

Write-off/Condemnation Policy



**Banda University of Agriculture & Technology,
Banda, Uttar Pradesh**

(S.K. Singh)

Registrar

Banda University of Agriculture & Technology

Banda-210001

Condemnation and Disposal of Stores

Introduction: We have been procuring many equipment, machineries, computers, instruments, vehicles, answer books etc in the past. Owing to fast obsolescence of these scientific equipment and machineries especially the computers and electronic instruments and also due to the wear and tear, it is necessary to replace them with new ones after their useful life. We have generated considerable quantity of obsolete/surplus materials, which occupy enormous storage space and gives erroneous inflated picture of holdings, resulting in wastage of resources in terms of effort and money. Therefore, it is required to review the holdings of departments to identify disposable items which do not have further utility.

Condemnation: An item may be declared surplus or obsolete or unserviceable, if the same is of no use to the Institute or when the item is beyond economical repair. An item may be rendered surplus, obsolete or unserviceable in the process of upgrading or replacing Institute property or when Institute property or equipment no longer serves a functional use due to changes in the programme, procedure, etc. Under such circumstances the property and equipment may be disposed of in the best interests of the University as per the following guidelines with prior approval of the Vice Chancellor.

- (a) Wherever possible, the stores/equipment is traded under buy back scheme, so as to reduce the cost impact on the new stores / equipment.
- (b) If the above option is not available, the property and equipment may be sold out-right following due procedures.
- (c) Obsolete, unusable materials beyond economic repair may be disposed-off as per procedure.

1.3.Categories of Stores for Disposal :

(a) Serviceable items : These items have become surplus/obsolete from research and usage point of view but are still useful to industry and academic institutions.



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(b) Unserviceable items: Items/equipment/instruments/machineries or their components/parts rendered unserviceable due to wear and tear and out of their usable life, and are Beyond Economical Repairs (BER).

(c) Scrap / Swarf


- i. Scrap/Swarf generated from machining or repeated rework.
- ii. Used printer cartridge which can be recycled.
- iii. All types of Packing cases including metallic containers, cable drums, etc., which are declared unfit for further use
- iv. Waste generated from any type of processing.

Initiation of Conditioning & Disposal Action:

(a) Heads of Department/Center/Section will examine the holdings to identify and demark the stores which are obsolete, not serving useful purpose and BER and send a list of such stores to Central Stores through University Purchase Committee (UPC) for forwarding to Standing Condemnation & Disposal Committee.

(b) It is necessary to send separate lists for each category of items so that separate lists can be prepared for convenient disposal of the items through MSTC, Local Tendering etc. The separate lists of items to be sent to the center Store will be as under:

Categories of Items	
A	MS Scrap/Brass/Copper Scrap/Wooden Scrap (Scrap Items)
B	Machineries,
C	IT equipment (Computer/photocopier etc)
D	System & subsystem/Electrical & Electronics Items(TV, Air conditioner, Refrigerators, Machinery & spares etc)
E	Assorted types of batteries
F	Wooden furniture
G	FRP moulds/components etc.
H	Software / CD on charge - Prepare list, but destroy locally after recommendation of the Board/duly approved by the Director


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(c) For category of items A, B, D, E, F, G, Prescribed Life Period may be Considered 10 Year.

(d) Life Period to be Considered 5 Year for C category Items

Mode of Disposal:

The mode of disposal may be determined by the Competent Authority, keeping in view the necessity to avoid accumulation of such goods, consequent blockage of space and also deterioration in value of goods to be disposed of. The usual modes of disposal of scrap are:

(a) Small value scrap such as industrial sweepings, up to a value of Rs. 5,000 (Rupees Five thousand) in each case may be sold directly to the local scrap dealers on a summary quotation basis;

(b) Paper waste may be sold to the identified agency either for cash and for obtaining stationery for the equivalent value of waste paper.

