs for two years i.e., current year and subsequent year.

9.3.2 The repair programme will be spelt out year-wise.

9.3.3 Details of capital repairs programme proposed to be undertaken shall be finalised at the project by a Committee constituted by the Head of the Project representing members from Technical and Finance Departments.

9.3.4 The details as per proforma enclosed as Annexure 9-II shall be sent for capital repairs programme.

9.3.5 The recommendations as accepted and approved by the Head of the Project shall be forwarded to Head Office (Production Division) for obtaining administrative decision/approval of Director (P) before 31st May of the preceding year.

9.3.6 Production Division will examine and obtain decision/approval for the proposals and convey Director (P)'s approval before 31st of July of the preceding year.

9.4.0 BUDGET ALLOCATION

9.4.1 The proposals forwarded by the Head of the Project and approved by Director (P) shall form the basis for the budget requirement year-wise, depending upon the likely date of expenditure.

9.4.2 Although capital budget is subject to the approval of the Government, Head Office will convey approximate budget availability to the Project and Project can make commitments upto 60% of this budget in the first instance, subjected to approval of AMR proposal by Dir (Prod).

9.4.3 Head (Prod) of Corporate Office will convey to all the projects, availability of budget under „Capital‟ well in advance.

9.4.4 All purchase files and other documents are to be preserved for 15 years. However, the files containing disputes are to be maintained till disputes are sorted.

9.5.0 COORDINATION MEETING

9.5.1 Annual meetings will be conducted by Head (Materials) of corporate Office on various matters relating to Materials Management Department of the Projects and Head Office. During these meetings, position of the inventory, depot inventory, nonmoving inventory, highvalue inventory, declaration of surplus/disposal of surplus equipment/stores/spares, supply position of various urgent items, Rate Contracts, Codification of Spares and General stores etc. will also be discussed. Any improvements required in various procedures and systems would also be covered by these meetings.
REPLACEMENT PROGRAMME OF EQUIPMENT FOR

1) Name of equipment
2) Chasis/ Equipment No
3) Type/ Make
4) Identification
5) Capacity
6) Date of purchase
7) Original cost
8) Book value (as on ………… )
9) Life as per manufacturer in hours/ kms/ years
10) Extent of utilisation ( hours/kms )
11) Expected further utilisation ( hours/kms )
12) Major repairs/ overhauling in the last three years
   I) Month and year
   II) Cost
13) Present condition
14) a) Whether this could be rehabilitated for efficient operation, if so
    b) Cost of capital repairs
    c) Expected life after such repairs
15) Reasons for replacement
16) Cost of new one
17) Expected realisable value on disposal of the equipment
18) Expected value of usable spares on dismantling and salvaging
19) Population
    i) Sanction
    ii) Actual in position
20) Value of spares
i) Stock
ii) On order
iii) On indent
21) Remarks
ANNEXURE – 9-II

NMDC

Project...

**PARTICULARS AND JUSTIFICATION FOR UNDERTAKING CAPITAL REPAIRS OF EQUIPMENT**

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<td>1)</td>
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<td>Type/ Make</td>
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<td>ii)</td>
<td>Cost</td>
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<td>13)</td>
<td>Present condition of major assemblies/ sub assemblies</td>
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<tr>
<td>Name of major assembly Present condition Repairs required</td>
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<td>14)</td>
<td>Expected further utilisation after the repairs suggested at SI. 12 above</td>
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<tr>
<td>15)</td>
<td>Description of major parts required, availability, lead time for procurement and approximate cost of the parts</td>
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<td>16)</td>
<td>Total estimated cost of repairs</td>
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<tr>
<td>i)</td>
<td>Stores</td>
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</table>
ii) Labour

iii) Others

17) Justification for undertaking the capital repairs

18) Remarks
DEFINITION OF THE TERMS USED

1. **Capital Items/ Goods**: Capital items/ Goods means any Plant, Machinery, Equipment or Accessories required for manufacture or production either directly or indirectly, of goods or for rendering services, including those required for replacement, modernization, technical upgradation or expansion.

