CHAPTER XVI

CONDEMNATION AND DISPOSAL OF STORES

16.1. Condemnation and disposal of stores is governed by the rules for the Condemnation and Disposal of Unserviceable/Surplus Stores, contained in Annexure 'C' to chapter 15 of P.F.R. Volume I (Annexure I). The application of these rules has also been extended to the stores belonging to Public Sector Undertakings, Local Bodies etc. since 15-10-1984.

Rule 3 of these rules stipulates that all the Heads of Departments in the State should forward to the Director, Supplies and Disposals, Haryana quarterly each year by the prescribed date (1st of January, April, July and October each year) a statement of unserviceable or surplus stores in the form prescribed in Appendix I of the said rules. But the State Government vide their memo No. 11(2)-4-5IB-II-85, dated 11-6-1985 (Annexure II), have recently entrusted the work of condemnation and disposal of vehicles in the districts to the Condemnation Committee constituted for each District under the Chairmanship of Deputy Commissioner concerned. The composition of this committee is as under :—

(i)	Deputy Commissioner of the District concerned	Chairman
(ii)	Representative of the Indenting Department/Organisation.	Member
(iii)	S.D.O., Mechanical, B & R, Haryana.	-do-
(iv)	Works Manager, Haryana Roadways.	-do-
(v)	Any other member whose inclusion in the Committee is considered necessary by the Chairman.	-do-

As such the indents for the condemnation and disposal of vehicles belonging to Government Departments/Public Sector Undertakings etc. in the districts are to be sent to the office of the Deputy Commissioner concerned, while the work relating to all other types of unserviceable and surplus stores whether in the districts or at the State Headquarters as well as Vehicles of Government Departments/Public Sector Undertakings, Local Bodies etc. at the State Headquarters will continue to be condemned and disposed off by the Director, Supplies and Disposals, as heretofore.

16.2. Indent Register and Opening of case file :

On receipt of an indent, it is entered in the indent register in form CD 1 in choronological order and a new case file assigning corresponding No. of indent register is then opened. The Sr. No. given in the indent register is suffixed by the year of receipt of statement in the office of Director, Supplies & Disposals. For example, if a statement is received in the office of Director, Supplies & Disposals, in the year 1983-84 and has been registered in the indent register at Sr. No. 500, the case file No. will be DS & D/DISP/500/83-84.

16.3. (a) Submission of the case to the Condemnation Board :

The indent is examined by the dealing Assistant with reference to the following points namely :—

(i) Only when the book value of the stores exceeds Rs. 10,000 the case is put up to the Board.

(ii) Where the book value of such stores is less than Rs. 10,000 the Indenting Department is informed that it may be disposed off at their own level.

The case is submitted to Branch Officer seeking his approval for placing it before the next Condemnation Board for inspection and determination of reserve price as laid down in rules 12 and 14 ibid.

(b) The Board consists of five members including a representative each of the Indenting Department, Director, Supplies & Disposals and Deputy Commissioner of the Distt. concerned. The remaining two are members selected by Director, Supplies & Disposals out of the following, according to the nature of stores :—

*1. Chief Engineer, Building and Roads Branch.

†2. Chief Engineer, Electricity Branch.

*3. Chief Engineer, Irrigation Branch.

*4. Chief Engineer, P.W.D. Public Health Branch.

5. Inspector-General of Prisons, Haryana.

6. Inspector-General of Police, Haryana.

7. Director of Agriculture, Haryana.

8. Director of Industries, Haryana.

9. Director of Public Instructions, Haryana.

10. Director of Health Services, Haryana.

11. State Transport Controller, Haryana.

12. Chief Conservator of Forests, Haryana.

In the case of vehicles, the representatives of the Transport Department and PWD (B&R) Mech. are invariably included.

(c) Three members form the quorum.

*The present designation is Engineer-in-Chief.

†The present designation is Chairman HSEB

(d) The Board meets four times a year, once in each quarter normally in the month of January, April, July and October. Since the association of technical members is essential it is advisable that such meetings are held in the office of the Works Manager, Haryana Roadways or XEN/SDE Mechnical P. W. D., B & R especially when the stores involved are automobiles or machinery.

(e) After the approval of the Branch Officer the case is included in the programme of the next Condemnation Board. About a fortnight before the date of the meeting of the Condemnation Board, the agenda is sent to the Indenting Officers and to the members of the Condemnation Board, intimating the date and venue of meeting and the details of stores to be inspected.

(f) The Indenting Officer is sent a proforma of inspection report and proceedings in form CD2 with a request to keep six copies of the detailed particulars of the stores ready, duly typed, to be put up to the Condemnation Board.

16.4. Inspection of Stores by Condemnation Board and Proceedings :

On the date fixed for the meeting of Condemnation Board, the detailed particulars of the stores giving its brief life history are put up to the members of the Board. Considering the life history of the stores, its present condition and the market trend, the Board fixes the reserve price of the stores. The proceedings of the Board are drawn up in the form CD3 as mentioned in rule No. 3(c) and six copies are prepared. The proceedings are signed by all the members on the spot.