(c) Scrap up to Rupees Two lakh may be sold on a Limited Tender basis to locally known Scrap Dealers of relevant category;

(d) Sale through the e-auction portal, or a tender for disposal or traditional public auction may be resorted to for scrap value above Rupees two lakh. E-auction should be the preferred mode for such disposals, using the e-auction platforms of NIC, MSTC, Indian Railways or any other appropriate portal;

(e) Certain useable machinery/spare may still be useable by other Ministries/Departments/PSUs. These should be disposed at book value plus 20 (Twenty) per cent (7.5 (Seven and a half) per cent freight +12.5 (Twelve and a half) per cent handling charges) directly to the concerned organisation.

(f) Sale by calling of Tenders: Disposal may also be done by submitting bids in response to public invitation for tenders for supplying materials, whether such invitations are issued by Government Departments, PSUs or by private bodies. This method of sale is particularly suitable where it is proposed to dispose of its 'overstocks' and surplus stores' which are in fit to use condition.

(g) Scrap which is a security or safety risk (stamps, negotiable instruments, money value documents, security press items) may be destroyed suitably in an eco-friendly manner in accordance with guidelines of Central Pollution Control Board (CPCB) or State Pollution Control Board (SPCB) in the presence of a Committee after obtaining Competent Authority's


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approval. The Committee should issue a certificate of having destroyed these. Video recording may also be done of such disposal.

(h) Sale of hazardous waste items would be governed by the following procedures in addition to guidelines/notifications issued by the Central Pollution Control Board (CPCB)/Ministry of Environment and Forests (MoEF) from time to time:


- i. Sale of old batteries/lead acid batteries will be governed by the Batteries (Management & Handling) Rules, 2001 or as amended from time to time;
- ii. Sale of other categories of hazardous waste items will be governed by the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 or as amended from time to time;
- iii. Sale of e-waste shall be governed by E-Waste (Management) Rules, 2016 or as amended from time to time;
- iv. Bidders must submit a notarized copy of the valid registration certificates issued by the State (or Union Territory) Pollution Control Board (SPCB) and produce it at the time of taking delivery of the materials, failing which their bid will be liable for rejection. In case of lead acid batteries, used/waste oils and nonferrous metal wastes, in addition to submitting necessary valid registration from the SPCB, the bidder must also submit a notarized copy of the valid registration certificate from CPCB (or MoEF); and
- v. In case of a sale involving inter-state movement of goods, the buyer shall also submit an NOC from the SPCB concerned, with whom the buyer is registered, to the seller before taking delivery, failing which the buyer will be responsible for the consequences and the seller shall take further decision as may be deemed fit.

Disposal through Tender : Disposal through tender could take place through the e-Procurement portal or normal tendering. In the bidding documents, General Conditions of Sale (GCS, in place of GCC in procurement tenders) may be laid out. The broad steps to be adopted for this purpose are:

- (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 the highest responsive bidder;


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- (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; and
- (i) Return of bid security to the unsuccessful bidders;
- (j) Any special conditions of contract for each lot may also be given.
- (k) Important aspects to be kept in view while disposing the goods through an advertised tender are:

i. The basic principle for sale of such goods through an 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;

ii. All required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. The applicability of taxes, as relevant, should be clearly stated in the document. 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;

iii. Bidders should be asked to furnish bid security (EMD) along with their bids. The amount of bid security should ordinarily be five per cent of the assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document. The EMD shall be forfeited if the tenderers unilaterally withdraws, amends, impairs or derogates from his offer in any respect within the period of validity of his offer;

iv. Late bids, that is, bids received after the specified date and time of receipt should not to be considered;

v. The bid of the highest acceptable responsive bidder should normally be accepted and an acceptance/sale order be issued. However, if the price offered by that bidder is not acceptable, a negotiation may be held only with that bidder;

vi. In case the selected bidder does not show interest in depositing the balance sale value or in lifting the goods, the bid security should be forfeited and other actions initiated including resale of the goods in question at the risk and cost of the defaulter;

