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Condemnation of Assets in Indian Government Hospitals

A Narrative Review of General Financial Rules (GFR) 2017 Mandates, Institutional Policies, and Modern Disposal Platforms

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Abstract

Efficient disposal of surplus, obsolete, and unserviceable assets is a critical, yet often overlooked, component of effective administration. In Indian government healthcare institutions, the accumulation of dysfunctional equipment and expired consumables poses significant financial, operational, and safety challenges. Unique challenges in healthcare condemnation include protecting the privacy of patient-related data, radiation hazards in certain equipment, PCPNDT Act 1994** norms for USG*** equipment, and disposal of e-waste. This narrative review provides a guide for administrators especially those who are working in healthcare to navigate the complex landscape of asset condemnation and disposal. It synthesizes the regulatory framework mandated by the Government of India's General Financial Rules (GFR) 2017, outlines best practices for establishing robust internal policies and committees, and conducts a detailed comparative analysis of the primary disposal platforms: the Government e-Marketplace (GeM), MSTC Ltd. e-auctions, and traditional offline methods. The review offers practical, step-by-step guidance for institutional registration on digital platforms and addresses special considerations for hazardous materials like e-waste. By integrating regulatory mandates with practical disposal strategies, this article aims to empower administrators to create a streamlined, compliant, and value-maximizing process, thereby enhancing financial prudence, operational efficiency, and patient safety within public healthcare facilities.

Keywords: Scrap Disposal, Surplus Assets, E-Auction Process, Government Assets, Condemnation Guidelines.

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1. Introduction

In the complex ecosystem of public hospitals, asset management extends far beyond procurement and maintenance; it also includes timely and efficient disposal of goods that have reached the end of their lifecycle (All India Institute of Medical Sciences, New Delhi n.d.). The process of condemnation ('formally declaring an asset as surplus, obsolete, or unserviceable') is not a mere logistical task; rather, it is a critical administrative function with profound implications for an institution's financial health, operational capacity, and the safety of patients (All India Institute of Medical Sciences, New Delhi 2016).

The accumulation of junk material, from defunct medical equipment to expired consumables (including medicines), clutters valuable space in patient care areas, corridors, and stores, creating potential hygiene, infection control and safety hazards (All India Institute of Medical Sciences, Patna 2025) (All India Institute of Medical Sciences, Raipur 2023). Inefficient disposal practices result in unnecessary inventory-carrying costs, a decline in the potential resale value of assets, and the locking of capital in non-performing assets, thereby hindering the modernization and effective functioning of healthcare facilities (Associated Chambers of Commerce and Industry of India, 2018) (Atomic Energy Regulatory Board, 2016).

The challenge of managing dysfunctional assets in India's public health sector is substantial. A nationwide mapping exercise conducted by the National Health Systems Resource Centre (NHSRC) across 29 states revealed a stark reality: of the 756,750 pieces of equipment inventoried in 29,115 health facilities, a significant portion (ranging from 13% to 34%) were found to be dysfunctional (Atomic Regulatory Board, n.d.). This data highlights a systemic issue, where a vast quantity of non-working equipment, valued at crores of rupees, occupies space and remains on asset registers without contributing to patient care.

This operational deficiency also reflects in the financial concerns raised in public audits. Reports from the Comptroller and Auditor General (CAG) have repeatedly pointed to financial losses and administrative lapses in asset management within the health sector. For instance, a CAG report on Telangana flagged a loss of ₹390 crore due to expired drugs, a direct consequence of inefficient inventory and disposal management (Central Pollution Control Board, 2019). Such reports underscore that the failure to condemn and dispose of assets in a timely manner is a matter of public financial accountability, representing a loss of potential revenue from scrap sales and a distortion of the institution's true asset value.

The failure to efficiently manage this process creates a vicious cycle: the backlog of undisposed assets physically obstructs the installation of new equipment, while also delaying new procurement approvals, which are often contingent on clearing the asset register. This bottleneck directly compromises the quality of patient care by preventing access to modern, functional equipment.

