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No. RM-31(1)/83-Genl.

*Dated the 5th October, 1983*

To

The Secretary of all State Governments, Departments dealing with National Highways, and D.G. Works, CPWD

Subject: Condemnation and Disposal of machines beyond economical repairs

Reference: Ministry's letter Nos. (i) RM-15 (15)/71 dated 31.8.71 (ii) RM-21 (5)/75 dated 28.11.75 (iii) RM-12(5)/81 dated 16.3.81

Kindly refer to the Ministry's letter under reference on the above subject. Instructions for the disposal of machines beyond economical repairs were issued by the Ministry vide letter No. RM-15(15)/71 dated

31.8.71. Based on the recommendations of group of State Chief Engineers in the meeting held at New Delhi on 11th and 12th November, 1975 original proforma for disposal of machines beyond economical repairs was revised. Subsequently, in the review meeting of the State Chief Engineers on central machines held at New Delhi on 18./19.2.81, it was suggested that wherever full information about working hours of the machines, etc., are not available, Technical Committee should be constituted by the State to go into the matter.

2. With the view to incorporate all the previous instructions of the Ministry and to make them more exhaustive for ready and uniform application by all the State PWDs, comprehensive guidelines and procedures have been evolved as per the enclosed Annexure which should be followed henceforth. It is requested that these instructions may kindly be brought to the notice of all concerned.

3. Some of the equipments purchased for the IDA and LRP works during 1962-65 might have become unserviceable and beyond economical repairs. It is necessary to dispose of such equipments so as to reduce the dead inventory. Accordingly, it would be appreciated that the condition of all the Central machines in your State is assessed and necessary proposals for the condemnation of the machines presently found unserviceable and beyond economical repairs may kindly be sent to this Ministry latest by 31st October, 1983.

4. Subsequently, the progress of this work may kindly be reviewed quarterly and intimated to this Ministry.

## ANNEXURE

### CONDEMNATION AND DISPOSAL OF EQUIPMENT BEYOND ECONOMICAL REPAIRS :

*Equipment belonging to the Ministry may have to be written off in course of time, when it becomes beyond economical repairs. The action for writing off is to be initiated by the State Govt. and sanction is to be obtained from the Ministry. The procedure and the guidelines to be followed for writing off Ministry's equipment are as under.*

### GUIDELINES :

- (1) *A machine should normally be condemned, only when it has completed its useful life, that is, the life fixed according to the standard norms, and when it is giving trouble in day to day operation, and hence not reliable.*
- (2) *If the machine has completed its useful life and is still in good working condition, it need not be condemned. ...*
- (3) *When the machine has covered its prescribed useful life and is not in good condition, in some cases, it may be worthwhile to repair the machine, if the present cost of a new machine of the same type has gone very high, and the repaired machine's reliability and further useful life will be commensurate with the amount spent on repairs.*
- (4) *Even if a machine has not covered its useful life as per records but its general condition is not at all satisfactory and further repairs may not be economical or feasible because of non-availability of spare parts due to obsolescence etc., it may be condemned on technical grounds.*
- (5) *When data of working hours i.e., used life of a machine are not available but the condition of the machine is bad and the repairs may not be economical, with the above criteria, it should be considered for condemnation on technical grounds.*
- (6) *Sometimes, even when a machine is in working condition, it may be necessary to write it off, if its operation is uneconomical because of high running and maintenance costs.*

### PROCEDURE FOR CONDEMNATION :

- (1) *The Executive Engineer incharge of the machine should initiate the action for condemnation by submitting a report to the Ministry through the State Govt. in the proforma attached, in quadruplicate.*
- (2) *In case of item Nos. 1, 2, & 3 of the guidelines for condemnation, the formation of a Technical Committee or Condemnation Board may not be necessary. The report of the Executive Engineer duly recommended by the State Chief Engineer should be sent in triplicate to the Regional Superintending Engineer (Mechanical) with copy to the Ministry for approval.*
- (3) *For the machines covered by criteria 4 and 5 of the above guidelines, a Technical Committee or Condemnation Board should be formed, which should examine the available records, assess the past utilisation of the machines on the basis of work done, its condition, shortage of components (if any) and other relevant factors, and then given recommendations for condemnation or otherwise. The State Govt. should forward the Committee's report with their comments to the Ministry in triplicate with copy to Ministry's Regional SE(M) for further necessary action.*
- (4) *A Technical Committee should be constituted by the Chief Engineer, National Highways of the State under intimation to the Ministry. The constitution of the Committee may be on the following lines.*
  - (i) *Superintending Engineer Mechanical Circle/National Highway Circle of the State PWD — Chairman.*
  - (ii) *Regional Superintending Engineer (Mech) of the Ministry — Member.*
  - (iii) *The officer of the level of Superintending Engineer (Mechanical) from any other Department of the State like irrigation, river valley project, transport, etc., — Member.*

- (iv) *Executive Engineer of the State PWD holding charge of the machines — Co-opted*
- (5) *After receipt of approval from the competent Authority the Executive Engineer should survey off the machine from the inventory.*
- (6) *The condemned machine should then be disposed off by public auction through DGS&D or any other mode approved by the Ministry.*
- (7) *The sale value of the auctioned machine should be credited to the Central head of account viz, Major Head — 537-AA Capital Outlay on roads and Bridges-AA I National Highways - AA.1 (2)-Tools and Plants "*

#### DISPOSAL OF MACHINERY BEYOND ECONOMICAL REPAIRS

Sl.No.	Brief description of machine with make model and type.	Engine No.	Chassis No.	Sl.No.	Date of receipt after purchase/transfer.	Source of receipt (New or transfer)	Purchase price	Hours kms run
1.	2.	3.	4.	5.	6.	7.	8.	9.
Book value (depreciated cost)		Present condition		Reasons for condemning the equipment or stating it is beyond economical repairs.		Remarks of State Executive Engineer, Superintending Engineer, Chief Engineer.		
10.		11.		12.		13.		

#### SURVEY REPORT OF STORES (CPWD CODE, PARAGRAPHS 140, 160 & 161)

##### SPECIMEN FORM

Report of Survey of Stores which have become Unserviceable  
Division \_\_\_\_\_

Sub-division \_\_\_\_\_

Number or Qty.	Description of Articles	Value on the books Rate      Amount	Date of Receipt	Remarks by the Officer incharge explaining the cause of the articles becoming unserviceable.	Remarks or order of the Divisional Officer	Order of S.E.

No. \_\_\_\_\_ Dated the \_\_\_\_\_ No. \_\_\_\_\_ Dated the \_\_\_\_\_

Submitted to S.E. \_\_\_\_\_ for orders  
with reference to paragraph 129 of CPWD Code.

Divisional Officer

Returned to the Divisional Officer for  
necessary action as per orders noted above.

Superintending Engineer.