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Depreciation Rules for Government  
Vehicles- Revision of.....

Government of Gujarat,  
Ports, Transport and Fisheries Department,  
Resolution No. GTS-2678-4897-D,  
Sachivalaya, Gandhinagar.

Dated the 12-11-1987.

Read :- G.R., H.D.No. GTS-2678-4897 dtd. 19-2-1982.

P R E A M B L E :-

Depreciation Rules for Government vehicles have been prescribed under Govt. Resolution quoted above & the procedure for condemning the vehicles and fixation of their upset price as well have been spelt out. The observance and adherence to these rules prescribed by the Home Deptt. under G.R. dt. 19.2.1982 have ~~xxxx~~ posed problems to some administrative Departments in as much as formula prescribed for upset price was not workable resulting in non-disposal of vehicles to be written off. with a view to overcoming these difficulties a decision was taken in Secretaries meeting held on 17-6-'87, to review the existing orders and to make suitable recommendations for revision of the rules by appointment of a Committee headed by A.C.S Home Deptt. as Chairman, assisted by A.C.S. H&F, Secretary, I.D. Secy(EXPR)F.D. and Secy. PT&FD as members to go into the problems and to solve them. During the discussion of this Committee in its meeting held on 22-6-87, the Secy.I.D. ~~xxx~~ had onlighted that his department and R&BD presently follow the rules and guidelines laid down by the Central water Commission in the matter of condemnation of old vehicles fixation of upset price and disposal of old vehicles. These guidelines are also followed by other State Governments and these norms have been found to be satisfactorily for implementation and have stood the test of time. The Committee accordingly recommended that guidelines and rules consistent with these norms may be followed with suitable amendments wherever necessary and extended to the remaining departments in the State ( Other than R&B D)(Irrigation Deptt. and NDD).

2. The Secretaries meeting held on 11-8-1987 had considered the recommendations of the above Committee and it has endorsed the recommendation. Further, it has also decided that the procedure adopted by I.D., R&BD and NDD for disposal of old vehicles, should be applied to the remaining Departments by PT&FD for which PT&FD has to take action.

RESOLUTION :-

The Government after careful consideration, has decided to amend the existing depreciation Rules prescribed by Home Department, under G.R. ,H.D.No.GTS-2678-4897-E.2 dtd. 19-2-1982 as indicated below :-

(A) Life of light transport vehicles - Inspection vehicles like Pick-ups, Jeeps Ambassador Car etc.  
(1) 1,60,000 kms. or 10 years whichever is earlier.

(2) Life of tyres- 32,000 kms.

(B) Procedure for depreciation :

The depreciation value will be assessed as under :-

(1) (Capital cost) - ( Salvage value @ 10% )

Life of vehicles in Kms.

(2) Explanation :- For calculating depreciation of vehicles, initial cost of tyres and tubes will be deducted from its acquisition cost.

(3) Fixation of the upset price will be decided taking into consideration the following factors :-

(a) Depreciated cost of the vehicles.

(b) Present market value of the vehicles.

(c) Condition of the vehicles and its major assemblies.

(d) Utilisation after last repair and

(e) Place of disposal.

(C) Procedure to be followed by administrative department in obtaining the condemnation certificates and fixation of the upset price :-

(1) The Engineering Departments (i.e. I.D., R&BD & NDD) Police Depts. H&Fw and PT&FD have their technical personnel who are on the Committee of the respective departments. These Departments will continue to get the condemnation certificate and the assessment of the upset price through these Committee.

(a) All other remaining departments, which are not having the technical personnel, in their depts., the Committee consisting the following members will be constituted to examine the recommendation of scrapping the vehicles and also to assess and fix the upset price as described below :-

(i) (1) where the intitial cost of purchase is Rs.50,000/- or less :-

(A) Vehicles pertaining to South Gujarat Zone :-

Consisting of six districts, viz. Surat, Baroda, Valsad ~~xx~~ Bharuch Dangs & Panchmahals.

(1) For vehicles and equipments having book value less than 50,000/-

- (i) Owner of the vehicles/Equipment of Class-I Rank- -Member.
- ii) EX.Engr. I, Mech Dn.2, Baroda - Member Secy.
- iii) S.E.I Mech Circle-L, Baroda - Convenor

(B) Central Zone :-

Consiting of six districts, viz. Ahmedabad, G'nagar Sabarkantha, Bansakantha, Mehsana & Kheda.

