

Arrangements for sale by auction of
government stock items, machinery, vehicles etc.
which are useless, non-perishable or surplus to value.

Government of Maharashtra, Finance Department, Circular No: DSPMI-1091/5. 58 Ministry of
Regulations, Mumbai 400 032, dated 18060 1910

To read: Government Circular, Finance Department, No: DFM 1061/ 12195/7, dated 28.2.1962

Circular

Routine, unused or redundant

Instructions regarding writing and sale of Mandarvattucha have been given vide
Government Circular, Finance Department No. DSFMI 1061/121954/ Seven, dated 28.2.1962.
Now it has come to the notice of the government that there is no uniformity in the procedure
followed by various departments while selling such goods by auction. The instructions are being
issued for the guidance of all the ministerial departments with the aim of having a uniform
procedure for sale of Asha. 20 Adequate publicities must be given to the proposed auction before
auctioning of government goods. The extent of publicity will of course depend on the expected
value, quantity, place of sale, etc. of the vat to be sold. Ideally, the principle to be followed in
this regard should be that the total expected value of the vat to be sold should be Rs. 5,000 or
more, then an advertisement of the auction should be published in a Marathi newspaper of the
district in which the auction is to be held. If the value is more than that, advertisement should be
given in one English and one Marathi newspaper of good standing at state level.

3. The hand price [upset prize] of the goods to be sold must be carefully determined before the
auction. General principles of determining the value of a hand.

should be as follows--

[a] The price which would be paid at the prevailing market price to purchase new the goods to be sold [replacement value] shall be the value of the goods to be sold after deducting the depreciation value of the goods to be sold shall be deemed to be the auction hand price of the goods. For determining the depreciation value, using the rates prescribed in paragraph 415 of the Maharashtra Public Works Manual [attached], the depreciation value should be calculated for the number of years that have elapsed since the purchase of the dattu and deduct the same from the purchase price of the new item. The residual value is to be understood as "hand value".

[8] But if similar goods have been auctioned in the concerned district during the preceding one year period and the price obtained in such auction is higher than the hand price shown in [a] above, the price obtained in the previous auction shall be deemed to be the hand price.

[c] If there has not been a pre-emptive auction during the preceding one-year period, and the value of the hand as per the method in [a] above is negligible, the principle stated in Comment No. 2 below rule 156 of the Bombay Financial Rules shall amount to 10 per cent of the original purchase price of the hand for auction sale. Price should be determined.

4. There is no objection to arrange the sale of motor vehicles, jeeps, motor cycles etc. which have been rendered obsolete as per the criteria prescribed vide Government Decision, Finance Department, No.-DFMI-1080/CR-564/ GEN-5, dated 29th May, 1984 at the district level. However, the sale of motor vehicles for heavy or commercial private use shall be subject to the provisions of paragraph 5 [two] below. Locals in a district under the control of which administrative division

If the vehicles of Baryalayas are to be sold, now arrangements for the sale of the vehicles of all Kaptias should be arranged by the senior office head of the district head of the concerned administrative division in that district. Whether such sale should be done by public auction or written tender should be done by giving sufficient proof, the senior office pramuda at the concerned district level should decide. However, the hand price of the vehicles for sale shall be determined strictly in accordance with the principles laid down in paragraph 3 above, and the proposed sale shall be adequately supported in accordance with the guidelines prescribed in paragraph 2, and the responsibility of the heads of offices arranging the sale shall be to ensure.

The arrangements to be made in respect of sale of goods other than vehicles mentioned in paragraph 4 shall be as follows.

[A] When the value of all the goods to be sold at one financial meeting of the various local offices in a district in Nirvanad of the concerned administrative division does not exceed Rs. In accordance with the principles laid down in paragraphs 2 and 3 of the Book reading the scope of publicity of the auction, the price of the hand, etc.

The Head of Office at District Patami in Nigiya Ghenya will now be competent in cases.

[2] When the aggregate value of all goods to be sold in one financial quantity of various local offices in any one scientific department exceeds 65,000, a cash committee should be appointed to decide on the scope of the auction, the price of the hand, the date of establishment, etc. The senior regional division chief under the control of the concerned division should be the chairman of the committee and two other officers selected by the concerned aircraft should be the members of the committee. To carry out the missing as per the decision passed by the committee.

Arrangements should be made by the head of the regional department or sent to the ministerial department through the state level department director.

If, in the opinion of the concerned administrative department, it is necessary or desirable to assign the responsibility of auctioning to a professional auctioneer (auctioneer) taking into account the total value of all the items, the value of the items to be auctioned, etc., there is no objection in appointing a professional auctioneer. Bali Margadatyam should be followed while making appointment.

[1] Mitava work on behalf of the government by advertising in the newspaper

In inviting tenders from interested parties, advertisement for this should be given in at least one English and one Marathi newspaper of good circulation throughout the state. Sealed bottles of [] rate should be ordered.

