

MOST IMMEDIATE  
SPEED POST

No.Y.11030/1/2004-CC&V  
Government of India  
Ministry of Health & Family Welfare  
( Department of Family Welfare )

Nirman Bhawan , New Delhi  
Dated 17.7.2005

To

Director ( FW) of all States / UT`

Subject:- Condemnation of cold chain equipment – matter  
regarding

Sir,

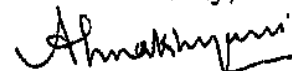
The Govt. of India have been supplying various cold chain equipment to the States/UTs. as kind assistance under Immunization Programme since 1985. These equipment are being repaired & maintained by the State Govt. themselves. Some of these equipment have become out of order as either these have outlived their lives or are beyond repair due to internal leakage. These equipment are to be condemned by the State Govt. as these are occupying large space in the State Govt. stores.

In view of above position, it has been decided with the approval of Joint Secretary, Ministry of Health & FW to allow condemnation of obsolete/ unserviceable equipment supplied by the Govt. of India. These equipment should be condemned as per State Govt. rules through the State/ district level committees constituted by the State Govt. The condemnation committee may fix the minimum price for the same before condemnation. In the absence of specific rules for condemnation in the States, Rules 124 of General Financial Rules (GFR) and Govt. of India decisions read with Schedule VII of Delegation of Financial Power Rules ( copy enclosed) should be followed. The money received through auction may be remitted in central Govt. account under Head of Account Grant no. 900- Receipt Major Head 0211 – Family Welfare, 800- other receipt.

It is requested that immediate necessary action may please be taken in the matter. Inventory of such condemned equipment may be maintained by the State Govt.

**This may please be treated as URGENT.**

Yours faithfully,



(A.L.Makhijani)

Deputy Secretary to the Govt. of India

Copy to:- The Secretary Family Welfare of all States/UTs.

Rule 122. (2) 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) losses due to an act of God and other calamities such as fire, enemy action, etc.;

(iv) anticipated losses on account of surplussage of obsolete stores or of purchases in excess of requirements; and

(v) other losses due to damages, etc.

Rule 123. Sale and Disposal of Stores and write off of stores.—The previous sanction of the competent authority shall be obtained to the writing off of all losses, deficiencies or depreciation in the value of stores.—(See Schedule VII to the Delegation of Financial Powers Rules, 19/8).

Rule 124. (1).—(i) The items to be declared obsolete/surplus/unservicable should be examined by a Committee at appropriate level to be appointed by the authority competent to declare an item of stores as obsolete, surplus or unservicable and order their disposal. The Committee should take into account the prescribed or stipulated life-period of the stores. In case, such period is not prescribed/stipulated or it is not over, the Committee should examine the conditions of stores and record suitable reasons. If an item has become obsolete/surplus/unservicable on account of negligence, fraud or mischief on the part of any Government servant, the same should be clearly brought out.

(ii) Where the 'life period' has been prescribed or stipulated and is already over, it should normally be taken as enough ground for declaring the item obsolete and unservicable. However, the condition of the item should still be thoroughly examined to see whether the item could be put to further use.

(iii) In other cases, where the 'life period' is not over or no 'life period' has been prescribed or stipulated, the reasons for declaring the item unservicable may be normal wear and tear, excessive use in public interest, accident, fire, flood and other natural causes, damage due to insects, rats, etc.

(iv) An item may be declared obsolete/surplus if it is no longer required by the Department. Reasons for the same should be recorded.

(v) In case of loss due to negligence, fraud or mischief on the part of any Government servant, responsibility should be fixed and losses made good.

NOTE I.—The Committee referred to in Rule 124 (1) (i) shall consist of not less than three members of the concerned Ministry/Department, locally available as far as possible, of whom one will be from Administration and one will be technical member having knowledge of the store. The third member may be from Finance if found advisable, subject to the Head of the Department's approval.

NOTE II.—Ministry/Departments may prescribe the 'life period' of stores in consultation with the manufacturers.

NOTE III.—Authority competent to purchase a store shall be competent to declare the store as obsolete/surplus/unservicable for the purpose of this rule.

Rule 124. (2).—Subject to any special rules or orders applicable to any particular department of the Central Government, stores which are reported to be obsolete, surplus or unservicable may be declared as such in accordance with the procedure laid down in Rule 124 (1) and ordered to be disposed of by the authorities who are competent to sanction purchase of such stores except certain specified categories of Defence stores which are required to be declared to the Directorate General of Supplies and Disposals and which are listed below. The rest of the stores need not be declared to DG S & D.

1. Regular Defence 'B' Vehicles.
2. ACS packing material like Ghee tins, barrels, jerricans, drums and jute bags in respect of Defence Stores only, having their book value of more than Rs. 50,000.
3. Serviceable tentage, clothing, tyres, tubes and used engine oil in respect of Defence stores only, above the book value of Rs. 50,000.

