e Accountant General, Ma
, dated the 10th July 1

JUL 1946

D

E.&.P.H. **(194 8) Departm**

SERIES.

G.O. NO. Ms.316 Edn. p-25A

closed

Dated 18th Feburary 1948.

17

[Despatch Abstract.]

Stationery Dept. - Audit Report for 1944-45 - Recorded with remarks.

Back Papers.

	No.	Department.	Date.	G.O.	No.	Department.

Further Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.
Ms	2431	Edn	24.9.48			

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33 f-28/45-46/298

Office of the Accountant General, Madras,
Fort St.George, dated the 16th July 1946

DEPUTY ... EDUCATION AND ...
12 JUL 1946

From

The Accountant General, Madras.

To

The Secretary to the Government of Madras,
Education and Public Health Department,
Madras.

37512

Subject:- Report on the inspection of the accounts of the Government Stationery Office~~r~~, Madras for 1944-45.

Sir,

I have the honour to forward herewith a report on the audit of the accounts of the Government Stationery Office~~r~~, Madras for 1944-45, and to request that the orders of Government thereon may kindly be communicated to this office in due course. In this connection a reference is invited to paragraph 1 of the Audit Report and paragraphs 8 and 9 of G.O.No.439 Edn. dated 1-3-46 regarding the delay in furnishing replies to the Appendices to the Audit Reports for the years 1941-42, 1942-43 and 1943-44."

Received

M/

2. The general state of accounts was satisfactory.

3. Copies of the Report are being forwarded to the Secretary to the Government of Madras, Finance Department, and to the Superintendent of Stationery, Madras.

4. The minor defects noticed during audit have been included in an audit note sent direct to the Superintendent, of Stationery Madras for necessary action.

I have the honour to be,
Sir,
Your obedient servant,

Asst Account Officer
~~Examiner~~, Outside Audits.
8/7

RT

S. Y. 212.

Serial number of paragraph of Report.	Inspecting officer's remarks.	Execututvei Engineer's explanations.

AUDIT REPORT ON THE CHECK OF THE ACCOUNTS OF THE STATIONARY OFFICE, MADRAS AT GUINDY FOR THE YEAR 1944-45.

***

I. (i) Outstanding points of previous reports:- The appendix to the audit report for each of the years 41-42, 42-43 and 43-44, has not yet been replied to. Defects in the maintenance of the various registers were brought to notice therein, but effective action does not appear to have been taken to rectify them and the same types of defects persist in the Registers for 44-45 also. As the defects are in important account registers special action is called for.

(i) Name of Register: Indent Book. Nature Defects: date of compliance and reference to D.C.B item not noted for many items relating to the supply of stationery to paying departments. To ensure that no item for which cost is recoverable is lost sight of, the entries may be reviewed and completed. ✓

p48-B1c119

41-29 (E)

'A'

(ii) Name of Register: D.C.B. register. Nature of defects: Bills have not been issued for many items for want of the concerned indents duly acknowledged. If an indent is not received back within a reasonable time, special action may be taken to get it back and the question of issuing a provisional bill considered. Para 177 of the Stationery Manual would appear to require revision suitably; now that prepayment of cost of stationery is to be made by local bodies vide G.O.No.849 Edn. (P.H.) dated 5-6-1945. The amount recoverable in respect of bills issued for the years ending 31-3-45 is as below:

1941-42	...	Rs.748 4 0
1942-43	...	315 6 0
1943-44	...	2,816 11 0
1944-45	...	26,532 5 0

Action may please be taken to recover the amounts at a very early date.

'A'

(iii) Name of register: Register of Loan Machines (typewriters). Nature of defects:- It is mentioned that the register has not been maintained for the last five years. Entries relating to each machine being thus incomplete, action to get back loan machines does not seem to have been effectively taken at all. The register has to be brought up-to-date and reviewed.

(iv) Name of register: Register of articles returned. Nature of defects: Action taken to get articles that can be repaired, has not been noted.

(v) Name of register: Register of furniture and Tools and Plant. Nature of defects:- Physical verification has not been done for some years past. Early action is called for. The non-verification was stated to be due to the fact that the stores are at Guindy and Madras Beach buildings, part of which was under the occupation of the Military Department.

Superintending Engineer's remarks and orders.	Accountant-General's final remarks.	Local Government's orders.

Serial number of paragraph of Report.	Inspecting officer's remarks.	Executive Engineer's explanations.

V

II. **Pricing of Articles 1944-45.**

p31 (F)

Under G.O.No.Ms.835 Edn. dated 31-5-41, the issue rate for articles imported from abroad should cover latest invoiced rates converted into Indian currency at the average rate of exchange, plus 11% for freight and Director General's charges, plus customs duty prevailing at the begining of the year. It was observed that the prices fixed for Royal Lancashire ledger 28 lbs and 36 lbs, viz., Rs.32/- and Rs.41-2-0 respectively did not include customs duty. Necessary action may please be taken to issue supplemental bills for supplies made to the paying departments in the cases noted below and in similar other cases.

