

## 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) Intending 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' means 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' means 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 office under his control.

4. No store 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.

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

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

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

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 the 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-General of Prisons, Punjab.
- (8) Director of Agriculture, Punjab.
- (9) Director of Industries, Punjab.
- (10) Director of Public Instruction, Punjab.
- (11) Director of Health Services, Punjab.
- (12) Joint Provincial Transport Controller, Punjab.
- (13) Chief Conservator of Forests, Punjab.

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 purchases 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 4—**

Suppose the reserve price of stores is fixed by the Board at 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 consider 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 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 Government 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 Department of Public Works 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 the Stores purchased at the cost of local bodies should be credited to the relevant 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 Department of Public Works 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 store belong. The sale proceeds 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 the 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 Department of Industries 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 Surplus or Unserviceable Stores for Condemnation or Disposal.

Name of Officer to be contacted \_\_\_\_\_ Location of Stores \_\_\_\_\_ Owning Authority \_\_\_\_\_

Serial No.	Particular of Stores	Quantity	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 use on the work	Remarks
1	2	3	4	5	6	7	8	9	10	11

No. \_\_\_\_\_ dated \_\_\_\_\_

(For use in the Controller of Stores Office Disposal Section)

Forwarded in triplicate to the Additional Controller of Stores, Punjab. This form has been filled in accordance with the instructions on the reverse.  
Station

1. Date of receipt.....
2. Serial No.....
3. Included for meeting fixed for ....
4. Remarks by stores' Inspection Officer.....
5. Orders of the Board .....

Signature of Reporting Officer.

**INSTRUCTIONS**

1. Separate reports should be prepared for each cover items of 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 quintals or fraction 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.