(1) For vehicles and equipment having book value less than Rs. 50,000/-

- i) Owner of the vehicles/Equipment of Class-I rank - - Member
- ii) EX.Engr.Mech Dn.(R&B)A'bad. -Member Secy.
- iii) S.E.Mech Circle(R&B) Deptt. Ahmedabad. - Convenor



(2) For vehicles/Equipment having book value of over Rs. 50,000/ and above.

- i) Owner Head of Deptt. or officer of rank equivalent to S.E. - Member
- ii) E.E. Mech Dn. (R&B) Ahmedabad - Member Secy.
- iii) S.E. Mech Circle (R&B) Ahmedabad - Convenor

(C) Saurashtra and Kutch Zone :-

Having six districts, Rajkot, S'nagar, Bhavanagar, Jamnagar, Junagadh, Amreli & Kutch.

(1) For vehicles and equipment having book value of Rs. 50,000/-.

- i) Owing Officer of Class-I Rank - Member,
- ii) E.E. Mech, Mech Dn. 1 Ahmedabad - Member Secy.
- iii) S.E. Irri. Mech Circle. 2, A'bad - Convenor

(2) Vehicle and equipment having book value of Rs. 50,000/- and above.

- i) Owner head of the Deptt. or officer equivalent to S.E. - Member
- ii) E.E. Irri. Mech Dn. 2 A'bad - Member Secy.
- iii) S.E. Irri. Mech Circle-2, A'bad - Convenor.

The condemnation certificates will be issued by the Superintending Engineers of the respective Committee. The above Committee will inspect the vehicles and after taking into consideration the guidelines referred to earlier, will recommend the condemnation of the vehicles if so satisfied and also assess the upset price of the vehicles.

Provided that the upset price where it is so fixed in respect of vehicles for which no records are available, approval of the proposed upset price would be submitted to Govt. in the administrative department for its approval in consultation with Financial Advisor.

- (D) Authority to issue orders condemning the vehicles and approving the upset price.

On the basis of the recommendation of the committee, the Head of Deptt. will issue orders condemning vehicles.

- (E) Manner of disposal of old vehicles :-

After the upset price is approved by the appropriate competent authority the condemned vehicles will be put to public auction by bidding and by inviting sealed covers offers by issue of Public Notice in the News paper by the owner officer of the vehicles and higher realisation of the two will be accepted as explained below :-

For final disposal of the vehicles, following procedure should be adopted :-

- 1) Sealed bids by wide publicity be called for the vehicles by the auctioning authority/Committee.
- 2) Public auction of the vehicles should be arranged by the auctioning authority/Committee by wide publicity.
- 3) Sealed bids be opened prior to the public auction by the auctioning authority/Committee.
- 4) The auctioning authority/Committee should endeavour to take this, the higher bids than the maximum of the highest bids received by way of sealed bid offers.
- 5) If the public auction is not more, the auctioning authority/Committee will be empowered either to accept/reject the sealed bids so received.

- (F) Acceptance of the Bid in auction at different levels :-

- (1) If the highest bid received in response to the public notice is equal to or more than

the upset price approved, the bid will be accepted by the officer who invited the bid.

- (2) If the highest bid is less by 20% of the upset price, the bid will be accepted by the Head of the department.
- (3) If the highest bid received is less by more than 20% of the upset price, the proposal for acceptance of such bid will be submitted to the concerned Administrative Department for its approval through Financial Advisor.

(2) The orders contained in G.R. H.D. dt. 19-2-82 should be deemed to have been modified to the extent by these orders.

(3) The administrative departments and the Heads of Deptt. under their control are requested to ensure that the revised rules are followed scrupulously.

(4) These orders are issued with the approval of Secy. (Expr.) F.D. vide his note dtl. 19-9-87 and Secy. I.D. dt. 9-10-87 on this department file of even number.

By order and in the name of the Governor of Gujarat.

Sd/- ( J.G.DAVE)

Under Secretary to the Govt. of Gujarat,  
Ports, Transport & Fisheries Deptt.

TO;

All concerned.