

Education (1949) Department.

Ms. SERIES.

G.O. NO. 1680 Education

Dated 24.5.1949

Closed

58

[Despatch Abstract.]

Stationery dept - Audit report for 1945-46

Recorded with remarks -

Back Papers.

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

Further Papers.

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

No.O.A.33.F.24/46-47/14

Office of the Accountant General
Fort St., George, Dated 2nd May, 1946

To

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

Sub: Report on the inspection of the accounts of the
Government stationery office, Madras for
1945-46.

Sir,

I have the honour to forward herewith a report on the audit of the accounts of the Government stationery office, Madras for 1945-46, and to request that the orders thereon may kindly be communicated to this office in due course. The orders of Government on the audit of the accounts for the year 1944-45 have not been communicated and they are awaited.

In this connection a reference is invited to para XXIII of the Audit Report regarding the delay in furnishing replies to the Appendices to the Audit Reports for the years 1941-42, 1942-43, and 1943-44. The delay was also pointed out to Government in para 1 of this office letter No. O.A.33 f 28/45-46/298 dated 10-7-46.

2. The general state of accounts was generally satisfactory.

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

YICK
3/5

2
Superintendent of Stationery, Madras.

14. The minor defects noticed during audit have been included in an audit note sent direct to the Superintendent of stationery for necessary action.

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

KS.

W. S. Rajaguru
3-5-47
Examiner, (Outside Audits).
W. S. Rajaguru

24-6-47

15-7-47
C.No. 38707- From the A.G. Madras. letter No. O.A. 33. F. 34/46.
dt. 5-5-47.

Subject

Stationery Dept - Audit Report for 45-46 -

Memo: - 38707 Cr/47-1 Edw dt. 12-5-47.

The attention of the S.O.S is invited to the report on the audit of the accounts of the Stationery Office for 1945-46. (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.

20
He 8 of 8

Set 1/3/47
9/5/47

10/5/47

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.

No.A.1-6823/47

Dated 13-11-47.

Sir,



Subject: Stationery Office-Accounts for 1945-46-Inspection
by the Audit Department-Report on-Remarks
submitted.

Ref: Government Education and Public Health Department
Memo No.38707 C.2/47-1 Edn. dated 12-5-47.

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

Para I (a) and (b): Receipts for cash or cheque received
from 1-1-47 are being regularly issued now.

Para II: The delay in the issue of bills for stationery
supplied by this office is due to want of sufficient particulars to
fix the issue rates for the articles, for the preparation of the price
list within the period fixed in rule 155 of the Stationery Manual
Vol.I. Delay occurs in the preparation of the price list for the
following reasons:- The rates for the various kinds of paper allocated
from the Mills are not communicated at the beginning of the financial
year. A period of about 3 months lapses before the tenders for the
miscellaneous articles are settled. Even after the settlement of the
tender, there is some delay in the actual supply of the articles. In
the case of articles which are not quoted free delivery Stationery
Stores, the incidental charges borne to get the material to the store
should be taken into account in addition to the contract rate for the
purpose of fixing the issue rate of such articles. This can be done
only when the goods are actually received and charges incurred.
Preparation of provisional bills at the previous year's rates and
supplemental bills later on will be a waste of clerical labour as the
preparation of a correct bill, though belated, will answer the require-
ments in most cases. The delay in the issue of bills for supplies
made is thus inevitable and cannot be avoided under the existing
system of fixing issue rates and the difficulty and delay in the
procurement of stationery.

Para III: In their Memo No.1402-K/47-2 Revenue dated
9-4-47, the Government have sanctioned the levy of sales tax on the
sale of stationery to other Governments including the Central
Government and other non-Government concerns. Sales tax is being
levied on such sales from 1-4-47.

Para IV: The difficulties experienced in getting the
agreements executed within the stipulated time were stated in
reply to para III of the report for 1944-45. However, all efforts
being made to minimise the delay in getting the agreements executed.

Para V: Noted. Such omission will be guarded against
in future.