16.5. Sanction for Condemnation and Disposal :

Four copies of the inspection report of the Condemnation Board are handed over to the Indenting Officer. These proceedings form the basis of proposal for referring the case to the Administrative Department by the Indenting Officer for the declaration of the stores as unserviceable or surplus and their disposal, under rule 19.14A of PFR Volume I.

16.6. Sanction for disposal :

On receipt of administrative approval from the Indenting Department, Director, Supplies & Disposals, refers the case to the Government in the Industries Department for obtaining sanction for disposal of stores by calling tenders under rule 21 of the Rules for the Condemnation and Disposal of Unserviceable or Surplus Stores, provided their book value exceeds Rs. 25,000. In the case of stores of lesser value, Director, Supplies & Disposals is himself competent to invite tenders. However, no such sanction is required to be obtained in the case of vehicles. These are to be disposed off by public auction as per latest Govt. decision in the manner laid down in Para 16.7 below.

16.7 (a) Disposal of Vehicles by Public Auction :

An auction notice is published in the press for holding of auction of these vehicles setting forth the time, date and venue of such auction and the Departments/Organisations concerned are informed accordingly. They are required to produce the vehicles at the venue of the auction atleast one hour before the scheduled time of auction and depute their officer as well as the cashier alongwith receipt book to attend the public auction on behalf of the Indenting Department/Organisation. The auction is held at Panchkula within Haryana Territory so that the sales tax accrues to the State Government. The District Excise & Taxation Office is also required to depute an official for the collection of sales tax at the spot.

The terms and conditions of auction are announced at the spot which are briefly as under :—

(i) All the intending bidders shall be required to deposit Rs. 500/- as earnest money with the official of the Directorate. This earnest money will be adjusted towards the sale price in the case of successful bidders while in other cases, it will be refunded at the end of the auction.

(ii) 25% amount of the highest bid which is finally accepted is to be deposited by the bidder with the cashier of the Indenting Department/Organisation concerned at the fall of the hammer against receipt to be issued by him and balance 75% amount within 72 hours failing which the amount already deposited shall stand forfeited to Government.

(iii) In case the highest bidder fails to deposit 25% at the fall of the hammer, the earnest money deposited by him shall be forfeited.

(iv) The highest bidder shall deposit sales tax/surcharge with the Sales Tax Assistant of this Directorate.

(v) Where the highest bidder wishes to deposit the total amount, he shall be allowed to do so on the spot whereupon a Sale order will be accordingly issued in his favour by the officer of the Directorate holding the auction and the vehicles delivered to him there and then. In other cases the delivery is made after the full payment has been made by him. The documents of title are also delivered to him alongwith the vehicle.

(vi) The vehicle is handed over on as is where is basis.

Auction bid sheet (form CD-4) is prepared in respect of each vehicle indicating the bid quoted by various bidders and final bid is encircled and initialled by the officer holding the auction. The auction bid sheet is signed by the officers of the Directorate and Indenting Department. A copy of the auction bid sheet is supplied there and then to the Indenting Officer.

Immediately at the fall of the hammer, the highest bidder is called upon to deposit 25% amount of the highest bid with the Cashier of the concerned Indenting Department/Organisation who issues the receipts in token of having received the payment. Similarly, he also has to deposit Sales tax/surcharge with the Sales Tax Assistant there and then against receipt.

In case the highest bidder deposits the whole amount of the bid on the spot, sale order in form CD-5 is issued by the officer of the Directorate, incharge of the auction which entitles him to take the delivery of the vehicle there and then alongwith the title documents. In other cases the sale order is issued by the Directorate only after he has deposited the balance amount of 75% within 72 hours with the Indenting Officer. On the production of the sale order the Indenting Officer gives the delivery of the vehicle alongwith documents of title.

In the case of auction at the District level, the auction bid has to be signed by all the members of the Condemnation Committee present at the time of auction.

The sales tax is to be deposited by the highest bidder in the treasury or with the Sales Tax Inspector of the happens to be present at the time of auction.

The Sale letter (CD-6) is issued by the Indenting Officer on the spot if the full payment is made. In other cases the sale letter is issued only after full payment has been received by him.

The Deputy Commissioner sends a report of the auction proceedings in each case to this Directorate within a week in the form CD-7.