The respective Departments of the Central Government shall also specify the manner in which the stores are to be disposed of.

Rule 124. (3).—Each order declaring the stores as obsolete, surplus, or unservicable shall specify the full reasons for declaring them as such and proper records of all such stores shall be maintained for watching disposal thereof.

Rule 124. (4).—All stores which may be declared as obsolete, surplus, or unservicable and ordered to be disposed of under sub-rule 124 (2) above shall be disposed of by sale or otherwise under order of an authority to whom powers may be delegated in this behalf.

#### GOVERNMENT OF INDIA'S DECISIONS

(1) Instructions to be followed in disposal of stores.—The following general instructions should invariably be followed by all officers entrusted with the disposal of obsolete, surplus or unservicable stores:—

(i) Where the articles are sold by public auction, the Head of Office or any other Gazetted Officer should invariably attend the auction and record the final bids.

(ii) The Head of Office or any other Gazetted Officer should also be present when the articles sold are removed, his presence should be recorded in the bill of sale and the bill of sale should be taken care of.

## SCHEDULE VII

## POWERS TO WRITE OFF LOSSES

[See Rule 131]

[Cl. 11, 12, 13, 14]

NOTE 1.— The powers specified in this Schedule may be exercised by a Subordinate Authority provided that—

(a) the loss does not disclose a defect in rules or procedure, the amendment of which requires the orders of higher authority or Finance Ministry.

(b) there has not been any serious negligence on the part of any Government servant which may call for disciplinary action by a higher authority.

NOTE 2.— Write-off losses of cash in treasures, whether in the course of remittance or out of treasury balances, are governed by separate rules.

NOTE 3.— For the purpose of this Schedule, the value of the stores shall be the "book value" where priced accounts are maintained and "replacement value" in other cases.

## GOVERNMENT OF INDIA'S DECISIONS

(1) Value in "each case" to be reckoned with reference to the total value of stores to be written off on one occasion.— The term "each case" used in this Schedule in regard to write-off of irrecoverable losses of stores, deficiencies and depreciation in the value of stores included in stock and other accounts, should be interpreted with reference to a given point of time. If on a particular occasion, a number of items of stores are to be written off, the powers of the sanctioning authority should be reckoned with reference to the total value of stores intended to be written off on that occasion and not with reference to individual articles constituting the lot. In this context, losses arising out of one incident should not be split up and written off separately on different dates in order to avoid sanction of the higher authority. Losses due to one specific cause like fire, theft, flood, etc., should be written off at one time only. There is, however, no objection to losses arising out of more than one cause being written off at one time. The competence of the officer writing off the loss will depend on the amount written off each time.

[G.L. M.F. O.M. No. F. 11 (3)-E. II (A)76, dated the 22nd June, 1967 and the 18th October, 1967.]

(2) Conditions for the exercise of powers to write off irrecoverable losses of stores.— The exercise of powers to write off irrecoverable losses of stores, as provided in this Schedule, should be subject to the following conditions:

(a) The provisions of Note 1 below the heading in this Schedule and other relevant provisions of General Financial Rules, 1963, should invariably be observed.

(b) Before the decision is taken to write-off a loss, the Administrative Ministry/Department, etc., should make a thorough and searching investigation of the cases. The lessons learnt therefrom should be applied to prevent the recurrence of such cases in future.

(c) A quarterly statement of write-off of losses should be submitted to the Associate/Integrated Finance indicating the reasons for the loss, nature of the loss and the remedial measures taken to prevent the recurrence of that type of loss.

(d) If the Integrated/Associate Finance finds that the loss reveals some basic defect in the rules of procedure, the amendment of which requires orders of some higher authority of this Ministry as indicated in condition (a) of Note 1 below the heading in this Schedule, they should bring the same to the notice of the Establishment Division for further necessary action.

[G.L. M.F. O.M. No. F. 1 (3)-E. II (A)76, dated the 30th October, 1976.]