Lancashire Ledger. **Issues.**

Quantity.		To whom supplied.	D.C.B.item.
28 lbs.	25 rms.	Registrar of University of Madras.	69
	2 "	Chairman, Madras Port Trust.	365
	6 "	- do -	
36 lbs.	13 "	- do -	557

III. **Agreements.**

(a) Delay in concluding agreements:- In the ~~¢~~ following cases there has been a delay of over 3 months in concluding agreements in proper departmental form though supplies were accepted and paid for. It is explained that supply commences as soon as orders are placed and that a reasonable time has to be allowed for the preparation of agreement and for the contractor to deposit the security. Under condition (4) of the notice inviting tenders only 15 days time is allowed to the successful tenderer from the date of intimation that his tender is accepted, to deposit the security and to sign the contract in proper departmental form. The delay would, therefore, seem to be avoidable. This is brought to notice.

S. No. (1)	Name of firm. (2)	Date of acceptance of tender or commencement of supply. (3)	Date of agreement. (4)
1.	M/s Khoday Ribbon Carbon and allied industries.	5 4 44	26 8 44
2.	Bharat (Sales) Ltd.	6 4 44	7 8 44
3.	B.Varadasah & Sons.	14 3 44	14 7 44
4.	M.Sheik Baboo.	1 3 44	15 8 44
5.	Sree Subramanyeswara.	12 4 44	7 8 44
6.	The Indian Glue Company.	4 5 44	24 8 44
7.	M/s. Bombay Sty. House.	12 4 44	4 12 44
8.	The National Products Syndicate.	4 44	29 9 44
9.	Hoogly Ink.Co., Ltd.	4 44	24 8 44
10.	Lords Chemicals.	4 44	21 7 44
11.	The Alpha Trading and Mfg. Co.	4 44	4 12 44
12.	The Bharat Carbon and Ribbon Mfg. Co.	4 ~~21 7~~ 44	21 7 44
13.	Khoday Ribbon Carbon and Allied Industries.	4 44	22 7 44

DCFP—1Audit—(G-1828)—7-4-32—20,000.

Superintending Engineer's remarks and orders.	Accountant-General's final remarks.	Local Government's orders.

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Serial number of paragraph of Report.	Inspecting officer's remarks.	Executive Engineer's explanations.

III. **(b)** The agreement in favour of Messrs. Newton & Company (for the supply of nibs) stated to have been concluded was not available for check. It may please be traced and shown during next inspection.

A Register of agreements accepted by the Superintendent of Stationery is not being maintained. It is suggested that the register may be maintained as is done in P.W. Offices.

IV. Tenders.

(a) Supply of Gum:- Mr. H.Sathathulla Sahib, Bitragunta, was the contractor for the supply of gum during 42-43 and 43-44 and the successful tenderer for 44-45. He did not however supply the indented quantity within the indent year. The balance of the indent for 1942-43, was complied with in 43-44 (in November 43). Against the contract for 43-44, the contractor was to supply 30,000 lbs but he supplied only 5,042 lbs during the account year leaving a balance of 24,958 lbs. Notwithstanding this continued failure on the part of the contractor and his application for increasing the tendered rate for 43-44, his tender for 44-45 was accepted being the lowest, viz., Rs.0-10-10 per lb.

The contractor did not execute the agreement in proper departmental form for 1943-44, and the security deposit at 10% of the value of the contract was collected by adjustment from the bills payable for supplies relating to 42-43 indent. The earnest money deposit for 44-45 does not seem to have been paid by him though his tender was accepted. In view of the contractor's failure to comply with the terms of the tender for 1943-44, and to acknowledge the receipt of the award of contract for 44-45, the earnest money and security deposit of Rs.1,125-12-0 standing to the credit of the contractor was ordered (by the Superintendent of Stationery) to be forfeited to Government. The actual adjustment of the amount by credit to the departmental head has not however been effected and may please be done now.

Consequent on the failure of the contractor to supply the quantity of gum required, other arrangements were made by the Assistant Superintendent of Stationery to purchase it at different rates - vide details below, and the award of contract for 44-45 ~~was~~ was also cancelled.

Name of Supplier.	Quantity.	Rate.	Value.
J.B.Advani & Co.	2067 lbs.	0 12 0	1,550 12 0
Newton & Company.	790 "	1 0 0	790 0 0
B.T.R. & Company.	5112½ "	0 15 0	4,793 0 0
TOA & Company Ltd.	6000 "	1 2 0	6,750 0 0
	13969½ "		13,883 12 0

Superintending Engineer's remarks and orders.	Accountant-General's final remarks.	Local Government's orders.

Serial number of paragraph of Report.	Inspecting officer's remarks.	Executive Engineer's explanations.

If this quantity is reckoned against the balance of uncomplied indent for 43-44, the extra expenditure to Government is -- Rs.8,645-3-0 against which a sum of Rs.1125-12-0 is available for adjustment from the Security deposit.

Cost to Government.	...	Rs.13,883 12 0
Cost of 13969½ lbs at 0-6-0 per lb the rate accepted for 43-44 in favour of Sathathullah.	...	5,238 9 0
		Rs.8,645 3 0

The Superintendent of Stationery has dropped further proceedings for recovering the difference in cost of Rs.7,519-7-0 though it shall be lawful for him to recover it under clause 16 of the standard form of contract. The case discloses the following irregularities:-

Under Article 127 of the Madras Financial Code, Volume I, the authority selecting a tender should take into account the financial status of the tenderer. In view of the contractor's inordinate delay in complying with the indent for 42-43, his tender for 43-44 should have been rejected and the next lowest tender considered. The next lowest was Rs.0-14-0 per lb against the rates paid up to Rs.1-2-0 per lb.

