



GOVERNMENT OF KERALA

Abstract

Finance Department - Condemnation and replacement of Government vehicles older than 15 years- Special Sanction- orders issued.

FINANCE (EXPENDITURE-B) DEPARTMENT

G.O.(P)No.27/2025/FIN

Dated, Thiruvananthapuram, 18-03-2025

Read: 1. Notification G.S.R. 29(E) dated. 16.01.2023 of the Ministry Of Road Transport And Highways, Government of India.
2. G.O. (Ms) No.188/2022/Fin dated 26.10.2022.

ORDER

As per the notification of the Government of India read above, the Registration Certificates of all vehicles owned by the Government and other Government institutions become invalid upon completion of 15 years from the date of initial registration of the vehicle. This amendment has created a situation where thousands of Government vehicles become unusable upon completion of 15 years. As the amendment came into effect on 01.04.2023, the Government have found that further directions on selling and replacement of such vehicles are necessary. Now, the Government are pleased to issue the following orders on condemnation, selling and replacement of old vehicles.

I. Condemnation of vehicles

- i. The vehicles that are currently off the road due to the Government of India notification read above shall be auctioned for scrapping through a Registered Vehicle Scrapping Facility (RVSF) using the e-auction portal of MSTC, NIC or GeM.
- ii. All vehicles that are to be condemned should be entered into the VEELS Software, indicating their upset value. Upset value should be fixed by the competent authority.
- iii. Controlling officers of vehicles shall obtain a Certificate of Deposit (CoD) from the RVSF upon scrapping of vehicles.

II. Selling of Old vehicles

- i. Controlling officers of all vehicles shall sell the vehicles upon completion of 14 years & 6 months from the date of registration of the vehicles. For auctioning of these vehicles for continued use, their value should be fixed by the competent authority. The process of selling of vehicles can be started upon completion of 14 years of registration and vehicle may be sold upon completion of 14 years & 6 months.

ii.No Government vehicle should be allowed to reach 15 years of age other than that are exempted from the notification of GoI read above.

III. Replacement of vehicles

One-third of the vehicles scrapped as per Clause I(i) above may be replaced either through hiring or purchase by this special sanction and for replacement of balance vehicles, usual course of actions for vehicle purchase shall be pursued. The following guidelines are issued for hiring and purchase of vehicles:

i. Replacement of vehicles will be allowed only against the CoD received from the RVSF.

ii. Replacement will be done centrally by the Head of Department level in such a way that one vehicle can be purchased against the CoD of three vehicles; lowest class of the 3 vehicles scrapped can be replaced.

iii. The Head of Department will prepare consolidated proposal for replacement of vehicles and the proposal may be submitted to Finance Department through the Administrative Department concerned.

iv. The expenditure for vehicle purchases will be met from the centralised Head of Account operated by the Finance Department. Upon verifying the proposal, the Finance Department will allocate funds for the purchase of vehicles to the concerned Head of Department. Similarly, in the case of hiring, the allotment for one year's hire charges will be provided under Head of Account -97- Hire Charges, within the respective Head of Account of the concerned Departments.

v. Wherever permanent Driver posts are available, vehicle purchases will be permitted subject to the above conditions. In all other cases, vehicles may be hired.

vi. The maximum cost of vehicles that can be purchased is Rs.10 lakh (GeM Price). The maximum hire charges allowed will be Rs.40,000/- per month. For the purchase of vehicles costing above Rs.10 lakh, normal procedure for vehicle purchase shall be adopted and expenditure for such purchases shall be met from the functional head of the Departments concerned.

vii. In the case of Local Self Government Institutions, Grand-in-Aid Institutions and Public Sector Undertakings, if there was only one vehicle that was taken off the road due to the amendment made in the Central Motor Vehicle Rules, it may be replaced through purchase without requiring the three CoDs mentioned under Clause III(ii).

viii. In the case of a vehicle that is not a passenger vehicle and is used for the business or operational activities of institutions and Government offices, the same class of vehicle may be purchased against the CoD of the scrapped vehicle. However, the cost of such a vehicle shall not exceed Rs. 20 lakh.

IV. Special Facility for Hiring

i. The vehicles sold as per Clause II (i) may be taken back on lease for a maximum period of five years, provided they remain roadworthy as per Government norms, after the transfer of ownership, by the office that sold them. The controlling officer of the vehicle is authorised for such hiring. Potential bidders can submit their quotes while participating in the auction to purchase the vehicles and lease them back to the same office. They can submit two specific quotes: (a) the purchase price of the vehicle from the Government and (b) the monthly lease rate by which the vehicle will be provided for hiring. The bid will be finalized based on the ratio of the purchase price to the monthly lease rate, with the bidder offering the lowest ratio being selected. It is illustrated as follows:

If a bidder quotes Rs. 3 lakh for a vehicle and offers a monthly lease charge of Rs. 10,000, the ratio will be 30:1. Another bidder quotes Rs. 4.8 lakh for the vehicle and offers a monthly lease charge of Rs. 12,000, resulting in a ratio of 40:1. In this case, the second bid will be selected as it has the lowest ratio.

ii. In the case of hiring under Clause (i) above, only dry lease (without driver) will be permitted. Under this arrangement, the Government will meet the driver's salary and fuel charges, while all other vehicle-related costs shall be borne by the vehicle owner.

iii. The above vehicles must have a contract carriage permit after the ownership transfer.

iv. The controlling officer must ensure that wide publicity including advertisement in minimum two vernacular dailies are given about the auction and there was enough participation in the auctioning. The successful bidder shall deposit the entire bid amount at the time of confirmation of his bid while in the auction process, if he fails to deposit the amount, the bid shall be finalised to the next higher bidder.

v. The Controlling Officer shall execute an agreement with the successful bidder to the effect stated in Clause (i) above.

vi. If the vehicle left unsold by the conditions mentioned above in two successive auctions, then next auction may be done unconditionally for selling the vehicle. The time intervals between the auctions shall not exceed fifteen days.

V. The existing permanent posts of drivers should be utilized effectively to minimize the use of temporary drivers as much as possible.

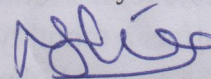
(By order of the Governor)
DR.A JAYATHILAK IAS
ADDITIONAL CHIEF SECRETARY

To:

1. The Accountant General (A&E) Kerala, Thiruvananthapuram
2. The Accountant General (Audit II) Kerala, Thiruvananthapuram
3. All Departments in the Secretariat.
4. The Director of Treasuries, Thiruvananthapuram.

5. All Additional Chief Secretaries/Principal Secretaries/Secretaries/Special Secretaries to Government
6. All District Collectors
7. All Head of Departments
8. Registrar, All Universities
9. The Private Secretary to Chief Minister & Other Ministers
10. The Private Secretary to Leader of Opposition/Chief Whip
11. The Additional Secretary to Chief Secretary
12. Web & New Media, Information and Public Relations Department
13. The Nodal Officer, www.finance.kerala.gov.in
14. The Stock File/Office Copy(E :2906692)

Forwarded /By order



Section Officer

(By order of the Government)
DR. JAYATHILAK, IAS
ADDITIONAL CHIEF SECRETARY