Para VI: Supplemental bills have since been sent in the
case of short collections. Excess recoveries made will be adjusted
by short collection in subsequent bills.

Para VII (a) (i): The figure 1,00,000 lbs. is presumably
a typographical error for 10,000. As the goods were put on board
on 30-3-46 i.e. within the period of contract, the company should
be technically deemed to have delivered the goods at Bombay within
the period of contract, as the quotation was F.O.R. Bombay. Hence
payment was made at the contract rate for 1945-46. The rate for

P.T.O.

Stationery Dept. Audit Report for 1945-46

EXP. 11/47

Ref: Govt Memo No. 38707 C.2/47-1 Edn. dated 12-5-47
and E.A.D. 1474) and 23.7.47

Memos 38707-24 (C.2) 29/7

The attention of the S of S is invited
to the report issued above and he is requested
to expedite his reply

1000
25.8.47

SM
1/9/47

Depo
1/9/47
To the S of S

for 1946-47 cannot be enforced against the company.

VII (a) (3): The matter is under consideration.

VII (a) (2) and (b) (2): The Government solicitor is being consulted in the matter.

(b) (1): On account of transport difficulties which existed at the time and on account of elections, it was thought expedient to lay in a stock of this article of every day use intended for supply to all officers.

VIII(a): The goods were first despatched by the company on 17-3-46 i.e. within the period of contract. As this supply was not as per accepted sample, the company was asked to replace the quantity. The order for replacement cannot be deemed to be a fresh order. As the goods were first supplied before the expiry of the period of contract, payment was made at the rate for 1945-46.

(b): The question of recovering the amount is under consideration.

IX (a): As regards items (1) to (3) and 6 and 7, the rates referred to by the auditor applied to transactions between one dealer and another. In all other cases the retail selling price applies. The Superintendent of Stationery is not a dealer but a consumer. Hence the rates paid are within the controlled rates payable by a consumer.

Items (4) and (5): These items were accepted against the quantity due on the contract for '44-45, the rates for which were agreed to in March 1944. In the tender call for pins for the year 44-45, only one person quoted for the article which was found suitable, thereby indicating the scarcity of the material in the market. On account of the great difficulty experienced in the procurement of stationery articles during the war, it was thought desirable to accept the supplies made. As the supplies were taken against the settled contract, the question of enforcing controlled rate of a later date cannot arise in this case.

(b): When maximum selling prices were not fixed by the Government of India, purchase had to be made only at the rates at which the goods were offered. As already pointed out above, the period covered by the audit is one when great difficulty was being experienced in getting the articles. It is therefore considered not justifiable to enforce any price that may be fixed by the Government of India now in respect of supplies made at the time when prices were not notified.

X: Purchase of Ink glasses: The 500 dozens of ink glasses supplied in May 1946 is in respect the additional order placed in January 1946 and hence the rate for 1945-46 is alone applicable.

XI There is great difference between the quality of the supplies for 1945-46 and 1946-47. Hence, there is difference in price. As the supplies were made against the contract for 1945-46, the agreed rates for the year were paid.

XII: The 4467 bottles of ink supplied by the company in 1945-46 were in substitution of the quantity supplied by them in 1944-45, which was rejected. They were allowed a fixed time limit to make replacement. The quantity supplied by them within the time limit was paid for at the rate for 1944-45, subsequent supply being paid for at the rate for 1945-46.

XIII: The period in question was one when great difficulty was being experienced in the procurement of the articles. Hence, it was thought desirable to purchase articles when available.

XIV (a): In the appendix to the G.O.No.835 Edn dated 31-5-41 it has clearly been laid down that the issue rates fixed should not include any departmental charges. In connection with the question of the levy of departmental charge on indents complied with on payment of cost, it was suggested in this office letter A.L.7424/40 dated 8-12-41 to the Accountant General that 20% over the purchase

purchase rates may be charged and this has been approved by Government in Memo No.24792 B-13/41 dated 27-1-42.

(b) The price list was prepared on the basis of the rates available at the time of its preparation. The final rates were available only long after.