Recognizing these challenges, this narrative review aims to serve as a comprehensive and actionable guide for the administrators working in the Indian government institutions especially in healthcare.

The objective is to demystify the condemnation and disposal process by synthesizing three critical domains: the governing regulations as laid out in the General Financial Rules (GFR) 2017; best practices in the formulation of institutional policies and committees; and a pragmatic, comparative analysis of the available disposal platforms, including the Government e-Marketplace (GeM), Metal Scrap Trade Corporation Limited (MSTC Ltd.), and traditional offline methods.

By providing a clear roadmap, from policy formulation to auction, this review seeks to empower administrators to break the cycle of inefficiency, ensure regulatory compliance, maximize value recovery, and ultimately, create a safer and more efficient healthcare environment.

2. The Mandate of GFR 2017

The General Financial Rules (GFR) are a compilation of rules and orders issued by the Government of India, and serve as the foundational executive instructions for all matters involving public finances. These rules are applicable to all Central Government Ministries and Departments, as well as their attached and subordinate bodies. The provisions are also applicable to Autonomous Bodies, which include many of India's premier healthcare and research institutions, unless their own government-approved financial rules provide otherwise.

The 2017 revision of the GFR was a significant update, aimed at modernizing public financial management, with a stated objective to "facilitate efficiency rather than create impediments" while upholding the principles of accountability and financial discipline. A key feature of the GFR 2017 was the integration of new e-governance platforms like the Government e-Marketplace (GeM) into the public finance framework (Rule 149 of GFR 2017) (Comptroller and Auditor General of India, 2022).

Some important terms that the GFR use in this context are:

- Book value: Also known as carrying value, this is the net value of an asset as recorded in an organization's accounting records ("books"). It is the asset's original cost minus the total depreciation that has been charged against it over its useful life.
- Guiding price: While the General Financial Rules (GFR) mandate the calculation of a "guiding price," the term is not formally defined within the rules themselves. In practice, the guiding value serves as an internal estimate of an asset's current market worth. Unlike the formula-based calculation for book value, determining the guiding value is more of an estimation process based on market intelligence. It is typically calculated by considering several factors, viz. market survey, previous sale data, physical condition etc.
- Reserve price: The reserve price is the minimum price at which the item can be sold / auctioned.

Rule 217 of GFR 2017 provides the procedural backbone for initiating the disposal of goods. It outlines a clear, four-part process for declaration, valuation, and accountability.

1. First, an item may be declared **surplus, obsolete, or unserviceable** if it is of no further use to the department. Crucially, the reasons for this declaration must be recorded in writing by the same authority who is competent to purchase that item, ensuring that the decision is formally justified and documented. To formalize this process, the competent authority has the discretion to constitute a committee at an appropriate level to officially declare the item(s) for disposal.
2. Second, the rule mandates a thorough **valuation** process. The book value, a guiding price, and a reserve price must be calculated for the surplus goods. The reserve price is the minimum price at which the item can be sold, acting as a safeguard against undervaluation. In instances where calculating the book value is not feasible (e.g., for very old items with incomplete records), the rule provides the flexibility to use the original purchase price as a reference. This entire process is to be documented in a formal report, specified as Form GFR-10.
3. Third, the rule enforces **accountability**. It explicitly states that if an item becomes unserviceable due to the negligence, fraud, or mischief of a government servant, responsibility for the loss must be fixed. This provision acts as a deterrent against the misuse and improper maintenance of public assets.
4. Finally, Rule 217(v) addresses **special categories** of waste, particularly hazardous waste, scrap batteries, and electronic waste (e-waste). It aligns financial rules with environmental regulations by mandating that such items can only be sold to prospective bidders who hold valid registration as recyclers or pre-processor agencies. This ensures that the disposal of hazardous materials is handled in an environmentally sound manner.

Following the declaration and valuation under Rule 217, Rule 218 prescribes the specific modes of disposal, creating a clear, value-based hierarchy to ensure transparency and maximize returns.