(b) Invitation of tenders for Disposal of Unserviceable Stores :

On receipt of the sanction of the Government in the Industries Department, for disposal of other unserviceable stores by calling tenders, the Indenting Officer is requested to deposit document of title e.g. registration book with the Directorate. A tender notice is prepared and sent to the Administration section for including the same in the consolidated tender notice which is published on 1st and 16th of every month. Simultaneously a schedule is prepared in form CD-8 giving the serial number of tender, date and time of opening, file No., the particulars of the stores, where these are lying and other terms and conditions of the tender. Sufficient number of copies of this Schedule are placed with the receptionist to be given to prospective tenderers. Copies of the Schedule are also supplied to the Indenting Officers, Head of the Departments concerned and the officer in charge holding the stores under a covering letter in Form CD-9. The tenders are required to be submitted on plain paper alongwith earnest money of Rs. 500/-in each case in form of Call Deposit Receipt drawn on any Scheduled Bank, in favour of the Director, Supplies & Disposals, Haryana.

(c) Procedure for Disposal of Surplus Stores :

In the case of Surplus stores, the lists of such stores are in the first instance circulated amongst various Departments who may be interested in the purchase of these stores at the reserve price. In case no intimation is received within 2 months, these are disposed off by calling tenders like other unserviceable stores.

16.8. Opening of Tenders :

The tenders are received in the locked box as prescribed in para 6.7(b) of chapter VI. At the prescribed time the tender box is opened and sealed envelopes containing tenders are taken out. The Section Incharge of Disposal Branch gets hold of all the sealed envelopes relating to tenders for disposal and then these are sorted out according to Sr. No. of each case. The same are then opened by a panel of the officers including three officers of the Directorate and a representative of the Vigilance Bureau, not below the rank of Deputy Superintendent of Police, in the presence of tenderers who might like to be present at that time. A bunch of tenders received in each case is prepared for each file. A covering list in duplicate is prepared by carbon process as prescribed in para 6.7(c) of Chapter VI with the exception that the column relating to test reports or sample is not included in the Schedule meant for tender of disposal of stores. The tenders are then signed by the panel of officers on each page and all cutting, overwritings etc. are clearly attested. The tenders register in form SP-15 is then completed and signed by the panel of officers. The rates are announced to the tenderers who may be present, soon thereafter.

16.9. Processing of the case :

(a) All the tenders, sorted out case-wise and duly signed by the panel of the officers, are then placed in the relevant file. The tenders received late are marked as such and are not opened but the envelopes containing such tender are duly signed by the panel of officers and kept in the relevant file for record.

(b) Preparation of comparative statement :—

A comparative statement is then prepared for each case in form CD-10 to show the position of all the offers relating to the same type of stores as also its reserve price.

(c) The tenders which are not accompanied by earnest money and are ambiguous or have so many cuttings/overwritings due to which the tender is not decipherable are rejected. The tenders which are found in order in all respects after examination are put up to the Director Supplies and Disposals, through Branch Officer for approval of the highest valid offer.

(d) Director, Supplies and Disposals, may, in public interest, allow offers not accompanied by earnest money for being considered in the following cases :—

(i) Where the stores have not been disposed off despite earlier attempt(s) and there is/are offer/offers higher than the reserve price against which no earnest money has been deposited.

(ii) Where none of the tenderers has deposited the earnest money at all and the offers are considered to be reasonable.

(iii) Where such offers are higher by 5% or Rs. 1,000/- (whichever is grater) than the highest valid offer received.

In such cases the tenderers may be required to furnish earnest money within a specified time not exceeding 15 days from the date of issue of letter to them.

16.10. Issue of Acceptance Sale Letter

(i) After approval of highest valid offer by D.S.&D, an acceptance is issued in form CD-11 giving the particulars of the stores, the price accepted and time within which the security @ 10% and sales tax is to be deposited by the party whose tender has been accepted. The earnest money is adjusted towards security. A copy of acceptance is endorsed to sales tax Assistant asking him to accept the Sales Tax as and when deposited.

(ii) On receipt of sales tax and security, the sale order in form CD-12 is issued. A copy of the sale order is endorsed to the Indenting Department with the direction that the stores may be handed over to the purchaser after getting the full amount of price of the stores deposited under the relevant head of account in the Government Treasury. The earnest money of unsuccessful tenderers is released at the same time. A sale order can not be cancelled after the purchaser has completed all the formalities vide L.R.'s advice reproduced in Annexure III.

(iii) When the intimation is received from the Indenting Officer that the stores have been lifted after depositing the price, security of the party is released forthwith.

(iv) In case the Indenting Officer does not confirm the lifting of stores immediatly after the expiry of the time stipulated in the sale order for lifting of stores and the purchaser approaches this Directorate with a request to release earnest money/security a registered notice in form CD-13 is issued to the Indenting Officer to furnish the 'no dues' certificate in favour of purchaser within a specified time. In case no reply is received within the specified time, the earnest money/security of the purchaser is released forthwith after obtaining in writing from the purchaser that he has lifted the stores in terms of sale order.

16.11. Extension of Lifting Period :

Normally the lifting period is 15 days but for cogent reasons it can be extended upto a period of further 15 days or more under the orders of D.S. & D./Branch Officer.

16.12. Reinvitation of Tenders :

The tenders may be reinvited in the following cases :

(i) Where there is no response to the tenders.