XV: The paper is taken into stock in reams after a test check as regards the quantity and quality of paper, as per rule 167 of Stationery Manual Volume I. As no case of variation in weight beyond the permissible limits has occurred so far, the fact of the test check made, is not recorded in the Committee Book. Payment is made by the Controller of Supply Accounts, New Delhi and not by this office.

XVI (a): It is reported to Government that the damaged and unserviceable articles will be separated from the main stock and disposed of in auction or made use of to the best advantage and this is approved by Government every year. Hence, it is considered unnecessary to formally write off the value of such articles.

(b) The unserviceable stores were auctioned on 27-3-47.

(c) As the duration of location of this office in the present buildings was uncertain, it was not thought advisable to invest on expensive equipment for the preservation of the stores in the temporary building especially when the permanent Stores Building specially built for the purpose has all the necessary equipment. However, all efforts are being made to minimise damage by keeping the stores on wooden horses purchased from the Jail Department and stacks made by the office carpenter and by using naphthalene balls and D.D.T. solution to prevent ravage by insects.

XVII: During the period of the war, articles were purchased when available as there was difficulty in getting articles when real need arose. In future, purchases will be regulated to meet the actual needs.

XVIII: The Deputy Director of Ordnance Factories, Delhi is being consulted in the matter.

XIX: The quarterly verification of the stores prescribed in rule 189 of Stationery Manual Vol.I presents great difficulty for want of adequate space to keep stocks under issue separately from the main stock. This difficulty will continue as long as the stores remain in the present buildings at Guindy. The suggestion of the auditor to record the issues not separated from the main stock in a separate book to facilitate verification is not workable in practice. It is therefore suggested that a regular verification of stores during each quarter as per rule 189 of Stationery Manual Vol.I may be dispensed with so long as the stores remain at Guindy. However a surprise test check of stock of a few items in which large transactions occur will be conducted by the Store Keeper as often as possible.

XX: The cost of the articles is debitable to 64-Miscellaneous Expenditure connected with war as per Government Memo P.W.D.2400 A/43-1 dated 19-8-43. There is no specific direction in the Government Memo that the cost should be recovered. Hence the supply was made free of cost and charged to Mis. departments in the departmental registers maintained in this office.

XXI: Stencil paper is an article which is subject to quicker deterioration depending upon the climatic conditions and as such an elaborate enquiry into the cause of the damage is considered unnecessary. As rule 192 of Stationery Manual Vol.I empowers the Assistant Superintendent of Stationery to condemn and set apart for auction the articles unfit for issue, a formal writing off of their value is considered unnecessary. Moreover, the stencil papers were returned by several officers at different times and total value of the stencil paper returned in a year cannot be taken to determine the authority competent to write off its value.

XXII: The expenditure incurred out of the permanent advance in the months of April 46 and May 46 is Rs.139-9-4 and Rs.243-4-9 respectively and not Rs.80/- and Rs.124/- as pointed out in the audit report. During the period from 1st April '47 to the end of October 47, the highest expenditure was in April '47 viz.Rs.207-8-3. The permanent advance is intended to meet sudden emergent expenditure also which cannot be foreseen in addition to the normal expenses of the office. Packing materials have to be purchased from the market by paying ready cash which has to be met from the permanent advance, as the dealers are unwilling to supply the materials without immediate payment. It can also be seen that the expenses have reached to about Rs.250/- in May '46. The average expenditure cannot therefore be taken as a guide to determine the amount of permanent advance necessary. Hence, it is considered undesirable to reduce the amount which was fixed long ago.

XXIII(a): Action will be taken in the matter.

(b) The circumstances under which the maintenance of the register of loan machines was discontinued were explained in this office letter No.A.1.2992/46 dated 11-11-46 in reply to the audit report for '44-45. The tracing of the course of each of the machines during the last five years involves a reference to several files and this work is not capable of being attended to by the clerks now working in the section who are already overworked on account of the large volume of current correspondence to be dealt with as a result of the huge number of machines purchased every year. It is considered that a proper maintenance of this register will involve work requiring a clerk exclusively at least for a period of three months. It is proposed to address Government for additional staff to cope with the increase of work in the several sections of the office and the work will be taken up as soon as the additional staff becomes available.