[2] The auctioneer who bids the lowest fee [Karishan] should be selected. However, the duty rate is not the only reason to keep investment. A few more points regarding Shivara may be of interest. For example:-

[The number of auctions carried out by the said Milawdar in the preceding three cards, the extent and value of the auctions, etc., in terms of execution on behalf of the Government, etc.

[A] The number and actual number of goods held for sale in the universe carried out by the previous three volumes

Five percent of the number of items sold

[3] Proportion of the difference between the actual realized value and the price on hand in the previous three closed periods.

[e) A general reprimand from the Central Government and other agencies, particularly the Central Government and State Governments, with whom it has been carried out during the last three years.

In consideration of all the above matters, the concerned ministerial administrative department will decide to appoint the contractor at the minimum rate of charge, if the rate selected by the senior ministerial administrative department is less than the minimum rate, then before appointing the contractor,

8 To be done for a maximum period of two years from the month of the selected Nitavdar. A clear provision in the agreement to be entered into shall be that the Titavdara shall remain in force as directed by the Committee referred to in paragraph-5 above.

2. The head of the concerned department or a responsible gazetted officer should be present at the time of every Tilawa for paying the goods sold in Tapa Nitawa and paying the tax. It shall be the responsibility of this officer to see that the sale of goods in Lihawa is carried out properly before the sale of goods, etc. It is now known to keep the information in the form mentioned in the seat circular

100 All the Ministry Departments should bring the instructions to the notice of the Heads of Departments and Heads of Offices under their control and ensure proper compliance.

According to the orders and instructions of the Governor of Maharashtra,

Dr

.. Under Secretary of Tawai 1 Satan

Co-letter [1] Maharashtra Public Current Paragraph-415 or taken down

[2] English copy of Government Circular under reference.

Copies.

1) Additional Secretary to the State;

2] Secretary to Chief Minister,

Manager, Mulpraday Shasha, Udhy Court, Mumbai,

Manager, Appellate Court, High Court, Mumbai, Accountant General, (Leave and Permissibility-1, Maharashtra, Mumbai, Accountant General (Leave and Permissibility)-2, Maharashtra, Nagpur, Accountant General (Leave Examination-1), Maharashtra, Mumbai, Mahatevapal [Taiwapariksha-2, Maharashtra, Nagpur,

• Secretary, Maharashtra Public Service Commission, Mumbai,

• Secretary, Maharashtra Legislature, Secretariat, Munwai, all Departments of the Ministry,

Select fire

by letter.

RATES OF DEPRECIATION

415. The rates of depreciation noted against the several articles below should be adopted -

| Description | Rate for depreciation |
|--|--|
| Materials at site and stock | 1 to 10 per cent in accordance with the nature of materials as may be fixed by the Superintending Engineer. |
| Road metal | 7½ per cent. |
| Scientific and mathematical instruments (including electrical instruments, drawing materials). | 5 per cent. |
| Plant and machinery | 10 per cent to 20 per cent in accordance with the types of machinery and nature of work on which they are used as may be fixed by the Superintending Engineer. |
| Tools | 20 per cent. |
| Navigation plant | 7½ per cent. |
| Camp equipage | 10 per cent. |
| Livestock | 15 per cent. |
| Furniture | 5 per cent. |
| Motor lorries and cycles | 15 per cent. |
| Electric wiring and accessories | 8 per cent. |
| Electric motors and fans | 5 per cent. |
| Electric light fittings | 7½ per cent. |
| Electric heating appliances | 15 per cent. |
| Electric transformers | 5 per cent. |
| Water pumps | 7½ per cent. |
| Oil-engines | 15 per cent. |
| Storage type lead cell batteries | 15 per cent. |
| Storage type nickel iron cells | 7½ per cent. |

Note 1.- The percentage rate for depreciation mentioned above is to be calculated on the original cost of the article, i.e. the value of the article is to be depreciated annually with reference to the original cost and not on the diminishing value.

Note 2.-Road rollers, asphalt boilers, concrete mixers and the like should have separate rates of depreciation worked out. This should be relatively simple as there should be very complete records of receipts, renewals, etc., to road rollers and similar records can be maintained in respect of asphalt boilers, etc., in future.

Note 3.-As regards road metal, the best way to work out depreciation would be from the returns of scarcity metal, more particularly scarcity metal at site of quarry. It should not be difficult to arrive at a fair estimate of the yearly depreciation from computing the wastage in such metal.

Note 4.- The local officers should work out the percentage rate of depreciation for heavy plant and machinery by dividing the cost by its normal life, i.e. total number of hours for which the plant and machinery is expected to give service (assuming 8 hours for working day).

Unserviceable, obsolete or surplus stores-disposal of-

GOVERNMENT OF MAHARASHTRA,
Finance Department,
Circular No. DFP-1061/12195/VII,
Sachivalaya, Bombay-32, 28th February 1962

CIRCULAR OF GOVERNMENT

Attention of the Secretariat Departments and Heads of Departments, etc., is invited to (i) Rule 146 of the Bombay Financial Rules, 1959, and Rules 181 and 182 of Bombay Contingent Expenditure Rules (ii) Serial No.30 of Financial Publication VII with amendments, if any, thereto and (iii) other orders issued from time to time relating to the write off of losses of Stores/disposal of unserviceable obsolete or surplus stores.