vii. 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


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the highest acceptable bidder. The minimum quantity to be accepted shall be indicated in the tender;

viii. If the tenderer's offer is not accepted, the tenderer's EMD shall be refunded to him. No interest shall be payable on such refunds. The EMD deposited by the successful tenderer shall remain with the Central Stores till payment of the SD money has been made. It may be adjusted as part of the total SD money at the discretion of the Central Stores;

ix. The offer should be examined by the competent level of Tender Committee as per Tender terms and recommendations should be accepted by the Competent Authority as per the laid down Tender terms

x. The acceptance letter/sale order would be issued to the successful bidder(s) notifying the amounts and schedule of submission of security deposit (SD) and Balance Sale Value (BSV);

xi. Successful tenderers, hereinafter referred to as purchasers, shall have to submit a SD @ 25 (Twenty-Five) per cent of the total sale value of the contract within seven calendar days of the issue of the acceptance letter/sale order (excluding the date of issue). The SD shall be deposited in the form of bank draft/pay order, drawn on any of the commercial bank in favour of officer concerned as mentioned in the Tender document;

xii. BSV: The successful bidder in an e-auction or tender sale may be allowed 15 (Fifteen) calendar days (including the date of acceptance letter/sale order) for payment of BSV. The Registrar after taking into consideration the prevailing market rates and trends, may grant an extension of time for the payment of BSV with late payment charges @ one per cent per week or part thereof up to two weeks only and, thereafter, the SD will stand forfeited without notice. Extensions should not be granted as a matter of routine. The date of submission of the demand draft in the cash office is the date of payment for all purposes. No interest will be paid to the purchaser for the amounts paid or deposited and subsequently found refundable to the purchaser under any of the conditions of the contract; and

xiii. Delivery Order: Delivery Order is an essential document required to be produced to take delivery of the material from the custodian and therefore after depositing BSV, the Delivery Order should be issued and the delivery should be made to the purchaser or his agent on the strength of the Delivery Order and after verifying cashier's receipt.


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Disposal through Auction :

(a) Auction of goods to be disposed may be done either directly or through approved auctioneers. The basic principles to be followed here are similar to those applicable for disposal through the 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, and so on, should be given wide publicity in the same manner as is done in case of the advertised tender. While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale, and so on, (as already indicated earlier while giving wide publicity to it), should be announced again for the benefit of the assembled bidders;

(b) 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, SD (not less than 25 (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, drawn in favour of the Director, NITW. The goods should be handed over to the successful bidder only after receiving the balance payment as in case of sale through tenders;


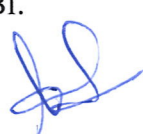
(c) The composition of the auction team will be decided by the Competent Authority. The team should preferably include an officer of the Accounts section and a representative of security staff.

Disposal at scrap value or by other modes: If NITW is unable to sell any surplus or obsolete or unserviceable item at the reserve price, in spite of its attempts through an advertised tender or auction, it may dispose it off at its scrap value with the approval of the Competent Authority in consultation with the Accounts and Finance section. In case the NITW 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.

Gift to Educational Institutes: The items that have been declared as Surplus or Obsolete and are in working order can only be gifted to other recognized educational institutions on the following terms & conditions:

- a) The items of equipment will be offered as gift on “as is where is basis”.
- b) Imported items can be gifted to an educational institution as per the provisions of FEMA/Exchange Control manual (ECM) of RBI.


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c) The title of the equipment will pass on to the receiving organizations on receipt of a formal acknowledgement.

d) Any cost associated with transfer shall be borne by the receiving organization.

(e) Equipment received as gift under agreement with the international bodies like UNDP/UNESCO etc. would be disposed only in accordance with the terms and conditions agreed to between NITW & such bodies.