(ii) Where all the tenders are invalid.

(iii) Where all the tenders are for a price below reserve price.

(iv) Where there is a single valid tender but the price quoted, though above reserve price, is not considered reasonable in view of the other higher offers which are invalid for want of earnest money or for other reasons.

(v) Where even though there are more than one valid offers higher than the reserve price, but the highest price fetched is not considered reasonable by the Director for reasons to be recorded in writing.

(vi) Where the tenderer whose offer has been accepted does not deposit the security or sales tax within the specified period.

(vii) Where the purchaser has failed to lift the stores within the specified period mentioned in the registered notice issued to him in this behalf.

16.13. Action in case of Default by Purchaser :

(i) Where the tenderer whose offer has been accepted, does not deposit the requisite amount of sales tax within the time specified in the letter of acceptance, the acceptance is cancelled and the earnest money deposited by him is forfeited.

(ii) In cases involving more than one item of stores, if the tenderer deposits security/sales tax for only one item and does not deposit for others, his security deposit is forfeited after issuing the usual show cause notice.

(iii) Where the purchaser does not lift the stores within the prescribed period of 15 days or extended period, a registered notice in form CD-14 is issued. If the party fails to reply to the registered notice or lift the material inspite of notice, the sale order is cancelled and the security/earnest money of the party is forfeited.

But on the request of the tenderer/purchaser an extension in time may be granted in suitable cases in Form CD-15 under the orders of the Director.

16.14. Cancellation of acceptance at the behest of Indenting Officer :

(a) Normally the Indenting Department is not supposed to incur any major expenditure on the repairs of the stores especially vehicle/machinery which has been condemned by the Board but exigencies of public interest may compel him to do so thereby making the reserve price fixed by the Board irrelevent and also he may not be willing to spare the same for disposal. In such cases, it is the duty of the Indenting Department to intimate the fact to the D.S. & D. forthwith so that the stores are struck off the record.

(b) Where, however, after the tenders have been called and acceptance letter/ sale order has been issued, an intimation is received from the Indenting Department about their inability to spare the stores for various reasons, the matter is take up with the purchaser who is perusaded to take back his security etc. and call off the transaction. Normally where the tenderer has no objection, the acceptance letter/sale order is withdrawn and the security deposited by the tenderer is refunded to him by the D.S. & D. and sales tax adjusted in other cases. But if the purchaser does not agree and has completed all the formalities, the sale order cannot be revoked under the law.

16.15. Deposit of Sales Tax :

The purchaser is required to deposit the sales tax in the Directorate against the official receipt in form STR 3. The amount so received is entered on the receipt side of cash book maintained specially for this purpose (called Sales Tax Cash Book) by the Sales Tax Assistant. To enable the sales tax Assistant to realise the sales tax, a copy of acceptance letter in form CD-11 is endorsed to him. The entries in the Sales Tax cash book are attested by the Branch Officer. The sales Tax so collected is deposited in to Government Treasury under the head "040 Sales Tax" from day to day and entered on the payment side of the sales tax cash book under attestation of the Branch Officer. The sales tax cash book will be closed and cash certified in the same manner as for any other office cash prescribed in chapter II of P.F.R. Volume I.

(ii) The sales tax Assistant shall maintain the following record :—

1. A file containing all the acceptances of tenders.
2. File containing all copies of sale orders.
3. Receipt Book.
4. Cash Book.
5. Sales Tax Registration No. File.
6. Quarterly/Annual return of sales tax filed with the concerned assessing authority of sales tax department.

(iii) The sales tax Assistant is responsible for ensuring that the sales tax returns are filed in time and all the assessment proceedings before the assessing authority are attended to by him or by any other official of the Directorate.

16.16. Refixation of Reserve Price :

When the Stores have been put to sale by calling tender twice or more but either there has been no response or the price quoted has been below the reserve price, the case is referred to the Condemnation Board again for refixation of reserve price, keeping in view the condition of the stores and prevailing market trend etc.

After the Board has made its recommendation the case is processed for obtaining fresh administrative approval but no fresh orders for calling tenders etc. from Government in Industries Department are required, and stores disposed of in the manner laid down in preceding paragraphs.

16.17. Sale Register :

A register in Form CD-16 is maintained by the Disposal Assistant showing the sales made and shall be kept uptodate. An abstract showing the progressive total of sales etc. in Form CD-17 is maintained up-to-date and shown to Branch Officer/D.S. & D. by 10th of every month. It is checked by the Section Officer every week and all entries are authenticated by him in token of their correctness.

16.18. Condemnation & Disposal of Vehicles belonging to Public Sector Undertakings, Local Bodies etc.

The State Government vide their letter No. 12/1/10-4-IB-II-84, dated 15-10-1984 (Annexure IV) has directed that all unserviceable/surplus stores belonging to Public Sector Undertakings viz. Boards, Corporations etc. will also be condemned and disposed off by this Directorate on receipt of 5% departmental charges on the sale proceeds. However, in view of the latest instructions the vehicles of these organisations will be condemned and disposed off by the Condemnation Committee of the districts concerned while the vehicles at State Headquarters and other unserviceable stores wherever located will be condemned and disposed off by this Directorate.