BM.17

N. S. Anurachalam
19/11/47
Superintendent of Stationery.

Stationary Defaulment - Audit Report
1945-46

From the S of S. No. A-1.6823/47 dt 13.11.47

Memorandum 38207-4 C. S. D. 26-7-47

The attention of the S of S is invited to this letter read above and he is requested to report about the steps in which the matter stands in regard to the items noted below:-

Item VII (a) (3),
Item VII (a) (2) and (4) (2)

and

60

Item VIII (b)

DM
24/2/48

10702

To ~~Ref~~
The C of S

~~75~~
~~18~~

1460

CW 92055

7

Stationery Department - Asset Report
1945-46.

From the S/S no A-1. 6823/438 13/11/47

Memorandum no 38707.5/185
17-12-47

The attention of the S/S is invited
to his letter read above and he is
requested to report to point the
stage at which the matter now
stands - in regard to the items
noted below

(1) Item VII (a) (3)

12

Item VII (a) (2) and (b) (2),
and Item VIII (b) (1)

1472

The SFS is informed that the matter
has been pending for a long time and he
is requested to expedite his reply.

KAB
65148

JP
7/5/48

To ✓
The SFS

SFS
4/11/48
24-5-48

WMS

20/15/6

Cto. 92055.

To ✓
The SFS.
18.6.48

13
Stationary - Department. Audit report - 1945-46
E.P.H. (C2)

From SFS. no A1. 6823 /47 D 13.11.47.

Memo. no 38707/49-EDN. C2 D 15.6.48

The attention of the Gov. G. is invited to his
letter read above and he is requested to
report to Govt. the stage at which the matter
now stands - in regard to the items noted below.

(1) Item VII (a) (3) (2) Item VII (a) (2) and
(b) (2) and (3) Item VIII (b).

(2) The Gov. G. is informed that the
matter has been pending for a long time and
he is requested to expedite his reply soon.

JP
12/6/48

WMS
15/6/48

From
The Superintendent of Stationery,
Madras at Guindy,
Madras.

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

A.1. 6823-47 dated 14-6-48.

Sir,

Stationery Department- Audit Report 1945-46.
Govt. Memo No. 38707-5/47 C.2 Education dated the
18th May 48.

With Reference to the memo quoted above, it has to
be stated that the subject matter of the items mentioned in the memo
has been referred to the Government for orders in this office No.
B.4. 3468/48 dated the 5th January 48. This fact was brought to the
notice of Government in reply to the reminder Memo No. 38707-4 C2
Education dated the 26th February 48. The reply was returned in original
with endorsement No. 38707 -5C-2 Education dated the 19th March 48
stating that the matter is under consideration. This office reminder
on the subject for early orders No. B.4. 3468/48 dated the 17th March
48 was also returned in original with endorsement No 21866-1-C2 Education
dated the 1st April 48 stating that the matter is under consideration.
In the circumstances stated, it is submitted that further action in
the matter can be taken only after receipt of orders from Government.

ARG 14.

D. Subbarayasastri
for SUPERINTENDENT OF STATIONERY.

16

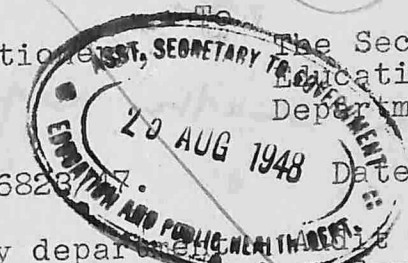
E Pu
C2

The matter refers to an
order on order in the
line file. May be one till a
decision is arrived on the top file.

JP
14/48

mm
16/12/48

From The Superintendent of Stationery, (Madras) at Guindy, Madras.15. To The Secretary to Government, Education and Public Health Department, Madras.



No.A.1.6823/47. Dated: 18/8/48.