2. The instructions contained in these orders have been reviewed by Government in consultation with the Accountant General, Maharashtra, Bombay, and it has been decided in Supersession of Government Circular, Finance Department No. DFP-1060/10371-VII dated 23rd September 1961, that the following procedure should invariably be followed by all officers entrusted with the disposal of stores:-

(i) Whenever stores become unserviceable, obsolete or surplus, they should be declared as such and disposed of under the orders of an authority competent to sanction the write off of a loss caused by deficiencies and depreciation equivalent to their value. The powers of the various authorities for sanctioning write off of losses on account of deficiencies and depreciation in the value of Stores are given at serial No.30 of the Manual of Financial Powers (Financial Publication VII), 1950, reprint and as amended vide Government Resolution, Finance Department No. DFP-1058-1-4 dated 27th January 1959. This procedure should be followed both in cases of normal wear and tear as well as in cases where wear and tear may be held to be abnormal. The authority competent to order disposal should take into account the circumstances in which stores have become unserviceable, obsolete or surplus. Where the competent authority holds that stores have become unserviceable, obsolete or surplus owing to normal wear and tear, no question of loss arise. Where the competent authority holds that stores have become unserviceable, obsolete or surplus owing to negligence, fraud, etc. on the part of individual Government servants, it will be necessary to fix the responsibility for the loss and to devise remedial measures to prevent recurrence of such cases. In either case, the order of the competent authority declaring the stores in question as unserviceable obsolete or surplus and directing the mode in which they should be disposed of would be sufficient to cover the loss to Government, if any, and no separate sanction for the write off of the loss will be necessary.

(ii) Each order declaring stores as unserviceable, obsolete or surplus should indicate the causes leading to the stores having become unserviceable, obsolete or surplus. A copy of each such order should be endorsed by the competent authority to the audit accounts Officers concerned in accordance with the procedure laid down in Rule 146 of the Bombay Financial Rules, 1959.

(iii) It will be seen from clause (1) above that a sanction for write off of loss would not be necessary where the stores are bodily present. It is only in such cases where the stores are missing (as in cases of fire, theft, etc.) that final sanctions for write off of losses will be necessary.

(iv) The term "value of stores" for the purposes of issue of sanction for the write-off of losses of stores/disposal of unserviceable obsolete or surplus stores should be taken as (a) the "Book value" where priced accounts are maintained (i.e. written down value which is the residuary value of the articles left over after charging off the depreciation on the original value from year to year at the rate applicable to that article) and (b) "Replacement value" in other cases (i.e. the current market value of the new article purchased required to be purchased to replace the lost article less the depreciation to be calculated for such number of years for which the article lost was used) as contemplated in Note 2 under Rule 146 of Bombay Financial Rules, 1959. The sale proceeds of unserviceable, obsolete or surplus stores should not be taken into account for determining the value of the stores for the purposes of issue of sanction for disposal of stores as this amount is to be treated as a miscellaneous receipt of the department concerned.

(v) Where the articles are sold by public auction, the Head of office or any other gazetted officer should invariably attend the auction and records the final bids.

(vi) The Head of the office or any other Gazetted Officer should also be present when the articles sold are being released, his presence being most essential when the release of the articles takes place sometime after the auction or when it involves processes such as weighment, etc.

(vii) A report of surplus stores should also be prepared in Form A enclosed. This report should be signed by the Head of Office or other gazetted officer after satisfying that all the surplus stores are included in the report.

(viii) A sale Account should also be prepared in Form B enclosed. The sale Account should be signed by the Officer who supervised the auction after comparing the entries made in the Sale Accounts with the report of surplus stores. If the articles are released in the presence of an officer other than the one who supervised the auction, the entries in column 9 of the sale Account should be attested by dated signatures of such officers.

By order and in the name of the Governor of Maharashtra,

GEORGE HURRY
Deputy Secretary to Government.

Account:- Forms A & B referred to above.

20/1/.....

FORM - A

Report of Surplus stores for Disposal.

| Item | Particulars of Stores | Quantity/ Weight. | Book value/ Original purchase price. | Condition & year of purchase. | Mode of disposal (Sale, Public auction or otherwise.) | Remarks. |
|------|-----------------------|----------------------|---|----------------------------------|--|----------|
|------|-----------------------|----------------------|---|----------------------------------|--|----------|

Signature :
Designation
Date:

FORM - B

| Item No. | Particulars of Stores. | Quantity/weight. | Name & full address of purchaser. | Highest bid accepted. | Highest bid rejected. | E.M.Realised on the spot. | Date on which the complete amount is realised and credited into Treasury. | Whether the articles were actually handed over on the spot. If not, the actual date of handling over of the articles with quantities. | Auctioneer's Commission & acknowledged payment for its payment. | |
|----------|------------------------|------------------|-----------------------------------|-----------------------|-----------------------|---------------------------|---|---|---|------|
| | | | | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| (1) | | | | | | | | | | |

Signature: -

Designation:

Date: