



Estate Office

NOTICE

Sub: Condemnation/ Disposal of Unserviceable Items through the MSTC.

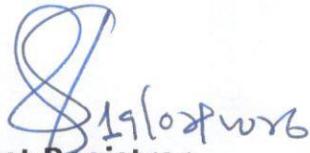
Ref: Earlier notice no Estate/TL-4/ 60/2025-26 dated 29/04/2025 of Estate Office (copy enclosed).

This is to inform all concerned that the Bhavanas/ Departments/ Centres /Offices etc that have sent list of unserviceable items to Estate Office in response to the above mentioned notice are required to provide the following information for the purpose of valuation to be done by the IBBI registered valuer and also for disposal of the items through the MSTC.

The controlling officers of Bhavanas/ Departments / Offices/ Centres/ Sections etc are requested to provide the following information in respect of the list they have already sent to Estate Office. Those who have provided the required information earlier need not send the same again.

Those who want to send fresh lists are requested to send the same in the enclosed format only.




Joint Registrar
Estate Office

Joint Registrar
Estate Office
Visva-Bharati



Format for sending lists of unserviceable items to Estate Office:

Sl no	Description of items	Technical specification (make/ company/ brand/ capacity/ dimension / model no etc.)	Quantity	Date of purchase / acquisition	Cost of the item / (amount in Rs)	Linkage to Asset Register (e.g entry no, page no, register no, FY etc)	Remarks
1							
2							
3							

I certify that the abovementioned items are unserviceable. These have been treated as unserviceable after making reasonable effort to repair and/ or to make the items operational.

Signature and Seal of the Controlling Officer
(Principal/ HoD/ in charge/ officer-in charge etc)

Broad Procedure for Assigning Capital Items as Unserviceable



1. The user/custodian departments are to constitute respective internal committees for examining each item for its health before declaring it as **unserviceable**. Refer to the Asset Register for costs and dates of acquisition, spent life, and depreciated WDV's to the best extent possible. Make, model, technical specifications, capacity, dimensions, materials of construction, and locations need to be incorporated as available from the Registrar/machine stickers. Records of maintenance, AMC, and OEM/authorised service agents' comments may be invited and will be helpful. The committee is to scrutinise the reasons and prepare a comprehensive list(s) of unserviceable items to be signed by all members. The items that can be restored to operation with reasonable spending should be put to operation. Computer peripherals and e-waste are to be in distinct segregations.

Such lists are to be forwarded to the convener of the competent High Power Survey Committee (say HPSC or any other name) of multi-disciplinary composition.

2. HPSP (or similar) shall survey all such items marked unserviceable and examine the recorded reasons and finally certify the items as unserviceable.

3. Subsequently the competent authority are to secure necessary management approval for auction through MSTC as per extant procedure.

4. For valuation of the unserviceable stores and determination of Reserve Price, a IBBI accredited Valuer empanelled with MSTC needs to be engaged for the job.

5. MSTC are to be notified for necessary e-auction as per the contract with Visva Bharati.

Factors to consider for equipment / materials to be classified as unserviceable

An item is deemed unserviceable when it cannot fulfill its intended function safely or reliably, but it has not necessarily been condemned to be scrapped.

A. Technological Obsolescence :

1. **Wear and tear:** The item has reached the end of its expected life cycle and is failing due to routine use.

2. **Age:** Any loss of utility due to the physical deterioration of the *asset* or its components resulting from its age and usage.

2. **Inconsistent performance:** The equipment operates unreliably or inaccurately, which may compromise the quality of work or the safety of operations.





3. **Technological obsolescence:** The equipment is outdated, and even if repaired, it would be less efficient or productive than current technology. The cost to repair and maintain it cannot be justified.

4. **Expired Useful life** and current condition is not conducive to use with reliability.

B. Functional Obsolescence

1. Functional obsolescence is a loss of value due to outdated design or features, while economic obsolescence is a loss of value from external factors in the market or economy. The key difference is that functional issues are intrinsic to the product or property and can sometimes be fixed, whereas economic issues are external and often beyond the owner's control.

Functional obsolescence

- **Definition:** Occurs when a product or property is less useful due to its own design, features, or technology.
- **Causes:**
 - Outdated design or inadequate features
 - Non-availability of spares and product support from OEM or their authorized dealers
 - Poor layout and capacity mismatch in the system
 - Poor quality of materials or construction
- **Examples:**
 - An old smart phone or laptop that lacks modern features is functionally obsolete compared to a new one.
- **Reversibility:** Can sometimes be reversed through repairs, upgrades, or redesigns, provided the cost is justified.

C. Economic Obsolescence

- **Definition:** A loss in value caused by external factors that are outside the control of the owner.
- **Causes:**
 - Economic recession or downturn
 - Increased competition or changes in demand
 - Changes in laws or government regulations, trade barriers, sanctions
 - Increased costs for labor, materials, or utilities





- **Example**
- A business loses market share due to a new competitor entering the market.
- **Reversibility:** Typically incurable, as the owner has no influence over the external factors causing the loss in value.

Beyond Economic Repair (BER)

An item that is already unserviceable may be designated as BER if the cost of repair outweighs its value or the cost of a new replacement.

- **High repair costs:** The most common factor is when the cost of parts, labor, and other repair expenses is a high percentage of the cost of a new item.
- **High market value depreciation:** Items with a low current market value, such as older cars or obsolete technology, are more easily declared BER because the repair costs quickly exceed their worth.
- **Non-availability of parts:** The equipment cannot be repaired because the necessary replacement parts are no longer manufactured or are difficult and expensive to source.
- **Technological obsolescence:** The equipment is outdated, and even if repaired, it would be less efficient or productive than current technology. The cost to repair and maintain it cannot be justified.
- **Extensive damage and wear and tear:** The item has sustained severe physical damage, such as from an accident, fire, or misuse, making it impractical to repair. The sheer scope of the repair work is too great to be economically viable.
- **Increased downtime risk:** Repairing older equipment may fix one issue but not prevent other failures. The risk of future, repeated maintenance and downtime can make a replacement more cost-effective over the long run.

NB. The stated guidelines are more general in nature and the university may adopt suitable modification to suit specific cases and their extant procedure.



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15/02/2022

**Joint Registrar
Estate Office
Visva-Bharati**