When purchases from outside sources were found necessary fresh tenders or competitive quotations should have been -- called for and the rates fixed. This does not seem to have been done and the purchases have been made on single quotation basis. Reasons for not following the stores purchase rules have not been recorded.

IV. (b) PURCHASE OF TRACING CLOTH 36" WIDE IN ROLLS - S.D. RAJARATHNAM - MADRAS AT Rs.106/- PER ROLL OF 24 YARDS.

Tracing cloth was included in the general tender notice issued for the supply of stationery articles during 44-45 and Messrs. Eastern Group Supply Agency, Calcutta only quoted Rs.60/- but it was rejected on the ground that the stuff was too poor in quality and that it might be obtained later on from the local market, if available. The schedule attached to the tender notice did not, however, specify the make or standard of quality required by Government. On 1-5-44 S.D.Rajaratnam, offered to supply English made Tracing Cloth at Rs.110/- per roll of 24 yards and this was accepted. The rate was subsequently reduced to Rs.106/- and 116 rolls were supplied by him. Quotations under the limited tender system were not even obtained though the value of purchase exceeded Rs.12,000/- with a view to ascertain that the rate proposed to be accepted was competitive. This is brought to notice.

Though 116 rolls or 2784 yards were purchased on 8-6-44 the quantity was not consumed in the year 44-45. The balance at the end of 43-44 was sufficient to meet the needs of 44-45 as seen from the average consumption of previous years. Vide details below. The purchase would, therefore, seem to be in excess of actual requirements.

Superintending Engineer's remarks and orders.	Accountant-General's final remarks.	Local Government's orders.

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Tracing Cloth - 36" wide.

Opening balance on 1-4-44	...	3587 Yards.
Consumption during 1944-45.	...	2132 "
Balance of previous year's stock.	...	1455 "
Purchase during 1944-45.	...	2784 "

Statistics of consumption in previous years.

1942-43.	...	1932 Yards.
1943-44.	...	2688 "
1944-45.	...	2132 "

IV. (c) **SUPPLY OF STRAW BOARDS 1944-45 - MESSRS. PARSRAM JETHANARD & COMPANY, MADRAS.**

Tenders were invited for the supply of 675 cwts. of straw boards of sizes during 44-45 and the results of the tender are tabulated in appendix A. The lowest was that of Messrs. Straw Products Ltd., Bhopal, but the tender of Messrs. Parsram Jethanard & Company, Madras, the highest was accepted. The total amount involved on account of the difference in rates was Rs.7,550/-. The main reason for accepting the highest tender is stated to be difficulty in obtaining waggon space and the notes left in that connection are reproduced below:

p 13 infra

About 675 cwts. of straw boards will be required for 44-45. In view of the present difficulty in obtaining waggon space as far as possible all our requirements are purchased in Madras although the rates quoted are higher. For a similar reason our requirements of 43-44 were purchased from Messrs. J.B.Advani & Company, Ltd., and Charles Morgan & Co., Ltd., at Rs.56/- and Rs.44/- respectively. Please see memo No.24058-B-43-2 Edn. dated 15-8-43 approving the action of the Superintendent of Stationery in having placed the orders with these two firms when straw boards were available at Serumpore at Rs.37/- and Rs.38/- per cwt."

not justif

The sanction of Government was not however obtained and it does not appear that the orders ~~a~~ passed for accepting a tender other than the lowest were justifiable. This is brought to notice.

V. **Irregular issue of paper to Messrs. Hoe & Company.**

1,000 Reams of paper - 18½ lbs. D.F. unbleached paper were issued on loan under the orders of the Assistant Superintendent to Messrs. Hoe & Company in May 1944 on their representation that it was required urgently to print certain L.F. Books and forms. It is seen from the Company's letter dated 9-5-44 that it was usual to grant such loans of paper to the firm. This practice does not appear to have been covered by the orders of Government. The Company did not return the loan in the same kind of paper but replaced it by 462½ reams of Quad 40 lbs. A.P.M. unbleached and this was accepted though its cost was slightly less. The difference in actual cost involved in cost is given below:-

Superintending Engineer's remarks and orders.	Accountant-General's final remarks.	Local Government's orders.

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Serial number of paragraph of Report.	Inspecting officer's remarks.	Executive Engineer's explanations.

18½ lbs DF unbleached at 8-6-0 per ream - 1000 Reams.	...	Rs.8,375 0 0
40 lbs. quad unbleached at Rs.16-12-0 per ream - 462½ reams.	...	Rs.7,746 14 0
Difference.	...	Rs.628 2 0

If the Company could not procure paper for printing the forms etc. required by the Local Fund Department, the paper should have been sold to the firm (in the absence of orders of Government to the contrary) as though it were a supply to the local body concerned and the cost recovered together with the usual centage charges under sub-rules (b) and (c) of rule 155 of the Madras Stationery Manual. Viewed in this aspect, there has been a short recovery of Rs.2,386/14/- (on the whole) comprising Rs.628/2/- being difference in cost price and Rs.1,758-12-0 centage charges at 21%. This is brought to notice.

ff42-43-BK119

VI. Quarterly verification of stock by storekeeper.

f50-BK119

A check of the balance of stock at the end of each quarter by the store keeper as required in para 189 stationery Manual was being done but reconciliation with the ledger balances was not done, and orders of the Superintendent of Stationery obtained on the statement of excesses and deficits. The quarterly verification report for the period ending 31-12-45 only was dealt with completely as required by the rule and orders of the Superintendent obtained on 20th May 1946. It was mentioned that the verification for the quarter ending 31-3-46 has been done but that further action remains to be done. It is desirable that deficits and excesses are brought to account promptly and adjusted.