1. **High-Value Goods:** For surplus, obsolete, or unserviceable goods with an assessed residual value above **₹4 Lakh***, disposal must be conducted through either (a) obtaining bids via an advertised tender or (b) public auction. These methods are mandated to ensure wide publicity and competitive bidding, thereby securing the best possible price for high-value assets.
2. **Low-Value Goods:** For goods with a residual value less than ₹4 Lakh*, the competent authority is empowered to determine the mode of disposal. The rule emphasizes that the decision should be guided by the necessity to avoid the accumulation of such goods, which can block space and lead to further deterioration in value.
3. **Hazardous or Unfit Goods:** Certain items (such as expired medicines, contaminated food grains, ammunition, etc.) which are hazardous or unfit for human consumption, must be disposed of or destroyed immediately. The method chosen should be suitable to prevent any health hazards or environmental pollution.
4. **Items with Security Concerns:** Goods that involve security considerations, such as official documents, receipt books, or currency-related items, must be disposed of or destroyed in a

manner that ensures compliance with rules on official secrets and maintains financial prudence.

*Earlier versions referenced a ₹2 Lakh threshold; this has now been increased to ₹4 Lakh (Government e-Marketplace, 2023).

Rule 198 allows for disposal through a 'buy-back offer': "When new machinery or equipment is to be purchased, the tender enquiry may include a 'buy-back offer' for the existing old machinery or equipment."

A buyback clause in public procurement is a strategic contractual provision, wherein a supplier agrees to repurchase used equipment under pre-negotiated terms. This mechanism enhances economic efficiency by optimizing the total cost of ownership and promotes environmental sustainability by fostering a circular economy. Explicitly supported the GFR 2017, the clause helps manage the entire asset lifecycle. By ensuring a residual value and responsible disposal, it transforms procurement into a fiscally prudent and sustainable practice, mitigating waste and financial risks for government entities.

3. Crafting a Robust Internal Condemnation and Disposal Policy

While the GFR provides the overarching legal framework, its successful implementation at the institutional level requires a well-defined internal policy. Leading healthcare institutions in India, such as the All India Institutes of Medical Sciences (AIIMS), Vardhman Mahavir Medical College (VMMC) & Safdarjung Hospital, and other autonomous medical institutes have developed comprehensive policies that translate the GFR's mandates into a structured and actionable workflow (Indian Council of Medical Research, n.d.) (Kenny and Priyadarshini, 2021, 284) (Kissel et al., 2014) (Ministry of Environment, 2022) (Ministry of Finance, 2017) (Ministry of Finance, 2022).

A robust hospital condemnation policy serves as a practical guide for all departments and staff. Its core objectives should be clearly articulated: to develop a formal institutional mechanism for condemnation, to introduce efficient and transparent practices, and to establish a cost-effective structure for the entire lifecycle of goods, promoting optimal resource utilization. The policy must begin by defining key terms (such as Condemnation, Disposal, Surplus, Obsolete, and Unserviceable) to ensure a common understanding across the institution.

The cornerstone of the policy is a set of clear and objective criteria for condemnation, which should include:

- **Technical or Clinical Obsolescence**: Equipment for which spare parts and service support are no longer available from the manufacturer, or for which newer technology provides significantly superior clinical outcomes. A formal certificate from the manufacturer or an authorized service agent is often required to validate this status.

- **Beyond Economic Repair (BER)**: An item is considered BER when the cumulative cost of repairs, including expenses on maintenance contracts (AMC/CMC), exceeds a predefined threshold of its current market value. This threshold is often set at either half or two-thirds of the equipment's present worth.
- **End of Life**: The equipment has surpassed the lifespan declared by the manufacturer. If no lifespan is specified, a standard period, such as 10 years, may be adopted as institutional policy.
- **Safety Hazard**: The continued use of the equipment poses a risk to patients or staff. This can be due to factors like radiation leakage from an old X-ray machine, risk of electric shock, or contamination.
- **Unforeseen Damage**: Equipment damaged beyond repair due to unforeseen events like fire or floods, as certified by an authorized agency.