All Public Sector Undertakings, Boards, Corporations and Local Bodies etc. are required to remit 5% of the sale proceeds as departmental charges to the Director, Supplies and Disposals by way of Cheque or Demand Draft in favour of Director, Supplies & Supplies & Disposals, within 7 days from the date of receipt of full payment from the purchasers. The Dealing Assistant is required to keep watch over this aspect and bring such cases to the notice of he branch officer where such organisations have failed to deposit departmental charges in could time so that matter be taken up with the higher authorities.

ANNEXURE I

(*Referred to in para 6.1*)

Punjab Financial Rules

ANNEXURE C

1. These Rules* may be called Rules for the Condemnation and Disposal of Unserviceable or Surplus Stores.

2. Definitions :—

(a) Board means the Condemnation Board appointed by the †Punjab Government under these rules.

(b) Indenting Officer includes officers of the Punjab State who are authorised to place the indents on the †Punjab Stores Department and all other Drawing and Disbursing Officers.

(c) 'Prescribed date' means 1st January and 1st July each year.

(d) 'Stores' includes all kinds of stores including machinery and hardware articles which are purchased through the Punjab Stores Department or otherwise.

(e) 'Surplus Stores' mean stores including machinery which though in good and serviceable condition, are not required in practical use by any Department of the State.

(f) 'Unserviceable Stores' mean Stores which are considered unfit for use by any Department of the State.

3. (i) All Heads of Departments in the State should forward to the Controller† of Stores, Punjab, twice each year by the prescribed date, a consolidated statement of unserviceable or surplus stores in the form prescribed in Appendix I. The Indenting Officers in the State should forward the particulars of these stores to their respective Heads of Departments a month in advance of the prescribed date.

(ii) While intimating the surplus stores to the Controller of Stores the Head of Department will give a certificate that the surplus stores are not required by any of the offices under his control.

4. No stores whose book value is more than Rs. 10,000 shall hereafter be condemned or disposed of except under order of Board constituted for the purpose under these rules.

Notes (i) Stores whose book value is not more than Rs. 10,000 and Rs. 100, rendered unserviceable, may be condemned or disposed of by the Heads of Departments/District Heads of Offices of the Department concerned, respectively.

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* These rules do not contain the latest amendments in the procedure as these are still under process.

† For Controller of Stores, Punjab and Stores Purchase Department, Punjab, read, Director, Supplies & Disposals, Haryana and Directorate of Supplies & Disposals, Haryana respectively.

† For Punjab read Haryana.

(ii) Officers concerned shall ensure that they or their subordinates do not split up the material.

(iii) In respect of unserviceable stores whose books value exceeds Rs. 5,000 but does not exceed Rs. 10,000 which are condemned or disposed of by the Head of Departments, a report should be sent to the Finance and Vigilance Departments for information within a week of condemning the stores.

(iv) The Punjab Roadways are exempt from the operation of these rules.

(v) Haryana Education Deptt. is exempt from the operation of clause (i) of rule 3 & rule 4 to the extent that the lists of unserviceable material which is to be sold by auction or otherwise need not be sent to COS, but lists of all such surplus material which cannot be brought into use in the Education Deptt. or in the Offices or institution subordinate to it shall however be sent to the Controller of Stores like other departments. (4189-IIIFDII-74/41364 (12) Dt. 27-12-1974.)

5. All stores other than those covered by the provisions of note (i) below rule 4 ibid which are considered surplus or unserviceable with any Department shall not be transferred or sold without reference to the Board.

6. On receipt of the prescribed statement from the Heads of Departments the Controller of Stores, Punjab , will constitute a Board for condemnation and disposal of all unserviceable or surplus stores.

7. The Board shall consist of five members. Three of these will be nominated out of the following officers of whom one shall be Controller of Stores, or his nominee. The fourth member will be nominated by the Department concerned :—

(1) Controller of Stores, Punjab.

(2) Chief Engineer, Buildings and Roads, Branch.

(3) Chief Engineer, Electricity Branch.

(4) Chief Engineer, Irrigation Branch.

(5) Chief Engineer, P.W.D., Public Health Branch.

(6) Inspector-General of Police, Punjab.

(7) Inspector-G.neral of Prisons, Punjab.

(8) Director of Agriculture, Punjab.

(9) Director of Industries, Punjab.

(10) Director of Public Instructions, Punjab.

(11) Director of Health Services, Punjab.

†(12) Joint Provincial Transport Controller, Punjab.

(13) Chief Conservator of Forests, Punjab.

† Present designation is State Transport Commissioner.

The fifth member will be nominated by the District Magistrate of the district where the meeting for declaration of condemned or surplus stores is to be held.