(f) Preference may be given to schools situated within the Tri-cities of Warangal, Hanumakonda and Kazipet, Central Government/State Government schools/Colleges/training Institutes in Telangana State. **Sale of Newspaper etc.** Articles of low or nil value like empties, Packing wood, plastics, bottles etc. which are voluminous in nature and also hazardous, i.e. flammable etc. may be disposed off directly by the Central Stores/EMU after adequate publicity without reference to the CDC whenever, the need arises on periodical basis, so as to make space available for other purposes.

Approval of the Competent Authority: Director shall be the competent authority to declare the store as obsolete/ surplus/unserviceable and order its disposal as per the recommendations of the Committee irrespective of its value.



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Guidelines for vehicle condemnation

Guidelines for vehicle condemnation, in terms of distance run (in kilometers) and length of use (in years) whichever is later.			
S.No.	Type of vehicles	Kilometers	Years
1	Motor vehicles fitted with engines up to 20 HP (RAC). CC needs to be converted into HP	1,50,000	6.5
2	Motor cycles fitted with engines of 3.5 HP (RAC) or above	1,20,000	7
3	Motor cycles fitted with engines of less than 3.5 HP (RAC)	1,20,000	6
4	Tractor The life of a tractor shall be taken as 10,000 hours or 10 years, whichever is reached later	10000 Hrs 10	10
* "PROVISION OF REPLACEMENT OF VEHICLE IN THE FIVE-YEAR PLAN EFC AND ANNUAL BUDGET SHOULD BE AVAILABLE BEFORE INITIATING CONDEMNATION PROCESS"			

Authority to issue Vehicle Inspection Report

A vehicle is eligible for condemnation 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:

- (i) An Electrical and Mechanical Workshop of the National Airports Authority
- (ii) The Workshop of a State Road Transport Corporation
- (iii) At locations where workshops mentioned at (i) and (ii) are not available, Transport Workshops under the Central or State Government Departments.
- (iv) RTO/DTO


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Guidelines for Hardware and software condemnation

Departmental/ Individual Category:


(1) **Hardware & Networking Devices:** All departmental/individual devices like Monitors/Screens, CPU/Laptops/computers, notebook computers, Projector, Keyboards, CD-DVD Writers/Readers, Mouse, Printers web Camera, UPS, Landline (Cartridge), Hubs, Scanners, Phones/Telephones, Flash drives, CD/ DVDs, Chargers/ Network Cables, Card Reader and Dumb Terminals, mobile phones, electrical & electronic typewriters, etc. will be considered under this category.

(2) **Software:** in this category all departmental/individual software like Desktop's Operating System, System Drivers, Office Package Software, Antivirus and Embedded Tools, etc will be considered.

(3) **Ideal/Average Technical Life Scale of the ICTE Resources (Scale):** The below is the "Average" standard life scale existing in the Common Practice. However, in special cases like for research, incubation, intelligence, forensics etc. fields, this can vary as per the justified requirements approved by Technical subcommittee of Dept. IT Committee. However, the "Maximum® limit can exceed this if the ICTE resource is not affecting end user's experience on performance.

Hardware & Networking Devices			Software		
Current	Old	Obsolete	Current	Old	Obsolete
0-3 Yrs	> 3 Yrs	> 5 Yrs	0-3 Yrs	> 3 Yrs	Depends on the availability of the new versions/ patches from OEM

Categories	Recommended Options
Current	No Change unless Technically/ Physically Damaged
Old	Possibility of upgradation should be explored. However, subject to effects on Business Continuity, may be considered for Condemnation /Scrapping with the approval of Competent Deptt.IT Committee.
Obsolete	Requires Condemnation / Scrapping as per the prescribed procedure in this policy.


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Guidelines for Examination answer books disposed off

Retention and disposed off of Examination Answer Books:

1. Registrar office must retain the answer books with it till last date for revision of the grades was over.
2. After the last date for revision of the grades is over and the revised results have been declared by the Registrar office, marked answer book will be retained in Registrar office for one year and will be disposed off thereafter following the approval of Vice Chancellor.



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