2. **Spares, Components and Accessories**: Those are the items required for smooth and continuous operation of the plant and machinery.

3. **Consumables**: Which get consumed in the process and do not form part of end product or general stores.

4. **Lead Time**: The time required to make available an item at works from the time the intimation for its requirement is received at Head Office.

5. **Indent**: Indent or requisition are used as synonyms and would mean the intimation of requirement for material in prescribed format.

6. **Capital and Revenue**: The term Capital would mean items of capital nature involving procurement. The term revenue would mean the expenses of revenue nature involved in procurement of material required for running and maintenance of the plant and machinery.

7. **Inputs**: The term "in-puts" to the production system would mean all requirements required for production of end product and included raw-materials, components, consumables, spares, capital equipment and any other requirement such as repairing and reconditioning services required for production purposes.

8. **Specifications**: The term "specifications" would mean a detailed description of the requirement in terms of physical and chemical properties and functional requirements.

9. **Standard**: A standard specification would mean, a specification as per I.S. or any other international standard.
10. **Annual Indents**: Indents covering the annual requirements of items.

11. **Capital Indents**: Indents covering requirement of capital items.

12. **Emergency Indents**: Indents covering Break down / Emergency requirements.

13. **Regular/ Routine Indents**: The term "regular/routine indents" are used as synonyms would mean requirement of regular/routine items.

14. **Delivery Period**: Is the time allotted to a supplier for effecting the supply of items as per purchase order.

15. **Single Tender**: An Enquiry sent to only one party seeking offer.

16. **Limited Tender**: An Enquiry in which participation is limited to those who are invited to quote. The enquiry will be sent to all those firms in particular category where categorization has been done.

17. **Restricted Tender**: An Enquiry in which participation is limited to those who are invited to quote by issuing enquiries to a selected number of firms out of the registered list of suppliers for the class of goods required.

18. **Open Tender**: A requirement in which the participation is opened to all who can satisfy the requirement of supply.

19. **Purchase Order**: The document requesting for supply of material issued to the supplier. This is a legal document and constitutes an offer and constitutes a contract by virtue of the offer of the supplier and acceptance by the buyer.

20. **Repert Order**: A purchase order issued on the same supplier for the same item.


22. **Negotiation**: Negotiation is the process of discussion and arriving at mutual agreement between the buyer and the seller.
23. **Competent authority/ Approving authority**: Competent authority/ Approving authority in respect of matters incidental to Purchase of stores, powers have been delegated to the officers at different levels in NMDC. The officers so empowered are defined as Competent authority/ Approving authority.

24. The terms used as "Vendors", "Suppliers" etc. are all synonyms and would mean sources from where the requirements are procured.

25. The terms used as "Offer", "Tender", "Bid" and "Quotation" are all synonyms and would mean the same.

26. The terms used as "Finance" and "Accounts" are synonyms and would mean the Department connected with financial matters.

27. The term "lowest offer" would mean lowest offer, which is technically acceptable.

28. The term "Destination cost" would mean the cost inclusive of Packing & forwarding, Freight, Insurance, Taxes and Duties up to the destination point.

29. The term "good quality" would mean quality acceptable to the Production Department.

30. The terms used as "Receipt-Cum-Inspection voucher" / "Receipt Voucher" are synonyms and would mean the same.

31. The terms used as "Custody" / "Issue Cell" are synonyms and would mean the same.

32. The terms used as "Accounting Unit ( A/U )" / "Unit of Measurement" are synonyms and would mean the same.

33. The term "rate, price and cost" are used as synonyms and would mean the cost at which the item is ordered or procured.

34. The term "Authorised agent, Dealer/Distributor" are all used as synonyms and would mean an authorised representative of manufacturer who sell the product manufactured by them.
35. The term "Acceptance of Tender (AT)", "Purchase Order" and "Supply Order" are all used as synonyms and would mean the same.
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