

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
C.B.E.C.**

8th February, 2006.

**Subject: Provision of vehicles on hiring basis for field formations under CBEC – regarding –**

The undersigned is directed to refer to Ministry's letter of even number dt. 03.02.2006 and to clarify that while vehicles may continue to be hired by the HOD in replacement of vehicles that have been condemned maturely, subject to the terms and conditions set out in Ministry's letter of 03.02.2006, the hiring of vehicles in replacement of pre maturely condemned vehicles as well as hiring of additional vehicles may only be done after obtaining administrative approval/financial sanction from the Ministry.

2. Ministry's instructions issued vide letter of even number dt. 03.02.2006 are reproduced below:

In view of the difficulties being faced by the field formations, the terms and conditions for hiring of vehicles by the field formations under CBEC have been reviewed in consultation with the IFU. Henceforth, the monetary ceiling of Rs.14, 500 + Service Tax shall not be applicable. Instead, the hiring of vehicles by the field formations shall be subject to the following broad ceiling of days/ kilometers :-

- a) vehicle used by officers of the grade of Commissioner and above – 30/31 days of hiring subject to maximum of 2500 km in a month.
- b) vehicle used by other officers & for other purposes – 20-25 days subject to a maximum of 2000 km in a month.

In the hiring process and its day to day regulation by the hiring authority, all other conditions may be observed, ie. the GFR provisions for inviting tenders, two bid selection system, negotiation, etc.

The vehicles may be hired exclusively on need basis. Only non-AC vehicles may be hired. Further, the user will observe utmost economy in Government expenditure and follow the instructions contained in the Department of Expenditure OM No.7(5)/E-Coord/2004 dated 24.09.2004 and OM No.7(2)/E-Coord/2005 dated 23.11.2005 while taking a vehicle on hire. The record of journeys undertaken for official purpose may be maintained in line with the log book system for departmental vehicles.

This issues with the concurrence of IFU dated 27.01.2006.