Sir,

63167

Sub: Stationery department report for 1945-46 -
Ref: Government E & P.H. memorandum No.38707-C2/47-1 Edn.,
dated 12-5-47 and my No.A.1.6823/47 dated 13-11-47.

I request to be informed when final orders of the Government may be expected on the audit report for 1945-46.

PK

PK.20/8.

D. Subbarayasastri
for Superintendent of Stationery.

18

From
The Superintendent of Stationery,
Madras at Guindy,
Madras 15.

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

No.A.1.6823-47 dated 16-9-48.



Sir,

STATIONERY department - audit report for 1945-46.
Government Education & Public Health Memo No.38707 C.2/47-1
Edn. d/ 12-5-47, my No.A.1.6823-47 d/13-11-47 and reminder
thereon dated 18-8-48.

71747

In inviting the attention of the Government to the
correspondence mentioned above, I request to be informed when final
orders of the Government may be expected on the audit report for
1945-46.

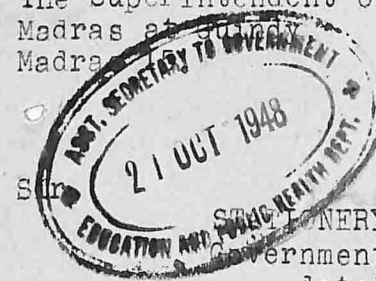
KV.20

D. Subbarayasastri
for Superintendent of Stationery

20

From
The Superintendent of Stationery,
Madras 81
Madras

To *cn/02* *21*
The Secretary to Government,
Education & Public Health Department,
Madras.



No.A1.6823-47 dated 13-10-48.

77698
STATIONERY department audit report for 1945-46.
Government Education & Public Health Memo No.38707-C2/47-1 Edn.
dated 12-5-47 myd No.A1.6823-47 d/13-11-47 and reminders
thereon d/ 18-8-48 and 16-9-48.

In inviting your attention to the correspondence mentioned above
I am to enquire when final orders of Government may be expected in the
matter.

10/10/48
KV.14

Q. on 10/10/48
plumb
D. Subbarayasastri
for Superintendent of Stationery

22

Pl issue today
Adm
22/10/48

E.P.H.C.

Memo 38707 c2/47 - 17 d 27.10.48

Sub: - Stationery Dept. Audit Report
1945-46

Ref: - From the S of S. A/6823/47 d 13.10.48

The S of S. may be informed
that the matter is under careful
consideration of the Govt

Adm
22/10/48

Adm
27/10/48

To The S of S

Pl issue
Adm
24/11/48

20/11/48
23/11/48

Action 1. 20/11/48
23/11/48
3 of the sections
notes

Adm
27/11/48

To the A.G.
(with encl. 5)

Adm
27/11/48

Draft 13-12/48 E.P.H.C.

Memo 38707 c2/42 - 8 d 24.11.48

Sub: - Stationery Dept - Audit report
for 1945-46

Ref: - From the A.G. O.A 33 F. 24/46-47/14
d 5.5.48

From the S of S A/6823/47 d 13.10.48

Para II of the Audit report: - A copy
of the report of the S of S on this is
forwarded to the A.G. In G.O. No 310
d 18.2.48 instructions were issued
to the S of S to remedy the defects
complained of. The S of S has now
expressed ^{himself} against the practice of
preparing provisional bills for the reasons
stated there in. The A.G. is requested
to state whether he agrees with the
view of the S of S.

Adm
19/11/48

Adm
23/11/48

by
Adm

P.O.

256 ✓
Memo 38707 c²/47 - Edu d
Sub: - Same as overleaf

F.P.H.c²

Ref: - same as overleaf.

The S of S is requested to offer his remarks to para VII b (3) of the Audit report

70 The S of S.

Adx
19/11/48

Draft 11 (14) 25
Memo 38707 c²/47 - 9 Edu d 24.11.48
Sub: - Stationary Dept - Audit Report for 1945-46

Ref: - From the A.G. O.A. 33F.24/46-47 /14 d 5.5.47.
From the S of S A/6823/47 d 13.11.47

21
5/11
part of the section notes

p 18 of the section notes

The S of S is requested to offer his remarks to para VII (b)(3) of the Audit report also.