3.1 Establishing the Internal Machinery: Roles and Composition of Committees

Effective implementation of the policy relies on a well-structured committee system. Many institutions adopt a multi-level structure, typically comprising a Condemnation Committee and a separate Disposal or Auction Committee, to ensure a separation of duties and specialized focus.

The **Condemnation Committee** is the central body responsible for the technical and administrative evaluation of items proposed for disposal. Its composition is critical to ensure a comprehensive and unbiased assessment. Drawing from the guidelines of the Indian Council of Medical Research (ICMR), a model committee should be multi-disciplinary, and should include both internal and external members to enhance objectivity (Ministry of Finance, 2017). An ideal composition includes:

- An external senior scientist / senior faculty or technical expert as Chair.
- A second external expert with relevant knowledge.
- An internal engineer or technical expert (e.g., from the Biomedical Engineering department).
- A representative from the Administration division.
- A representative from the Finance and Accounts division.
- An internal scientist / hospital administrator or relevant officer as the Member Secretary.

The primary responsibilities of this committee are to physically verify the items, scrutinize all relevant documents (such as BER certificates and equipment history sheets), and formally recommend items for condemnation. For high-value items, some institutional policies, like that of AIIMS Raipur, mandate the inclusion of an additional external technical expert, mirroring the rigor of procurement committees (Kenny and Priyadarshini, 2021, 284).

The **Disposal Committee** (or Auction Committee) is a separate entity whose role begins after the competent authority has approved the condemnation. This committee is tasked with executing the

final sale of the condemned assets through the mode prescribed by GFR Rule 218, such as conducting a public auction or managing the tender process.

3.2 The Internal Workflow: From Department to Disposal

A standardized internal workflow ensures that the condemnation process is consistent, transparent, and auditable. The process typically follows these steps:

1. Initiation by User Department: The process begins at the user level. The Head of the Department (HOD) or officer-in-charge identifies an item for condemnation based on the established criteria. The first crucial step is to obtain a formal unserviceable or BER certificate from the appropriate technical authority—the hospital's Biomedical Engineering department for medical equipment, the IT department for computers, or the original manufacturer.

2. Documentation: The user department completes the prescribed condemnation proforma (e.g., Form GFR-10), providing all necessary details such as the item's description, year of purchase, original cost, book value, and a detailed justification for condemnation.

3. Submission and Committee Review: The completed proposal is forwarded to the Condemnation Committee. The committee convenes periodically (e.g., twice a year) to review the submitted proposals, examine the supporting documents, and conduct a physical verification of each item to confirm its condition.

4. Approval by Competent Authority: The minutes of the Condemnation Committee meeting, containing its final recommendations, are submitted to the competent authority of the institution (e.g., the Director or Medical Superintendent) for final approval.

5. Transfer to Stores and Asset Register Update: Once an item is officially condemned, it is physically transferred from the user department to a designated, secure junk room or condemnation store. Simultaneously, the item is written off from the active asset register of the department and the institution, a critical step for accurate financial accounting and audit compliance.

6. Execution of Disposal: The list of condemned items is then handed over to the Disposal Committee, which proceeds with the sale of the assets using the approved disposal method.

Within this workflow, the Biomedical Engineering department plays a pivotal role. As the primary authority for certifying the technical status of medical equipment, this department acts as the gatekeeper for the entire condemnation process. An under-resourced or inefficient biomedical department can create a significant bottleneck, delaying the initial certification and stalling the entire disposal pipeline. Therefore, it is imperative for hospital administrators to ensure that this department is adequately staffed and empowered to provide timely and accurate technical assessments, as its performance directly influences the institution's ability to manage its asset lifecycle effectively.

