

The Chief Financial Officer

Premier Energies Limited

Subject: Approval Written-Off Bus (Reg. No. TS15UA0258)

Background:

As per the Internal Audit observation, an old bus bearing registration number TS15UA0258, which had already been written off in the books of PEL, was sold for ₹85,000. The auditors have noted that although comparative quotations were obtained from two customers and the sale was made to the H1 bidder, the realized value appears lower compared to the indicative scrap value, estimated at approximately ₹1.25 lakh based on the vehicle's unladen weight (3,630 kg × ₹35/kg).

Management Remarks:

- The bus was disposed of following internal approval and after obtaining competitive quotes from two local scrap dealers.
- The highest bidder (H1) quote of ₹85,000 was accepted, considering market conditions and immediate disposal requirements.
- The weight verification was not carried out, as the company does not operate in the scrap trading business, and our teams do not have the technical means or expertise to assess actual scrap realizable value.
- The vehicle was non-operational and lying idle for an extended period; therefore, the sale was completed primarily to clear space and recover any possible residual value.

Recommendation:

The management acknowledges the audit observation. However, since due process was followed—by obtaining comparative quotes and selecting the highest offer available—it is proposed to accept the sale value of ₹85,000 as final and close the audit observation.

Future disposals of similar nature will be referred to the Stores/Procurement team for a basic verification of weight and scrap rate to ensure fair value realization.

Submitted for your kind approval, please.

Sivasankar Varaprasad. G – AGM Finance & Accounts	
Manoj Kumar Sahoo – VP Finance & Accounts	