8. The Officers mentioned in Rule 7 may either attend the meeting personally or depute a representative.

9. The quorum for the Board shall be three members.

10. The Board shall meet twice every year on such date and place as may be fixed by the Controller of Stores, Punjab.

11. The notice for the meeting shall be given to the members fifteen days in advance.

12. All unserviceable or surplus stores shall be collected at a suitable place and the officers of the Departments concerned will be instructed well in advance, to produce them for inspection of the Board on the date fixed for the purpose.

13. The Board shall on inspection by itself or an officer authorised by it, decide whether any of the stores submitted for condemnation, are to be declared surplus or should be condemned or can be utilised after proper repairs and shall record their decision in writing.

14. The stores which are declared surplus by the Board may be transferred to any other Department subject to payment of the price as may be fixed by the Board. The Controller of Stores, will circulate the list of such stores to all Heads of Departments who may exercise their option of purchase at the price so fixed, within a period of two months. In the event of non-receipt of any reply for the purchase of such stores from any Head of Department, the same will be sold by the Head of Department, or his responsible nominee in the presence of a representative of the Controller of Stores by public auction to the highest bidder subject to a reserve price if any fixed by the Board. The Board is to fix the reserve price and also to fix the percentage of reserve price upto which bids should be accepted by the Committee.

Example :—

Suppose the reserve price of Stores is fixed by the Board of Rs. 500 and percentage for accepting bids is fixed by the Board up to 90 per cent, the committee would be competent to dispose of stores at 10 per cent below reserve price i.e. Rs. 450 and not below this limit although higher offer would be welcome.

15. If the Board considers that any of the stores can be utilised after proper repairs, they will be sent to the nearest Government manufactory such as Jail. Work Centres of Vocational Training Centre. Government Workshop or may be repaired locally whichever method is considered suitable.

16. The stores as are condemned by the Board will be put up for auction by Board or by the Head of the Department or his nominee in the presence of the representative of the Controller of Stores, Punjab immediately thereafter and sold to the highest bidder.

17. Sale proceeds of condemned or surplus stores will be credited to Govern-

ment in the following manners :—

(i) Sales proceeds of condemned or surplus stores belonging to the Commercial departments will be credited to the receipt head of account of the department concerned.

(ii) Sales proceeds of all condemned stores in case of Public Works Department will be credited to the head 'Deduct Receipts and Recoveries on capital Account' if the expenditure incurred on acquisition was charged to Capital outlay otherwise to the revenue head concerned. The sale proceeds of all condemned or surplus stores of Capital Project Department shall be cerdited to the head '105 Chandigarh Capital Outlay Deduct-Receipts and Recoveries'. The sale proceeds of the stores purchased at the cost of local bodies should be credited to the relevent estimate for the deposit work from which the original cost had been met.

(iii) Sale proceeds of condemned stores relating to all Departments other than Public Works Department and Commercial Departments if not effected within the accounts of the year in which the expenditure was incurred should be treated as 'receipt' of the Department to which the stores belong. The sale proceeds of stores on which expenditure had been incurred during the same year in which they are disposed of are to be accounted for in-reduction in expenditure of the Department concerned.

18. A copy of the proceedings of the Board will be forwarded by the Controller of Stores, to the State Government and relevant extract to the Department to which the stores belong. On receipt of the copy of the proceedings the department concerned will take immediate steps implementing the decisions of the Board and inform its respective officers the action taken in connection with their stores whether condemned, declared surplus, or to be sent to the nearest Government manufactory for repairs.

19. The State Government may appoint one or more auctioneers on a fixed percentage of commission for the sale of stores, declared surplus or unserviceable by the Board. The sale will be arranged in presence of an official nominee of the Controller of Stores and while 25 per cent of the accepted bid should be paid at spot, full payment of the balance shall be made within a period of one month from the date, subject to confirmation of the sale by the Controller of Stores. In case the purchaser fails to pay up the whole amount within this period 25 per cent of the accepted bid will automatically stand forfeited and the stores will again be put to auction. This rule will not be applicable where the sale value of surplus stores is less than Rs. 5,000 in which case the full price shall be paid at the fall of hammer.

Note :—The bidder should not be allowed to remove either whole or in part stores purchased by him until he has paid in full amount of his bid.

20. Any dispute relating to the sale of these stores will be referred to the Government in the Industries Department through Controller of Stores, Punjab whose decision shall be final and binding both for the Department as also the purchaser.

21. Where the book value of stores is Rs. 10,000 or more the sale will be effected by the Punjab Stores Department by inviting open tenders and not by public auction subject to the approval of State Government.

(Appendix I referred to in Rule 3 of the Condemnation of articles of Stores)

Report of unserviceable/surplus stores for condemnation and disposal.