4. A Comparative Analysis of Modern and Traditional Platforms for Disposal

Once assets are condemned, hospital administrators must choose the most appropriate channel for their disposal. The Government of India has actively promoted a shift from traditional, manual methods towards transparent, technology-driven platforms. The primary options available are the Government e-Marketplace (GeM), the specialized services of MSTC Ltd., and conventional offline public auctions or tenders. Each has distinct mechanisms, advantages, and limitations.

The Government e-Marketplace (GeM) national platform for forward auctions

GeM was launched primarily as a national public procurement portal, but it also includes a "Forward Auction" service designed for the sale of unserviceable, surplus, and scrap goods by government entities. The government has also explicitly endorsed its use for specific disposal activities, such as the scrapping of condemned government vehicles.

GeM operates on a self-service model. The hospital, acting as the seller, is responsible for the entire auction lifecycle. This includes creating the auction event, cataloguing the items (often grouped into a single lot to be sold on an "as is where is basis"), setting a reserve price, and uploading relevant documents and images. Bids are submitted electronically through the portal, and the lot is awarded to the highest (H1) bidder. Following the auction's conclusion, the hospital's staff must manage all post-sale activities, including coordinating payment collection and overseeing the physical removal of the items by the successful bidder.

The primary advantages of using GeM are its high degree of transparency, broad national reach to a large base of registered buyers, and alignment with the government's mandate for digital, paperless, and cashless transactions. As a government-owned platform, there are no direct service fees for government sellers, making it a cost-effective option.

The self-service nature of the platform is also its main drawback. It presupposes that the hospital possesses the necessary in-house expertise and manpower to accurately categorize scrap, determine a competitive reserve price, manage the online listing effectively, and handle all post-auction logistics. A poorly-managed listing or an unrealistic reserve price can result in low bidder participation and suboptimal value realization (Comptroller and Auditor General of India, 2022) (Ministry of Health and Family Welfare, 2024) (Ministry of Law and Justice, 2023) (Ministry of Road Transport & Highways, 2024).

MSTC Ltd.: A specialized public sector enterprise for end-to-end e-auction services

MSTC Ltd. (formerly Metal Scrap Trade Corporation Limited) is a Government of India enterprise that specializes in providing comprehensive e-commerce services, with e-auctions being its core business. Unlike GeM, which is a platform, MSTC functions as a full-service provider, offering an end-to-end solution for asset disposal.

Institutions selecting the MSTC platform for condemnation and disposal of assets shall first complete portal registration, comparable to GeM registration, then enter into a service agreement with MSTC. Experts from MSTC then guide the institution through the entire process, including providing advisory on the formation of auction lots, developing a professional e-auction catalogue, assisting in the determination of the reserve price based on market intelligence, and conducting the e-auction on its robust platform.

Crucially, MSTC also manages the post-auction process, which involves collecting the full payment from the successful bidder and issuing a formal delivery order. The hospital's primary responsibilities are reduced to providing the list of condemned items and facilitating the physical handover of goods once payment is confirmed by MSTC.

This full-service model is the principal advantage of MSTC. It is particularly beneficial for institutions that lack the internal capacity or specialized knowledge to manage a complex auction process. MSTC leverages its extensive, pre-existing database of registered buyers, who are often specialists in scrap metal, e-waste, and other specific asset classes, which can lead to more competitive bidding and better price discovery. Furthermore, MSTC handles critical compliance aspects, such as verifying that bidders for e-waste are certified by the relevant Pollution Control Boards. The main disadvantage is the cost; MSTC charges a service fee for its services, which is typically deducted from the final sale proceeds (MSTC Limited, 2024) (MSTC Limited, n.d.).

Offline public auction/tender: The role and relevance of traditional disposal methods

The traditional method of disposal involves conducting a physical public auction, or inviting sealed bids through advertisements in newspapers and notices posted in public places. This process is governed by well-established procedures. It requires giving wide publicity at least two weeks prior to the event, with the notice clearly specifying the particulars of the property, inspection schedules, and the terms and conditions of the sale. A responsible government officer must conduct the auction, maintain a formal bid sheet, and award the lot to the highest bidder upon receipt of the bid money.