Para 18 (a) items (4) and (5) of the Audit report: - The S of S has stated that these items were accepted against the quantity due on the contract, for 1944-45, the rates for which were agreed to in March 1944. He is requested to report why these quantities were accepted in the subsequent year when the supplies should presumably have been made within the period of the contract year itself. He is also requested to state whether the rates specified by him for these ~~were or apply to~~ ~~applied to~~ contracts previously settled.

There is anything in the price which was ~~disputed~~ then

For the specification of the article supplies p. 20 of the section notes

Para XI of the Audit report: - The S of S is requested to ~~specify the details to show the difference between the~~ ~~quality of supplies for 1945-46 and 1946-47.~~ He is also requested to report why these supplies which were actually made in 1946-47 be treated as supplies made against the contract.

for 1945-46. ~~when~~ The proper course in this case would have been to enforce the terms of the contract for ^{the} non-supply during the contract year itself

Para XIX of the Audit report:- The S.O.S. is requested to state why exactly is the suggestion of the auditors to record the issues not separated from the main stock in a separate book to facilitate verification, considered unworkable.

22.11.48
J.D.
23.11.48
M.V.
23.11.48

7634 15310
To
The S.O.S.
copy to A.G.
M.V.

Fort St. George, dated the 17th Decr., 1948.

No.O.A.33.f.24/46.47/427.

Enclosures.



S. SRINIVASAN, ESQ.,
Accountant General, Madras.

The Secretary to the Govt. of Madras,
Education & Public Health Department,
Madras.9.

Subject: Stationery Department-Paragraph II of the Audit Report for 1945-46-Delay in the issue of bills.

Sir,

not put up

With reference to Government Memorandum No.38707.C.2/47-8 Education, dated the 24th November 1948, on the subject indicated above, I have the honour to state that while the Superintendent of Stationery has expressed himself against the practice of preparing provisional bills, he has not suggested any amendment to the existing rules so that dues to Government may be promptly recovered. The object of the rules in paragraph 155 and 177 of the Stationery Manual is to ensure that the Stationery stores issued against sale indents are priced promptly, billed for and recovered at the earliest possible date. But it will be seen from paragraphs I(ii) of the Audit Report for 1944-45 and paragraph II of the Audit Report for 1945-46 that there had been appreciable delay in the recovery of the cost of stationery and that the total of such amounts had been growing from year to year. It will be readily admitted that such delays are undesirable and remedial measures should be adopted.

12 (A)

M

If, as stated by the Superintendent of Stationery, it is not possible to prepare the price list by the 1st of April of each year or shortly thereafter, the only other practical course open to Government is to effect provisionally at the rates of the previous year as suggested by this office subject to readjustment later on as soon as a price list is drawn up. This will have the effect of reducing the outstanding dues to Government to a minimum.

A

The extra clerical labour involved is justifiable, having regard to the advantages resulting from this arrangement. The Superintendent of Stationery may be asked to try it for a year after which period the results of the experiment will be examined in local audit and reported to Government.

Yours faithfully,

Prinivon
Accountant General.

tmp/.

E+PH Dept
(C2)

The file relating to the Audit Report for 1945-46 of the Stationery Department was sent to ~~Dept~~ ^{Rev Phd} & Finance Dept. This may await its return. The reply for the S/S may be awaited also.

JP
5/1/49
JP
5/1/49

one
5/1/49

a reply also given

Reminder

78/2
18/2

H 25-26
cf

sub
ms
19/2
To The Supdt of Stationery

Memo No. 38707/47-11^{c2} E+PH Dept (C2)
Sub: Stationery Department
Audit Report for 1945-46
Remarks of the Supdt of Stationery

Read: Gout Memo. No 38707^{c2/47-8}
Edn. dated 24.11.48

The attention of the Supdt of Stationery is invited to the Gout Memorandum read above and he is requested to state when ~~the~~ ^a reply ~~to~~ may be expected. The matter has been pending for a long time.