*****

P.K. Gnanasagaran
EXAMINER
OUTSIDE AUDITS

Nos
5/7

Superintending Engineer's remarks and orders.	Accountant-General's final remarks.	Local Government's orders.

APPENDIX A.

Comparative statement of tenders for straw boards.

Name of firm etc.

Rates for supply.

Particulars of item.	Quantity.	Pioneer Paper & Pulp Co. Ltd., Calcutta.		Straw Products Ltd., Bhopal.		Eastern Gout Agency, Calcutta.		Pararam Jethanand Co., Madras.	
	Cwts.	Rate.	Amount.	Rate.	Amount.	Rate.	Amount.	Rate.	Amount.
Straw Boards - 2½ lbs.	125	---	Omited	as no	purchase	was	made	---	
Straw Boards 2 lbs.	100	37/-	3700	35/-	3500	35/-	3500	48/-	4800
Straw Boards 1½ lbs.	250	37/-	9250	35/-	8750/-	35/-	8750	48/-	12000
Straw Boards 1 lb.	200	37/-	7400	33/-	6600	35/-	7000	48/-	9600
			20350		18850		19250		26400

22-10-46

C&P Dept
C2

No. 37512 – From the A.G., Madras, letter No. O.A. 33.[illegible] 28/45-46/298 d. 1[illegible]

Subject

Stationery Dept – Audit Report for 1944-45

3/17/7

Memo No 37512 C2/46-1 Edn d. 15.7.46

The attention of the S.of S. is invited to the report on the audit of the accounts of the Staty Office for 1944-4[illegible] a copy of which has been sent to him direct by the A.G. and he is requested to offer his remarks on the report at an early date.

SRK
15.7.46.

To
The S.of S.

12/7/46.

15.7.46

Rd. 26/8/46
Rd. 18/9/46
Rd. 12.10.46

27-11-46

29/8/11

Ed & PH Dept
C2

Subject

Stationery Dept - Audit Report for 1944-45

11/11

Memo No. 37512 C2/46 - 3 Edn d. 7-11-46

The attention of the Supt. S. is invited to Govt Memo.

37512 C2/46 - 1 Edn, d. 15-7-46 on the above subject

and the three reminders thereto and he is requested to ~~offer~~ expedite

his remarks on the report

RK
4/11/46

6.11.46

7.11.46

To
The Supt. S.

p 15 ante

15-7-46

12

15 NOV 1946
69927

From
M. Karamatullah, Esq., I.C.S.,
Superintendent of Stationery,
Madras at Guindy,
Saidapet P.O.

To
The Deputy Secretary to Government,
Education & Public Health Department, Madras.

No.A.1.2992/46 dated 11-11-46.

Sir,

Stationery Office - Accounts for 1944-45 - Inspection by the Audit Department - Report on - Remarks - submitted Ref:-Edn. & P.H. Memo.No.37512-C/2/46-1 Edn., dated 15-7-1946.

p 15 ante

My remarks on the report referred to above are given below para by para:

p 2 ante

Para 1(i) of the report.

The appendices to the audit reports for 1941-42, 1942-43 and 1943-44 will be taken up for disposal as soon as the report for 1944-45 and appendix thereto which have been taken up for disposal are replied to.

The entries in the indent register have been reviewed and the D.C.B. item numbers have been marked against all indents pertaining to paying departments.

(ii) D.C.B. Register. Owing to further recoveries, the outstanding amounts have since been reduced as indicated below:--

1941-42	..	Rs. 595--15--0
1942-43	..	180--1---0
1943-44	..	1437--12--0
1944-45	..	11636--12--9

Out of the amount shown against 1944-45, -- Rs.7301-3-0 have already been recovered by book adjustment but intimation of adjustment from the Accountant-General, is awaited.

(iii) Register of Loan Typewriters.

During the unsettled days of evacuation from the City and removal of offices to places of safety, the Stationery stores had been tossed from place to place, Old High Court Buildings to Pachayappas Buildings, Chetput, from Pachayappas to Record Office, Egmore, from Record Office to Mylapore St.Bedes School, therefrom to Amir Mahal and St.Patricks, Adyar till it finally settled at Guindy, Narasunagar by the end of August 1942. Most of the records were removed from Old High Court Buildings to Guindy only ~~dri~~ during July and August 1942. Further the work in the Typewriters (supply and Repairs) section has very much increased during the War and the two clerks in that section were not able to revive the register and continue its maintenance. The Government have since been addressed to sanction additional staff to the office. The register will hereafter be brought up to date, and reviewed as suggested.

(iv) Action taken in respect of articles that can be repaired will be noted in the register of returned articles.

(v) Register of furniture, tools and plants.