The main advantage of this method is its familiarity and established procedure. It may remain a viable option for disposing of low-value lots in remote locations, where internet connectivity and the prevalence of online bidders are limited. It also allows all prospective bidders to conduct a direct physical inspection of the items before placing a bid.

However, the disadvantages of offline methods are significant in the modern context. They inherently lack the transparency of digital platforms and are susceptible to manual inefficiencies. Their market reach is severely restricted to the local or regional level, which often results in a smaller pool of bidders and, consequently, lower price realization. The process is paper-intensive, slow, and carries a higher risk of collusion or cartelization among local bidders, which can undermine the goal of achieving a fair market price (Comptroller and Auditor General of India, 2022).

The key attributes of these three platforms are summarized in Table 1.

Table 1: Comparative Analysis of Asset Disposal Platforms

Feature	Government e-Marketplace (GeM)	MSTC Ltd.	Offline Public Auction/Tender
Service Model	Self-Service. The hospital is the seller and manages the entire process from listing to post-sale logistics.	Full-Service/Consultancy. MSTC acts as an e-auction service provider, offering end-to-end support.	Fully manual and managed internally by the hospital's designated officers.
Transparency	High. Provides a complete digital trail, is open to all registered users, and follows time-bound procedures.	High. Features real-time bidding, automated workflows, and an unbiased process, fostering trust.	Low. Prone to manual inefficiencies, limited oversight, and potential for collusion among bidders.
Market Reach	National. Provides access to all buyers registered on the GeM portal across the country.	National & Global. Utilizes a large, established database of specialized scrap and asset buyers.	Local/Regional. Limited by the geographical reach of physical notices and local newspaper advertisements.
Speed & Efficiency	High. Direct purchases can be made in minutes, and auctions can be set up and completed rapidly.	High. Real-time auctions and automated workflows ensure swift decision-making and reduce delays.	Low. The process is paper-intensive and requires significant lead time for public notices and physical events.
Cost Implications	No direct platform fee for government sellers. Indirect costs are incurred in terms of staff time and effort.	A service charge is deducted from the final sale proceeds. The cost is linked to the service provided.	Involves administrative costs for advertisements and staff time. There is no platform fee.
Best Suited For	Standardized scrap, e-waste, and vehicles; best used by institutions with sufficient in-house capacity for e-commerce management.	High-value scrap, specialized assets (e.g., plants, machinery), bulk disposals, and e-waste, especially for institutions seeking expert guidance.	Low-value lots in remote areas or situations where specific local interest is anticipated to be high and online participation is low.

Additional asset-disposal methods are: (i) resale of functional assets (infrequently practiced in government-run hospitals), and (ii) buy-back agreements whereby old equipment is handed over to the vendor upon procurement of new equipment, with a corresponding deduction from the final payable amount.

5. Special Considerations in Healthcare Asset Disposal

The disposal of assets from a healthcare facility is not merely a matter of selling scrap; it involves significant public health, environmental, and data security considerations. Certain categories of condemned goods require specialized handling and adherence to strict regulatory protocols.

The E-Waste Challenge

Hospitals are major generators of electronic waste (e-waste), which includes a wide range of items from administrative computers and printers to sophisticated diagnostic and therapeutic medical equipment. E-waste is recognized as one of the world's fastest-growing and most hazardous waste streams. These items contain a cocktail of toxic substances, including heavy metals like lead, mercury, and cadmium, as well as hazardous chemicals like brominated flame retardants (National Health Mission, 2017).

If not managed properly, the disposal of e-waste can have devastating consequences. In India, over 95% of e-waste is handled by the informal sector, where crude and unsafe methods like open burning and acid baths are used to extract valuable metals. These practices release a host of toxic pollutants into the air, soil, and groundwater, leading to severe environmental degradation and posing grave health risks to the workers (who often include children) and surrounding communities. Documented health effects include cancer, neurological damage, kidney and liver damage, and respiratory illnesses (National Health Mission, 2017) (National Health Mission, 2021) (NSW Health, 2022).