R
12/2/49
JP
17/2/49

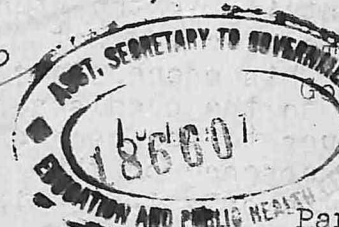
one
18/2/49

From
The Superintendent of Stationery,
Madras at Guindy,
Madras 15.

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

No.A.1.6823/47 dated 27-2-49.

Sir,



STATIONERY department - audit report for 1945-46.
Edn. & P.H. Memo No.38707 C.2.47-9 Education
dated 24-11-48.

Para VII (b) (3). The necessity to purchase gum locally arose on account of the failure of Messrs. Kumar Stationery Mart, Bombay, the contractors for 1945-46 and purchase had to be made at the rates and under the conditions subject to which the offers were made to meet the demands of the indenting officers. Hence the conditions of purchase could not be uniform. The conditions of an offer and its acceptance, depends upon the availability of the ~~material~~ material in the market and the necessity of the person accepting it. These factors were kept in view when accepting supplies under different conditions.

Para IX (a) Item 4. Pins 3/4". No contract for the purchase of pins of this description was entered into for the year 1945-46 as the samples offered were not found suitable. Hence the balance due on the contract of the previous year 1944-45 was required to be supplied in July 1945 and the supply was accepted.

Item 5 Pins 1". The supply was made before the settlement of the tender for 1945-46 and hence accepted. It has to be stated in this connection that the period in question was one when great difficulty was experienced to get supplies and a strict enforcement of the conditions of the contract would have deterred prospective suppliers from offering supplies.

There is nothing in the price notification stating that the prices notified would take effect from a prior date. In the absence of such a specific provision, the notification can be deemed to take effect only from the date of its publication.

Para XI Camel hair brushes. In 1945-46 no one quoted for the brushes. On enquiry locally, Messrs. Dollar Co., Madras, offered to supply the brushes and their offer was accepted only in January 1946 after consultation with the Superintendent, Government Press, Madras regarding the suitability of the samples sent by them. The suppliers had to import the goods from Northern India and they did not get the supplies as anticipated by them due to transport difficulties. In 1946-47 only one firm Messrs. Bombay Stationery House, Bombay quoted for the brushes and samples were called for. In the mean while Messrs. Dollar Company also quoted. The final settlement of the source of purchase was made only in November 46 after consultation with the Superintendent, Government Press. The supply against 1945-46 was received in May 46 ~~for~~ in advance of the settlement of the source of purchase for 1946-47 and in view of the absence of competitive prices being offered the supply was accepted.

Needles three cornered. The accepted rate for 1946-47 is Rs.1-8-0 per dozen and not 1-8-0 per packet of 25. The rate for 1946-47 works out to Rs.12-8-0 per 100 and is higher than the rate at which the payment for the supplies for 45-46 accepted in 1946-47 was made. Hence payment at the contract rate is not irregular.

It is not possible to give details of the specifications of the brushes and needles as the articles were issued and details of the specifications are not available in the relative files.

Para XIX. For the purpose of the quarterly verification required to be done by the store keeper during the issue season, the actual separation of the stock charged in the accounts as issued from the main stock is necessary. Otherwise, the quantity charged in the accounts as issued and not separated from the main stock will have to be ascertained from a large number of entries in the stock book by picking out the items against which the packer has not initialled in token of his having received it. This process has to be done only at the time the store keeper comes to the premises of the section for verification suspending the issues to the packers and local officers who come to receive stores. The absence of the packer's initials against a particular item is the only indication of the article remaining in the main stock and if there is any accidental omission on the part of a packer to initial a particular item, it will lead to a wrong calculation of the book balance and verification with reference to that figure will not be correct. Thus the fixation of the correct book balance with reference to which the physical stock should be verified, while involving enormous clerical labour and time will also not be accurate. An appreciable number of items cannot be checked even for the whole day. Hence the suggestion of the auditor is considered unworkable in practice. It may also be mentioned in this connection that the Government have agreed with the view of the Superintendent of Stationery in regard to the difficulties pointed out in the matter of quarterly verification in G.O. No. Ms. 316 Education dated 18-2-48.