The suggestion will hereafter be carried out and the fact of verification recorded in the respective register.

p 3 ante

Para II of the Report. Customs duty has since been added to the rates of the items in question and supplemental bills are being sent to the officers concerned.

p 3 ante

Para III of the report. (a) Owing to War conditions and paucity of supplies it has not been possible to enforce the conditions in the tender and get the agreements executed within the stipulated time. However the tender deposits were held up until the security deposits were paid and the agreements executed. The question of raising the period of 15 days referred to in para 4 of the tender notification is also under consideration on account of the practical difficulties that exist in the matter. All efforts will be made to minimise the delay in getting the agreements executed.

p 5 ante

(b) The agreement executed by Messrs. Newton & Co., will be traced and shown at the next inspection. The P.W.D. will be addressed, and the

P.T.O.

form of register of agreements maintained in that department, will be adopted in future.

ff5-7 ante

Para IV of the Report: (a) Mr. H.Sathathulla Saheb's father, Mr.H.Azmatulla Saheb was contractor for the supply of Gum to this office for about 12 to 15 years in the past. His quotations were the lowest and the ~~quanti~~ quality of Gum tendered and supplied by him was also good throughout. Since 1940-41, though the contract was in the name of his son, Mr.Sathathulla Saheb, he himself was attending to the business. His quotations for Gum for 1940-41 and 1941-42 were 0-2-10 per lb. whereas the highest was 0-10-0 and 0-8-0 per lb. respectively. Mr. Asmathullah Saheb suddenly took ill and died on 21-4-1943. After the father's death, the son was not able to manage the business due to precarious weather conditions, non-availability of stock, steep rise in prices, want of transport facilities due to movement control etc.

f5 ante

It is stated in the audit report that consequent on the failure of Mr.Sathathulla Saheb to fulfil the contract for 1943-44, 13969½ lbs. of gum were purchased at a cost of Rs.13883/12/- at rates varying from Rs.0-12-0 to 1-2-0 per lb. The average cost per lb. of this purchase works out to Rs.0-15-11. It is also stated in the report that instead of purchasing the quantity at different rates, the next lowest tender rate of Rs.0-14-0 per lb. should have been considered. This rate was quoted by a Bombay firm and it was f.o.r. Bombay hedged in by other unsuitable conditions also. No sample was sent for inspection. To the rate quoted the freight charges to Madras from Bombay will have to be added whereas the average rate at which the gum was purchased was only Rs.0-15-11 or about Re.1/- only. On account of transport difficulties there was also no certainty of getting the supply from Bombay.

As good gum was not then available in large quantity the quantity offered by each supplier, at the cost he was willing to part with his ~~sto~~ stock, was purchased. The question of inviting competitive quotations did not therefore arise.

The question of recovery of the difference in cost from Mr. Sathathullah saheb was not possible as he evaded execution of the agreement for 1943-44. The forfeiture of security deposit and debarring him from future contracts were the only punishment that could be inflicted on him under the circumstances.

ff7-9 ante

(b) The rate quoted by Messrs. S.D.Rajarathnam was the controlled rate fixed by the Controller General of Civil Supplies for imported stationery under the Hoarding and Profiteering Prevention Ordinance. Invitation of quotations therefore was out of the question, especially when only one individual firm responded to the tender call.

As intending tenderers are informed in para 2 of the tender notice itself that standard samples of the articles referred to in the schedule may be inspected at the Stationery Office, Guindy, it is not usual to give details about makes and quality in the list of articles appended to the tender notice.

Tracing cloth is stocked usually in two widths viz.36" and 24" But during the war due to nonavailability of stock 30", 40" and 42" were also purchased and supplied. During 1944-45 the consumption under tracing cloth was as shown under:--

36" wide	..	2132	yards.
30" "	..	316	"
24" "	..	1059	"
40" and 42"	..	Nil	
Total		3507	Yards.

Continued.....

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whereas the purchase was 2784 yards in 36" width only. If the total consumption in all widths of the tracing cloth is taken into account the opening balance on 1-4-1944 viz.,3587 would have been reduced to 80 yds.by the end of 31-3-1945.

12

The average of 3 years issues under tracing cloth is 3980 yards as per details given below:--

		Issues for 42-43	43-44	44-45.
36" wide	yds.	1932	2688	2132
24" "	"	312	947	1059
30" "		1283	480	316
40" "		790	----	----
		4317	4115	3507

Total Yds.11939.

Average for one year 11939/3 = 3979 ⅔ yds. or 3980 yards.

The opening balance of tracing cloth on 1-4-44 was as under:--

36" wide.	Yds. 3587
24" "	2876
40" "	....
30" "	670
	7133

Taking the average issue for a year viz., 3980 yds., the balance available for issue during 1944-45 would have been only 3153 yds. or 1000 yds. short of the requirements for the year. Considering the growing demands of the P.W.D. and the non-availability of the cloth on account of War, it was necessary to lay in some stock. Further no purchase of this article was made in 45-46. The stock of this article on 1-4-46 was as under:-

30"	91 yds.	40"	.. 2 yds.
24"	426 "	36"	.. 1438 "

Total 1957 yds.

Unless the supplies expected for 1946-47 are fully received, the demands of the year could not be met with, inspite of the apparent overstock in the past complained of in the audit.