Recognizing these dangers, the Government of India has established a stringent regulatory framework for e-waste management. This is reflected directly in the GFR 2017, where Rule 217(v) explicitly mandates that e-waste can only be sold to bidders who are registered as certified recyclers or pre-processors with the Central Pollution Control Board (CPCB) or the respective State Pollution Control Board (SPCB).

Both GeM and MSTC enforce this rule rigorously. Their auction notices for e-waste lots explicitly state that bidders must upload a valid SPCB/CPCB registration certificate to be eligible to participate. This makes the e-auction platforms a critical tool for ensuring compliance.

Other special waste generated in healthcare

Beyond general e-waste, certain types of medical equipment are subject to their own specific decommissioning regulations that must be addressed before they are handed over for scrap.

- Radiology Equipment: Any equipment that emits ionizing radiation, such as X-ray machines and CT scanners, is regulated by the Atomic Energy Regulatory Board (AERB). Before

disposal, the hospital must submit an "Intimation of Decommissioning" through the AERB's e-LORA portal, and ensure that the decommissioning is carried out by an AERB-authorized agency (Sahoo, Sahoo, and Pillai, 2014) (Sanjay Gandhi Postgraduate Institute of Medical Sciences, 2015).

- Ultrasonography (USG) Machines: The purchase, use, and disposal of ultrasound machines are governed by the Pre-Conception and Pre-Natal Diagnostic Techniques (PCPNDT) Act, 1994, to prevent their misuse for sex determination. Before disposing of an ultrasound machine, the hospital must formally intimate the designated District Health Authority and obtain a No Objection Certificate (NOC) for the specific machine, identified by its serial number (Sahoo, Sahoo, and Pillai, 2024).

Data Security

A final but critical consideration is data security. Many condemned items, particularly computers, servers, and other IT equipment, contain hard disks that may store sensitive and confidential patient data or institutional records. It is imperative that the hospital has a clear policy for data sanitization. Before these items are sold as scrap, their hard disks must be either physically destroyed or securely wiped using certified data destruction devices / software to prevent any potential data breaches (World Health Organization, 2014) (World Health Organization, 2021).

6. Conclusion

The management of asset disposal in Indian government hospitals has evolved significantly, moving away from opaque, manual processes towards a framework that prioritizes transparency, efficiency, and public accountability. This shift is clearly articulated in the GFR 2017, which not only provide a structured procedure for condemnation and disposal, but also actively integrate technology-driven platforms like GeM.

For government hospitals, compliance with these rules begins with a deep understanding of the GFR mandates, which form the bedrock of compliant disposal. This must be complemented by the development of a robust internal policy, which establishes clear criteria for condemnation, and empowers a multi-disciplinary committee structure to oversee the process. The final, critical step is the strategic selection of a disposal channel—be it the self-service model of GeM, the full-service expertise of MSTC, or, in limited cases, traditional offline methods—based on institutional capacity and the nature of the assets.

By mastering these domains, administrators can transform asset disposal from a logistical burden into a strategic function that enhances financial health, ensures a safe environment, and supports the overarching mission of delivering high-quality patient care. Healthcare institutes generate certain specialized waste viz. radiational, infectious, e-waste etc. Also, specialized rules for USG equipment, rules related to patient data, etc. need to be taken care of.

To prevent the accumulation of backlogs of condemned equipment or stores in the future, administrators should institutionalize a policy of periodic condemnation drives. As suggested by the internal policies of several leading institutions, these drives should be conducted at regular intervals, such as bi-annually. This transforms condemnation from a reactive, problem-driven activity into a proactive, routine administrative process. By making it a predictable part of the administrative calendar, institutions can ensure that assets are identified for disposal as soon as they become unserviceable, preventing the build-up of junk, and ensuring a continuous and efficient asset lifecycle management process.

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Notes

[1] PCPNDT Act 1994 = Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994,
***USG = Ultrasonography