

UNIVERSITY OF ALLAHABAD

Guidelines/Procedure for Condemnation, Disposal and Writing Off of Vehicles

1. Condemnation Committee

A condemnation committee consisting of not less than three members shall be constituted to look into the issues of condemnation, disposal and writing off of the vehicles. The constitution of the said committee may be as follows:

- (a) Proctor
- (b) Nominee of the Vice Chancellor
- (c) University Engineer
- (d) Mechanical/Automobile Engineer: External Expert
- (e) Nominee of the Finance Officer
- (f) Estate Officer (Convener)

2. Documents/information which should be taken into consideration by the Condemnation Committee

- (a) History Sheet of the Vehicle
- (b) Year wise breakup of the distance covered by the Vehicle. In case the Vehicle is off the road, the date from when it is off the road.
- (c) Availability of funds for procurement of replacement of vehicle
- (d) A certificate from the concerned competent authority that there has not been negligence on his/her part as far as maintenance and upkeep of the vehicles is concerned.
- (e) Condemnation Certificate in Original

3. Mandatory Condemnation Criteria

It is mandatory that the vehicle should have covered a distance indicated at Col. (3) and given a life of not less than indicated in Col. (4) below:

S. N.	Type of Vehicle	Kilometers	No. of Years
i.	Heavy Commercial Motor	4,00,000	10
ii.	Motor Vehicles fitted with engines upto 20 HP	1,50,000	6.5
iii.	Motor Cycles fitted with engines of 3.5 HP	1,20,000	7
iv.	Motor Cycles fitted with engines of less than 3.5 HP	1,20,000	6

4. Condemnation Proposal

- 4.1. Condemnation committee should submit the condemnation proposal to the Vice Chancellor, University of Allahabad for approval. No vehicle should be disposed off till approval for condemnation is conveyed.

- 4.2. A vehicle can be condemned only after certificate has been obtained from one of the following authorities to the effect that the vehicle is not fit for any further economical use:
- (i) An Electrical/Mechanical Workshop of the National Airports Authority
 - (ii) Workshop of a State Road Transport Corporation/Nominee of the RTO, Allahabad
- 4.3. For obtaining the condemnation certificate a request letter is to be sent to one of the abovementioned authorities alongwith the details [for example, Registration no., total distance covered (mileage), manufacturing year, make and model etc.] of the vehicle to be condemned. The inspecting authority after carefully examining the vehicle to be condemned and on the basis of authentic records (to be supplied by the University) relating to mileage covered/period of operation, repair and maintenance and expenditure involved, accidents (if any), shall issue the condemnation certificate.
- 4.4. It is to be ensured that the condemnation certificate contains the following details:
- (a) H.P. of the vehicle.
 - (b) Estimated cost required for repair of the vehicle.
 - (c) Whether the repair will be economical or not.
 - (d) Resale value of the vehicle (floor/reserve price) on the date of inspection.

5. Disposal

Condemned Vehicle(s) are to be disposed off as per the procedure outlined in GFR-197 to GFR-201 (Annexure-I) within a period of three (03) months from the date of placing an order with the manufacturer for the replacement of vehicle (e.g. purchase of new vehicle).

6. Report

A report of condemned motor vehicle for disposal shall be prepared in Form GFR-17 while a sale account should be prepared for the vehicle disposal in Form GFR-18.

7. Writing Off

Any profit/loss arising out of condemnation/disposal of the vehicle shall be duly recorded and adjusted in the accounts (inventory/asset register) on receipt of the sale account i.e. duly filled GFR-18. Condemnation of Motor Vehicle strictly satisfying the requirements above is to be approved by the Hon'ble Vice Chancellor, University of Allahabad.

FORM GFR 14
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FORM GFR 15
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FORM GFR 16
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FORM GFR 17
[See Rule 196 (iii)]

Report of Surplus, Obsolete and Unserviceable Stores for Disposal

Item No.	Particulars of stores	Quantity/ Weight	Book Value/ Original purchase price	Condition and year of purchase	Mode of disposal (sale, public auction or otherwise)	Remarks
1	2	3	4	5	6	7

Signature

Designation

Date

FORM GFR 18
[See Rule 201]

Sale Account

Item No.	Particulars of Stores	Quantity/ Weight	Name and full address of purchaser	Highest bid accepted	Highest bid rejected	Earnest money realized on the spot	Date on which the complete amount is realized and credited into treasury	Whether the articles were actually handed over on the spot. If not, the actual date of handing over of the articles with quantities	Auctioneer's Commission and acknowledgment for its payment
1	2	3	4	5	6	7	8	9	10

Signature

Designation

Date

Rule 196. Disposal of Goods.