As during the war there was no imports from foreign countries, articles available in India from all sources had to be collected and stocked.

f9 ante

ff5-6 (H)

(c) In para 2 of G.O.Ms.No.1472 Edn., dated 27-7-1946, copy communicated to the Accountant-General through Finance Department, Government Approved the purchase of strawboards from Messrs.~~Fra~~ Parasra Jethanand at Rs.48/- per cwt.

ff9-11 ante

V. The allocation of paper for the Madras Government by the Paper Directorate includes the quota for Messrs. Hoe & Co., for printing work to be done for quasi-Government institutions viz., Local Boards and Municipalities. The orders on the paper mills, on behalf of Messrs. Hoe & Co., are placed by this office. As the supply intended for the Company did not arrive in time, a loan of the paper had to be advanced for printing codal forms and registers, for Local Boards and Municipalities, ordered by the Examiner of Local Fund Accounts. The Examiner will be addressed regarding recovery of the difference in cost of the paper. As the supply of paper was only on loan and not on sale, the collection of centage charges does not arise.

P.T.O.

p.11 ante

p.50-Rk119

p.51- do

VI. During the quarterly verification of stores by the Storekeeper, contemplated in rule 189 of the Stationery Manual Volume I (which has to be done in the issue season), issues and receipts cannot be suspended, as in the case of the annual stock-taking referred to in rule 195 of Stationery Manual Volume I. Further in the case of articles accounted for by weight and measurements, issues have to be made in the presence of the packers or representatives of the local indenting officers. For ~~watn~~ want of space in the present stationery stores building the quantities required for issue cannot be separated from the main stock and kept apart for issue when the packers go to the respective sections for taking delivery of the articles. It is therefore found difficult to arrive at the correct excess and deficiency during the quarterly verification by the Storekeeper. This practical difficulty will continue until the Stores remain at Guindy. Endeavours will, however, be made to conduct the verification as far as possible.

M. Karamatullah
13/11/46

13.11.46

12/11/46

SUPERINTENDENT OF STATIONERY.

Copy to: The Accountant-General, Madras with reference to No.33-F-o/A-28/45-46/298 dated 10-7-1946.

p.11-14 ante

Sd/- M.Karamatullah.

SAS/12.11. SUPERINTENDENT OF STATIONERY.

12.11.46

E.P.H. Dept
C2

The G.os required for the disposal of the case are called for from the Records. They may be awaited till 22.11.46

16/11/46

18.11.46

The G.os have not yet been received from R.O. They have been reminded again. May lie over till 6.12.46

26/11/46

7.11.46.

G.O. No. 432 Edn d 1-3-46 required for the disposal of this case is put up in another file submitted separately. This may lie over till the G.O is available. L.o. till 12.12.46

6/12/46

8/12/46

The G.o required for the disposal of this case is not yet available. This may lie over ~~till~~ till 16-1-47.

18/12/46

20/12/46

18/12/46

The G.o's have not yet been ~~received from~~ available ~~R.O. They have been reminded again.~~
May lie over till 28-1-47

16/1/47

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43 / 27/3

20-7-47

21

E.P.H. Dept
C2

pp1-13 cf C No 37512 C2/46 – From the A.G., letter No O.A. 33.F.28/45-46/298 d. 10.7.46

pp17-20 cf " 69927 " From the S of S, letter No A1.2992/46 d. 11.11.46

Subject

Stationery Dept – Audit Reports for 1944-45

L.D.:

D.P.
26/3

Memo No 37512 C2/46-4 Edn dt. 26-3-47.

pp5-9 cf

The attention of the S of S is invited to Para IV of the Audit Report and his reply thereto Re: the supply of gum and the purchase of tracing cloth and he is requested to furnish the following further information:—

p18 cf

(1) Supply of Gum:— Though the contractor evaded execution of the agreement for 1943-44 the S of S is requested to state whether a suit for the recovery of the amount will not lie against him; ~~and~~ and whether this aspect was considered by him in consultation with the Govt Solicitor

p18 cf

(2) Purchase of tracing cloth:— The 'controlled price' for ~~the~~ an article is the maximum that can be demanded and

2/2

there is no bar to competitive prices below that rate being offered by intending tenderers, The Sofs is requested to state why it was held that invitation of quotations therefore was out of the question p18.4

22/3/47

26/8/47

To

The Sofs

28/3

From: N.S.Arunachalam,Esq.,OBE.,ICS.,
Superintendent of Stationery,
Madras at Guindy,
Madras.15.

To
The Secretary to Government,
Education and Public Health
Department, Madras.

24 AUG 1947

23

No.A1.2992-46. dated 13th August 1947.

Sir,

Stationery Department - Audit report for 1944-45 -- Government Memorandum No.37512-C.2/46-4 dated 26-3-47.

****

67859

As a written agreement, which was not concluded with the contractor, was considered a pre-requisite to the legal enforcement of the terms thereof, the question of instituting a suit was not examined and reference to the Government Solicitor was not thought of. Moreover, it was considered that the non-fulfilment of the contract was due to conditions beyond the control of the contractor, as already stated in my letter No.A.1.2992/46 dated 11-11-1946, and a strict enforcement of the terms, under the conditions then prevailing in the market, would have deterred other contractors from offering supplies at a particular rate throughout the year when great difficulty was being experienced in the procurement of stationery. Now, ~~the~~ three years have lapsed since the period of contract in question. The forfeiture of security deposit and debarment from future contracts, which were ordered already, were considered sufficient in the case.

p18 cont.

