

GOVERNMENT OF JAMMU AND KASHMIR
FINANCE DEPARTMENT (CODES DIVISION)
Civil Secretariat, Jammu/Srinagar

Subject:- Disposal of Goods which are declared as surplus or obsolete or unserviceable.

Circular

Attention of all Administrative Departments is invited to Rule 217, 218, 219, 220 & 221 of General Financial Rule (GFR)-2017, wherein the detailed procedure for declaration of goods as surplus or obsolete or unserviceable and subsequent disposal through tenders/ auction have been laid down.

1. Rule 217 of GFR-2017, provides as under:-

- (i) An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.
- (ii) The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable.
- (iii) The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilised. A report of stores for disposal shall be prepared in Form GFR - 10.
- (iv) In case an item becomes unserviceable due to negligence, fraud or mischief on the part of a Government servant, responsibility for the same should be fixed.

2. Rule 218 of GFR-2017, provides as under :-

- (i). Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be disposed of by:
 - a) Obtaining bids through advertised tender or
 - b) Public auction.
- (ii). For surplus or obsolete or unserviceable goods with residual value less than Rupees Two Lakh, the mode of disposal will be determined by the competent authority. Further, certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately and Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of/ destroyed in an appropriate manner to ensure compliance with rules.

3. **Rule 219 of GFR-2017**, provides broad steps for the disposal of surplus or obsolete or unserviceable goods through the advertised tender and important aspects to be followed while disposing of the goods through advertised tender, which ensures transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold.

4. Rule 220 of GFR-2017, provides as under :-

- (i). The Department may undertake auction of goods to be disposed of either directly or through approved auctioneers to ensure transparency, competition, fairness and elimination of discretion.
- (ii). The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department.

5. Rule 221 of GFR-2017, provides as under:-

If the Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose of the same at its scrap value with the approval of the competent authority in consultation with Finance division.

All the Administrative departments are advised to follow the GFR-2017 rules as enunciated above, for declaring the goods Surplus or obsolete or unserviceable and their subsequent disposal by the tenders/ public auction.

Sd/-
(Atal Dulloo), IAS,
Financial Commissioner
(Additional Chief Secretary),
Finance Department.


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Copy to the:-

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2. Principal Accountant General, J&K, Jammu/Srinagar.
3. All Financial Commissioners.
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5. All Principal Secretaries to Government.
6. Joint Secretary (J&K), Ministry of Home Affairs, Government of India.
7. Principal Resident Commissioner, 5-Prithvi Raj Road, New Delhi.
8. Chief Electoral Officer, J&K.
9. All Commissioner/ Secretaries to Government.
10. Divisional Commissioner, Jammu /Kashmir.
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12. Principal Secretary to Chief Justice, J&K High Court, Jammu/Srinagar.
13. Registrar General, J&K High Court, Jammu/Srinagar.
14. Director, Anti Corruption Bureau, J&K.
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16. Director General, Budget Division.
17. Director General, Accounts and Treasuries.
18. Director General, Funds Organization.
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29. Joint Director, J&K Funds Organization, Jammu/Srinagar.
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32. Private Secretary to the Chief Secretary.
33. Private Secretary to the Financial Commissioner (Additional Chief Secretary), Finance Department.
34. All Treasury Officers.
35. I/C website, Finance Department (www.jakfinance.nic.in).
36. I/C website, GAD (www.jkgad.nic.in).
37. Government Order File (W2scs).



S.L. Pandita
Director General (Codes),
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