Name of Officer to be contacted———————Location of Stores———————Owning Authority———————

S. No.	Particulars of Stores	Qty.	Weight	Date of purchase	Book Value	Present condition	Head of Account to which disposal proceeds should be credited	Head of Account to which the price of the articles was debited at the time of purchase	Why such stores were indented for by the Department when the same were not actually needed for the work	Remarks
1	2	3	4	5	6	7	8	9	10	11

No.————— Date—————

Forwarded in triplicate to the Director Supplies & Disposals, Haryana, Chandigarh. This Form has been filled in accordance with the instructions on the reverse.

For use in the Directorate of Supplies & Disposals (Disposal Section)

1. Date of receipt.
2. Sr, No.
3. Included for meeting fixed for—————
4. Remarks by Stores Inspection Officer.
5. Orders of the Board.

Station

Signature of Reporting Officer.

INSTRUCTIONS

1. Separate reports should be prepared for each group items ot similar type.

2. Rate and book values should always be reported. If value is not known then the column should be filled with either of the following 'Not known' or 'will be intimated later on'. This column must not be left blank on any account.

3. In the case of Textiles in the column 'Condition' also be stated the matter of packing and the finish stores.

4. In column 4 weight may be expressed in tons or kgs or fractions thereof.

5. Head of account to which the disposal proceeds shall be credited should be stated in detail viz., the major, minor and detailed head of account should be clearly stated to avoid misclassification.

ANNEXURE II

(*Referred to in para 16.1*)

Copy of letter No. 11 (3)-4-5IB-II-85 dated the 11th June, 1985 from the Financial Commissioner & Secretary to Govt. Haryana, Industries Department addressed to (i) all Heads of Departments (ii) Commissioners, Ambala & Hissar Divisions, (iii) all Deputy Commissioners and Sub Divisional Officers (Civil), Haryana State & (iv) Registrar, Punjab and Haryana High Court, Chandigarh.

Subject : — Disposal of Condemned Vehicles of Govt. Departments/Public Sector Unedrtakings, Boards and Corporations—Constitution of a Condemnation and Disposal Committee for each district.

Sir,

I am directed to invite a reference to the subject noted above and to say that condemned vehicles of Government Departments, Public Sector Under takings, Boards and Corporations, are disposed off by the Director, Supplies and Disposals, Haryana by inviting open tenders. This is done in accordance with the provisions of the Rules for condemnation and disposal of unserviceable or surplus stores contained in Annexure 'C' to Chapter 15 of the P.F.R. Vol. I It has been observed that this procedure is a lengthy one, with the result that condemned vehicles continue to remain undiposed off for a long time, are exposed to the vagaries of the weather and this results in considerable deterioration in their condition and consequent loss of revenue to Government. It has, therefore, been decided to modify the existing procedure relating to the disposal of such vehicles as follows to eliminate delays :—

1. Vehicles will now be condemned and disposed off through public auction by the Condemnation Committee headed by the Deputy Commissioner of a district, in respect of the vehicles belonging to all offices in that district. The Composition of the Condemnation Committee for each district will be as follows :—

(i)	Deputy Commmissioner	—Chairman
(ii)	Senior Officer of the Indenting Deptt.	—Member
(iii)	S.D.O. Mechanical B and R Deptt.	-do-
(iv)	Works Manager, Haryana Roadways.	-do-
(v)	Any other officer whose inclusion in the Committee is considered to be necessary by the Chairman.	

Three members will form the quorum, one of whom shall be a technical officer.

2. The condemned vehicles of Government Departments/Public Sector Undertakings, Boards/Corporation etc. at State Headquarters will be disposed off by the Director, Supplies & Disposals, Haryana in accordance with the present procedure.

3. The Transport Department will issue the advertisement for the auction, alongwith the advertisement for the disposal of their own vehicles and the expenditure involved will be borne by the Transport Department.

4. The public auction will be held at the same venue, where the Transport Department conducts the disposal/auction of their vehicles.

The auction of the vehicles will be held once in 3 months or within 45 days of the purchase of a new vehicles, whichever is earlier.

5. 5% departmental charges for the disposal of the vehicles belonging to the Pnblic Sector Undertakings will be recovered from them by the Director, Supplies & Disposals, Department Haryana.

6. All the Heads of Departments/Public Sector Undertakings shall ensure that their subordinate officers send timely information to the Deputy Commissioners in the field and to the Director, Supplies & Disposals at the State Headquarters for the disposal of condemned vehicles.

7. You are, therefore, requested to bring these instructions to the notice of all concerned (including Corporation/Boards) for compliance.

Yours faithfully,

Sd/-

Under Secretary Industries,
for Financial Commissioner & Secretary to Govt.,
Haryana, Industries Department.

No. 11(3) 4-5ID (II) 85 Dated Chandigarh, the 11-6-85.

A copy is forwarded to the Accountant General, Haryana (Acctt/Audit) Chandigarh for information.

Sd/-

Under Secretary Industries,
for Financial Commissioner & Secretary to Govt.,
Haryana, Industries Deptt.