2. It was already mentioned that there was only one firm who quoted for tracing cloth in response to the tender call and that the quality offered by the firm was unsuitable. The poor response to the tender call, was an indication of the scarcity of the material in the market. When an offer of suitable quality was received, it was accepted, as any delay in the acceptance thereof, would have involved the non-availability of the article at a later date, when the demand from the Public Works and other departments were great, owing to various new projects. Moreover, when the controlled price of an article had been notified, it would have been far fetched to anticipate its availability at a lower rate, especially in the case of a commodity of special make, the tender for which was not adequately responded to, just about three ~~year~~ months before the acceptance of the offer.

M. Siddique
22.8.47.

S. for Superintendent of Stationery.

24

25

E.& P.H.Dept.(C2).

Order Ms. No. 316 Edn. dated 18/2/48.

Subj:- Stationery Department - Audit report for 1944-45 - Recorded with remarks.

C.No.37512/46 Read:- From the A.G. No. A.33 f-28/45-46/298 dated 10-7-46.

" 69927 From the Supdt. of Stationery, No. A.1.2992/46 dated 11-11-46.

" 67859. -do- -do- No. A.1.2992/46 dated 13-8-47.

14 15

96 18/2

Recorded.

2. Para I of the Report:

Item (i).- The Supdt. of Stationery is requested to rectify at ~~once~~ an early date the defects in the maintenance of the various registers brought to notice by the Accountant-General in the audit notes of 1941-42, 42-43 and 43-44.

Item (ii).- The Acctt. General has pointed out that bills have not been issued for many items for want of the ~~concer~~ned indents duly acknowledged. The Supdt. of Stationery is requested to follow the ~~following~~ procedure set out below to avoid a recurrence of this defect pointed out repeatedly by the A.G.

(1) If an indent is not received back within a reasonable time, a provisional bill should be prepared ~~fmmxthm~~ from the issue registers and sent to the officer concerned for compliance at the same time reminding him to return the indent duly acknowledged without further delay.

(2) Two special reminders at the end of ~~every~~ a week each should be sent to the officer concerned for the return of the indent duly acknowledged allowing a period of 10 days after sending the provisional bill referred to in item (1) above.

(3) After that, further issues of stationery should be stopped till the indent is received back duly acknowledged, and ~~(4)~~ the matter should be brought to the notice of Government.

The Superintendent of Stationery is ~~also~~ requested ~~t~~ to offer his remarks on the A.G's ~~remarkxthmxthmt~~ suggestion that para 177 of the Stationery Manual needs revision consequent on the orders in G.O. No.849, Education, dated 5-6-45.

The Supdt. of Stationery is requested to give details for the items still pending recovery in respect of the transactions

transactions relating to 1944-45, and the reasons for their non-recovery so far. p 2 N.F.

3 **Para II of the Audit Report:**

A copy of the remarks of the Supdt. of Sty. is communicated to the Accountant-General. p 3 C.F. & p 2 N.F.

4 **Para III of the Audit Report:**

(a) and (b). Delay in execution of agreements by successful tenderers.- A copy of the remarks of the Supdt. of Sty. is communicated to the A.G. p 3 C.F. & p 2 N.F.

5 **Para IV of the Audit Report:**

(a) and (b). Supply of gum and purchase of tracing cloth.- The explanation of the Superintendent of Sty. with which the Govt. agree is communicated to the A.G. p 5 C.F. & p 2 N.F.

(c). Supply of straw-boards.- The attention of the A.G. is invited to G.O.No.1472, Education, dated 27-7-46. p 9 C.F. & p 3 N.F. (11)

6 **Para V of the Audit Report:**

The remarks of the Supdt. of Sty. are communicated to the A.G. p 9 C.F. p 3 N.F.

7 **Para VI of the Audit Report:**

The explanation of the S.of S. with which the Govt. agree is communicated to the A.G. p 11 C.F. p 3 N.F.

K.O.B. 3.2.48
4.2.48

5/2/48

6/2/48

To

The Supdt. of Stationery
Madras.

" Acctt.General.
(with enclosures)
(copy of pp.17-18-19
and 23 c.f.)

1 Spare copy.

Desptd
20/2/48

Eco. Dept
C2

pp 1-13 c.f. C.No. 37512 C2/46 - From the A.G., letter No. O.A.33 f 28/45-46/298 d. 10-7-46.

pp 17-20 c.f. " 69927 - From the S.of S., letter No. A1.2992/46 d. 4.11.46.

Subject

Stationery Dept. - Audit Report for 1944-45.

The audit report of the accounts of the Stationery Office for the year 1944-45 is on pp 2-13 c.f. and the replies thereto of the S.of S. are on pp 17-20 c.f. They are examined below.