Nature of loss	Authority	Monetary limit up to which the loss may be written off in each case
		<p>[(c) A vehicle should be condemned only after a certificate has been obtained from one of the following authorities to the effect that the vehicle is not fit for any further economical use —</p> <ul style="list-style-type: none"> <li>(i) an Electrical and Mechanical Workshop of the National Airports Authority;</li> <li>(ii) the Workshop of a State Road Transport Corporation;</li> <li>(iii) at locations where workshops mentioned at (i) and (ii) are not available, Transport Workshops under the Central or State Government Departments.]</li> </ul> <p>Condemned vehicles to be disposed of within three months from the date of placing of fresh order.— It has been noticed that large number of vehicles, declared condemned, lie outside the office buildings without any care for long period. This may result in theft of various parts of such vehicles. The vehicles also lose their monetary value. The matter has been examined and it has been decided that the Ministries should ensure that both condemned and prematurely condemned vehicles are disposed of as per the procedure within a period of three months from the date of placing of an order with the manufacturer for replacement of vehicles.</p> <p>[G.L. M.F., O.M. No. 21 (3) E. Co-ord/99, dated the 16th November, 1999.]</p>

<p>irrecoverable losses of stores or public money (including loss of stamps).</p> <p>Loss of irrecoverable loans and advances.</p> <p>Loss of Revenue.</p>	<p>Heads of Departments other than those who have special powers.</p> <p>All Heads of Departments.</p> <ul style="list-style-type: none"> <li>(i) (a) Chief Commissioners of Income Tax.</li> <li>(b) Commissioner of Income Tax.</li> <li>(ii) (a) Chief Commissioners of Wealth-tax/Gift-tax/Expenditure-tax/Interest-tax.</li> <li>(b) Commissioners of Wealth-tax/Gift-tax/Expenditure-tax/Interest-tax and Controller of Estate Duty.</li> </ul>	<ul style="list-style-type: none"> <li>(i) Rs. 50,000 for losses of stores not due to theft, fraud or negligence.</li> <li>(ii) Rs. 20,000 for other cases.</li> </ul> <p>[ Rs. 10,000 ]</p> <p>Up to Rs. 15 lakhs to write-off irrecoverable balances of income tax subject to a report to the next higher authority.</p> <p>Up to Rs. 10 lakhs to write-off irrecoverable balances of income tax subject to a report to the next higher authority.</p> <p>Up to Rs. 10 lakhs to write-off irrecoverable balances of Wealth-tax/Gift-tax/Expenditure-tax/Interest-tax/Estate Duty.</p> <p>Up to Rs. 5 lakhs to write-off irrecoverable balances of Wealth-tax/Gift-tax/Expenditure-tax/Interest-tax/Estate Duty.</p> <p>NOTE 1.— In the matter of write-off, the procedure/instructions issued by Department of Revenue from time to time shall be observed.</p>
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1. Substituted vide G.L., M.F., Notification No. F. 1 (19)-E. II (A)/39, dated the 16th October, 1990, published as S.O. No. 3033, in the Gazette of India, dated the 17th November, 1990.

2. Substituted vide G.L., M.F., Notification No. 1 (20)-E. II (A)/2000, dated the 23rd October, 2001, published as S.O. No. 2946, in the Gazette of India, dated the 3rd November, 2001.

3. Substituted vide G.L., M.F., Notification No. F. 1 (17)-E. II (A)/86, dated the 2nd May, 1990, published as S.O. No. 1469, in the Gazette of India, dated the 26th May, 1990.

Cause of loss	Authority	Monetary limit up to which the loss may be written off in each case
Deficiencies and depreciation in the value of stores other than a motor vehicle or a motor cycle, included in the stock and other accounts.	(v) Director of Estates.	Rs. 1,000 in case of irrecoverable rent damages (including furniture hire charges and service charges) in respect of general pool accommodation.
	(vi) Presidents, Forest Research Institute and Colleges.	Rs. 1,000.
	(vii) Chief Engineer, CPWD.	Rs. 1,000.
	(viii) Controller of Films Division.	Rs. 200 (for irrecoverable rentals of films for a period not exceeding six months in each case due from cinema exhibitors).
	(i) Heads of Departments other than those mentioned below.	[ Rs. 2,500.]
	(ii) Director, Indian Veterinary Research Institute.	(a) Loss of crude and finished products subject to the limits prescribed from time to time. (b) Other cases — Rs. 1,000.
	(iii) Narcotics Commissioner.	(a) Loss of opium in vats or during manufacture subject to the limits prescribed from time to time. (b) Other cases — Rs. 1,000.
	(iv) Director, Botanical Survey of India.	(a) Losses of cinchona bark due to dryage in storage up to Rs. 1,000 a year. (b) Other cases — Rs. 1,000.

(v) Mint Masters and General Manager, Silver Refinery, Calcutta.	(a) Full power, in the case of losses of bullion in the process of coinage, refining or melting. (b) Other cases — Rs. 1,000.
(vi) Director-General of Archaeology.	Rs. 2,500.
(vii) Director-General of Health Services.	Rs. 5,000.
(viii) Director, Indian Bureau of Mines.	Rs. 10,000.

1. Substituted vide G.L. M.P., Notification No. F. 1 (9)-E. II (A)774, dated the 16th May, 1979, published as S.O. No. 1887 in the Gazette of India, dated the 29th June, 1979.