



PM Cell – MM

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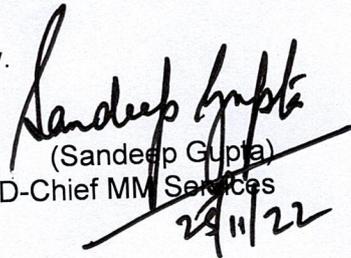
Sub: Clarification regarding Condemnation of Application Software and subsequent activity

As per Para 40.2.1 (b) of IMM Manual, for disposal of Capital items, the User Department raises a request to In-charge of Standing Condemnation and Disposal Board for directing the requisite members for taking action for condemnation of items. Approval of competent authority as per BDP is required for condemnation and declaring the item fit for disposal.

A query was received from a Work Centre with regard to process to be followed for condemnation of Application Software (which are obsolete and not in use) and subsequent activity to be followed.

In this regard, it is clarified that since Application Software is an intangible Asset and for majority of software, *only License to use* is available with ONGC, disposal of these software will not be possible/feasible. For condemnation of application software, which are obsolete and not in use, procedure as mentioned under Para 40.2 of IMM Manual for Capital Items may be followed. Indentor will certify in *Standing Condemnation and Disposal Board* that disposal of the said software is not possible. Upon the recommendation of *Standing Condemnation and Disposal Board* and further approval of Competent Authority as per BDP, concerned Indentor will create Asset Condemnation Note (ACN). Subsequently, local finance will process ACN for deletion of Asset from ONGC Asset Master. No further action with respect to sending the condemn material to disposal section as per para 40.2.11 of IMMM shall require to be carried out in such cases. User Section shall also take proper measures to prevent the 'misuse' of such condemned software.

All concerned are advised to follow the above guidelines meticulously.


(Sandeep Gupta)
ED-Chief MM Services

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