A copy is forwarded for information and necessary action to all the Financial Commissioner and Administrative Secretaries to Govt. Haryana.

Sd/-

Under Secretary Industries,
for Financial Commissioner & Secretary to Govt.,
Haryana, Industries Deptt.

To

All the Financial Commissioner & Secretaries to Govt. Haryana.

U.O. No. 11(3) 4-5 IBII-85 Dated Chandigarh, the 11-6-85.

A copy is forwarded to the Commissioner & Secretary to Govt. Haryana, Finance Department for information with reference to his U.O. No. 1715-2-FD-III-85 dated 30-4-85.

Sd-/

Under Secretary Industries,
for Financial Commissioner & Secretary to Govt. Haryana, Industries Department.

To

The Commissioner and Secretary to
Govt. Haryana, Finance Deptt.

U.O. No. 11(3)-4-5IB-II-85 Dated 11-6-85.

ANNEXURE III

(*Referred to in para* 16.10 (ii)

The sale letter issued for the delivery of unserviceable stores cannot be revoked after the purchaser has compeleted all the necessary formalities as the contracts is complete. The party can file a suit for delivery of stores and also for damages on account of breach of contract.

Tenders for the disposal of Old jeep HRA 9581 were invited through press and the offer of the highest bidder/tenderer, M/s Sardar Auto Disposal Corporation, New Delhi was accepted and acceptance letter was also issued. The firm deposited the requisite security whereupon a sale letter/order was issued in their favour and the controlling officer of the Vehicle was asked to hand over the delivery of the vehicle to the firm but the Controlling Officer did not give the delivery and the party threatened to claim damages from the Government if the delivery was not given to them.

The matter was referred to the L.R. for advice on the following points, vide this office U.O. No. 184 dated 7-10-83.

(i) Whether under these circumstances it is possible to revoke the sale letter or not ?

(ii) What legal action can the party take against Government if the delivery is not effected ?

L.R.'s advice was received vide their U.O. No. 17804-M (22)-Op-83/1800 dated 14-10-1983, as under :—

(1) The offer having been accepted by the administrative Department by issuance of sale letter, revocation of sale letter is not legally permissible as the contract is complete.

(2) Party can file a suit for delivery of possession of the Vehicle on receipt of the remaining sale price and can also sue for recovery of damages suffered on account of breach of contract.

(FILE NO. COS/DISP-162/)

अनुबन्ध IV

(रैफरड टू इन पैरा 16.18)

प्रतिलिपि पत्र क्रमांक 12 (1)-10-4 आई0बी0—11-84 दिनांक 15-10-84 प्रेषक वित्तायुक्त एवं सचिव, हरियाणा सरकार, उद्योग विभाग।

सेवा में

सभी विभागाध्यक्ष, आयुक्त अम्बाला एवं हिसार मण्डल, सभी उपायुक्त तथा उप मण्डल उच्चिकारी (नागरिक) हरियाणा, रजिस्ट्रार पंजाब एवं हरियाणा उच्च न्यायालय चण्डीगढ़।

विषय:— गाडियों का कण्डम करना।

मुझे निदेश हुआ है कि उपर्युक्त विषय पर मैं आपका ध्यान पी.एफ.आर. वाल्यूम-1 चैपटर 15 के अनैक्सचर सी में दिये गये कण्डमनैशन एवं डिस्पोजल के नियम की ओर दिलाऊं जिनमें अन्य बातों के अतिरिक्त यह व्यवस्था है कि सरकारी विभागों के नाकारा एवं फालतू स्टोर/गाड़ियों का निपटारा नियन्त्रक भण्डार (अब निदेशक पूर्ति एवं निपटान) के द्वारा किया जायेगा परन्तु इन नियमों में राज्य के बोर्ड/निगमों/नगरपालिकाओं के स्टोर/गाड़ियों के निपटारा करने की व्यवस्था नहीं है।

2. सरकार के ध्यान में लाया गया है कि बोर्ड/निगम/नगरपालिकायें अपने कण्डम स्टोर/गाड़ियों का निपटारा करने में कठिनाई अनुभव कर रहे हैं क्योंकि उनके अपने अलग से ऐसे कण्डमनेशन बोर्ड नहीं हैं जो सामान को नाकारा घोषित कर सकें। अतः सरकार ने वित्त विभाग की सहमति से इनका कण्डमनैशन/डिस्पोजल का कार्य भी निदेशक पूर्ति एवं निपटान हरियाणा को सौंपने का निर्णय लिया है। निदेशक पूर्ति एवं निपटान इस कार्य के लिए बोर्ड/निगमों/नगरपालिकाओं आदि से 5% की दर से डिपार्टमेंटल चार्जिज प्राप्त करेगा।

3. आपसे अनुरोध है कि इन अनुदेशों की पालना की जाये तथा इन्हें अपने अधीन सभी अधिकारियों/कर्मचारियों के ध्यान में ला दिया जाये।