Para I of the Audit Report on p2 c.f. and the reply of the S.of S. thereto on p17 c.f.:-

Item (i):- The S.of S. reported in another connection on 17-12-46 that the replies to the audit notes for 43-44 are under preparat and the other notes will be taken up early - 42-43 first and 41-42 afterwards. He is being reminded to report the stage in which the matter stands at present. The matter will b pursued in that case. The S.of S. may however be asked to rectify at once the defects in the maintenance of the vari- registers brought to notice in those audit notes. W

p2 c.f. Item (ii):- The A.G. points out that bills have not been for many items for want of the concerned indents duly a -ledged. He suggests that if an indent is not received b within a reasonable time, special action may be taken t it back and the question of issuing a provisional bill co The S.of S. has not replied to this point raised by the A. In the previous audit report for the year 1943-44 also, the factor was noticed and provisional bills were issued by th S.of S. after the defect was pointed out by the A.G. - vide portio (X) marked 'A' on p 21 c.f. of G.O. No. 439 Edn. d. 1-3-46. It appears necessary now to lay down the following specific procedure to avoid a recurrence of this defect pointed out repeatedly by the A.G. in hi audit reports:- W

(i) if an indent is not received back within a reason time, a provisional bill should be prepared from the issue and sent to the Officer concerned for compliance at the time reminding him to return the indent duly acknowled without further delay;

transactions relating to 1944-45, and the reasons for their non-recovery so far. p 2 N.F.

3 **Para II of the Audit Report:**

A copy of the remarks of the Supdt. of Sty. is communicated to the Accountant-General. p 3 C.F. + p 2 N.F.

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(a) and (b). Supply of gum and purchase of tracing cloth.- The explanation of the Superintendent of Sty. with which the Govt. agree is communicated to the A.G. p 5 C.F. + p 2 N.F.

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7 **Para VI of the Audit Report:**

The explanation of the S.of S. with which the Govt. agree is communicated to the A.G. p 11 C.F. p 3 N.F.

KOB 3.2.48
CRA 4.2.48
O.M. 5/2/48
W 6/2/48

To

The Supdt. of Stationery
Madras.

" Acctt.General.
(with enclosures)
(copy of pp.17-18-19
and 23 c.f.)

1 Spare copy.

Despatched 20/2/48

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pp 1-13 c.f. C.No. 37512 C2/46 – From the A.G., letter No. O.A.33.f.28/45-46/298 d. 10.7.46.
pp 17-20 c.f. " 69927 – From the S.of S., letter No. A1.2992/46 d. 11.11.46

Subject

Stationery Dept – Audit Report for 1944-45.

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Item (i):– The S.of S. reported in another connection on 17-12-46 that the replies to the audit notes for 43-44 are under preparation and the other notes will be taken up early – 42-43 first and 41-42 afterwards. He is being reminded to report the stage in which the matter stands at present. That matter will be pursued in that case. The S.of S. may however be asked to rectify at once the defects in the maintenance of the various registers brought to notice in those audit notes. W

p 2 c.f. Item (ii):– The A.G. points out that bills have not been issued for many items for want of the concerned indents duly acknowledged. He suggests that if an indent is not received back within a reasonable time, special action may be taken to get it back and the question of issuing a provisional bill considered. The S.of S. has not replied to this point raised by the A.G. In the previous audit report for the year 1943-44 also, this factor was noticed and provisional bills were issued by the S.of S. after the defect was pointed out by the A.G. – vide portion marked 'A' on p 21 c.f. of G.O. No 439 Edn. d. 1-3-46. (X) It appears necessary now to lay down the following specific procedure to avoid a recurrence of this defect pointed out repeatedly by the A.G. in his audit reports:– W

(i) if an indent is not received back within a reasonable time, a provisional bill should be prepared from the issue register and sent to the Officer concerned for compliance at the same time reminding him to return the indent duly acknowledged without further delay, 28

(2) ~~A couple~~ Two of special reminders, ~~every~~ at the end of a week last should be sent to the Officer concerned for the return of the indent duly acknowledged allowing a period of 10 days after sending the provisional bill referred to in item (1) above.

(3) [illegible] Further issues of stationery should be stopped till the indent is received back duly acknowledged &

(4) The matter should be brought to the notice of Govt. if all the above procedure fails to get back the indent duly acknowledged or if there is undue delay in payment of indents.

Another point raised by the A.G to which the S of S has not given a reply is the revision of para 177 of the Stationery Manual consequent on the orders in G.O. No. 849 Edn d. 5.6.45. The S of S may be asked to report on this.

p 2 cf
p 48 - BK 119
pp 1-2 cf

In respect of items still pending recovery, those relating to the years 1941-42 to 1943-44 inclusive are being pursued in a separate file. Details for the items pending recovery in respect of the year 1944-45 and the reasons for their non-recovery so far may be called for from the S of S.

pp 2 & 17 cf

Items (iii), (iv) & (v) :- The explanations of the S of S against these items in the audit report may be accepted.

pp 2 & 17 cf

Para II of the Audit Report on p 3 cf and the reply of the S of S thereto on p 17 cf :-

No remarks are called for

Para III of the Audit Report on pp 3-5 cf and the reply of the S of S thereto on pp 17-18 cf :-

(a). Delays in execution of agreements by successful tenderers :-

Please see the notes against item (c) on p 3 cf and orders in para 3 of G.O. No. 439 Edn d. 1-3.46 against the same subject for the year 1943.44. The explanation of the S of S may be communicated to the A.G.

(X) p 25 cf
p 18 cf

(b) :- The explanation of the S of S may be communicated to the A.G.

p 18 cf

Para IV of the Audit Report on pp 5-9 cf and the reply of the S of S thereto on pp 18-19 cf :-

[illegible]
Last sheet pls. may be traced

E.P. Hc2

Last sheet is missing. Attempts are being made to trace it.

14/9/48

14-9-48

Not yet [illegible]

17