- (i) An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.
- (ii) The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable.
- (iii) The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilised. A report of stores for disposal shall be prepared in Form GFR - 17.
- (iv) In case an item becomes unserviceable due to negligence, fraud or mischief on the part of a Government servant, responsibility for the same should be fixed.



Rule 197. Modes of Disposal :

- (i) Surplus or obsolete or unserviceable goods of assessed residual value above Rupees ~~Two~~ [₹]Two Lakh should be disposed of by :
 - a) obtaining bids through advertised tender or
 - b) public auction.
- (ii) For surplus or obsolete or unserviceable goods with residual value less than Rupees ~~Two~~ [₹]Two Lakh, the mode of disposal will be determined by the competent authority keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of.
- (iii) Certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods.
- (iv) Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of/ destroyed in an appropriate manner to ensure compliance with rules relating to official secrets as well as financial prudence.

Rule 198. Disposal through Advertised Tender.

- (i) The broad steps to be adopted for this purpose are as follows :
 - a) Preparation of bidding documents.
 - b) Invitation of tender for the surplus goods to be sold.
 - c) Opening of bids.
 - d) Analysis and evaluation of bids received.
 - e) Selection of highest responsive bidder.
 - f) Collection of sale value from the selected bidder.
 - g) Issue of sale release order to the selected bidder.
 - h) Release of the sold surplus goods to the selected bidder.
 - i) Return of bid security to the unsuccessful bidders.
- (ii) The important aspects to be kept in view while disposing the goods through advertised tender are as under:-
 - (a) The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document.
 - (b) The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding.
 - (c) The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be ten per cent. of the assessed or reserved price of the goods. ~~The~~ ^{The} exact bid security amount should be indicated in the bidding document.
 - (d) The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder. In case such negotiation does not provide the desired result, the reasonable or acceptable price may be counter-offered to the next highest responsive bidder(s).
 - (e) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder.
 - (f) Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the goods.
 - (g) In case the selected bidder does not show interest in taking the goods, the bid security should be forfeited and other actions initiated including re-sale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.
- (iii) Late bids i.e. bids received after the specified date and time of receipt should not to be considered.

Rule 199. Disposal through Auction :

- (i) A Ministry or Department may undertake auction of goods to be disposed of either directly or through approved auctioneers.
- (ii) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender
- (iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders.
- (iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the Ministry or Department selling the goods. The goods should be handed over to the successful bidder only after receiving the balance payment.
- (v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department.

Rule 200. Disposal at scrap value or by other modes : If a Ministry or Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose of the same at its scrap value with the approval of the competent authority in consultation with Finance division. In case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner

Rule 201. A sale account should be prepared for goods disposed of in Form GFR 18 duly signed by the officer who supervised the sale or auction.

Rule 202.

- (1) **Powers to write off :** All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the competent authority shall be obtained in respect of losses, even though no formal correction or adjustment in government accounts is involved. Power to write off of losses are available under the Delegation of Financial Powers Rules, 1978.
- (2) **Losses due to depreciation** Losses due to depreciation shall be analyzed, and recorded under following heads, as applicable :-
 - (i) normal fluctuation of market prices;
 - (ii) normal wear and tear;
 - (iii) lack of foresight in regulating purchases; and
 - (iv) negligence after purchase.
- (3) **Losses not due to depreciation :** Losses not due to depreciation shall be grouped under the following heads :-
 - (i) losses due to theft or fraud;
 - (ii) losses due to neglect;
 - (iii) anticipated losses on account of obsolescence of stores or of purchases in excess of requirements
 - (iv) losses due to damage, and
 - (v) losses due to extra ordinary situations under 'Force Majeure' conditions like fire, flood, enemy action, etc.;