KV.2

for Superintendent of Stationery.

E & P.H. (C.2)

The file has gone up to other departments for scrutiny.
This may lie over till it is returned by them

CR
12/3/49JB
12/3/49JH
14/3/49

Stationery Deptt.- Audit Report for 1945-46 - Recorded with Remarks

Read:

From the A.G.No.OA.33/F/34-46/47-14 d/-5-5-47
" the Supt. of Sty., No-A1.6823/47 dated 13-11-47.
" the A.G. No.O.A.33-24/46.47-427 dated 17-12-48.
" the Supt. of Sty. No.A1-6823/47 dated 27-2-49.

ORDER/MS.No. 1680 dated 24/5/49

Recorded.

2. Para II of the Report. An extract of the remarks of the A.G. in paragraph 2 of his letter No.O.A.33.f.24/46-47/427 dated 17-12-48 with which the Govt. agree is communicated to the Supt. of Sty., The Supt. is requested to try the arrangement proposed by the Accountant-General for a year.

Para IV of the Report. An extract of the remarks of the Supdt. of Sty. is communicated to the A.G.

Para VII (a) The explanation of the Supdt. is accepted.

Para VIII(a) The attention of the A.G. is invited to G.O.2000 Edn. d/13-8-48.

Para X of the Report. The Supt. of Sty. is requested to take steps to recover the excess amount Viz. Rs.242-5-0 paid to the supplier at the rate.

Para XII. The Suptd. of Sty. is requested to state whether the agreement with Messrs. Khadai Ribbon Carbon and Allied Industries, Bangalore, provides for the grant of extension of time after for replacement and if not why an extension of time was given, if the agreement did not contemplate it.

Para XIV(a) of the Report. The Govt. agree with the views of the A.G. that the existing system of valuation of stores will continue till the restoration of normal conditions and the shifting back of the office from its present location to its original place, and that the orders issued from time to time indicate that no change was authorised by Govt. in the levy of departmental charges under rule 155(b) and (c) of the Madras Sty. Manual Vol.I and that the levy

of percentage charges ^{equivalent} to 200% of the cost of acquisition of the store against 21% due under the orders of Govt. is a mistake. The Supt. of Sty. is requested to submit proposals for waiving the short recovery from the consuming deptts. during the years 1941-42 ¹⁹⁴³⁻⁴⁴ onwards as suggested by the A.G.

Para XV of the Report In view of the remarks of the A.G. on the question of weighment of paper, the Supt. of Sty. is requested to have the results of weighment recorded as suggested by the A.G.

Para XVI(a) of the Report. The Supt. of Sty. consider, that it is unnecessary to ^{formally} write off the value of the damaged articles. Under the ~~provision~~ of Articles 141 and 142 of the M.F.C. VOL.I unserviceable stores should not be condemned and disposed of until after their value has been written off by the authority competent to write off a loss of cash equivalent to their value under article No.297 and Appendix 23 of the M.F.C.Vol.I. The contention of the Supt. of Sty. that the formal ~~write off~~ of the value of condemned articles is not necessary is ^{not} ~~tenable~~. The Supt. of Sty. is requested to observe the rules in the Code strictly in future.

Para XVIII of the Report. The Supt. of Sty. is requested to state at what stage the matter is.

Para XIX of the Report. The Supt. of Sty. proposes that a regular verification of stores during each quarter as per rule 189 of the Sty. Manual Vol.I may be dispensed with so long as the stores remain at Guindy, a surprise test check of stock of a few items in which large transactions occur may, however conducted by the Store-keeper as often as possible. The A.G. is requested to offer his remarks on this suggestion.

Para XX of the Report. The Supt. of Sty. is requested to prepare a ^{list} ~~list~~ for the supply of stationery to the Civil Pioneer Force Units in order that further action may be taken for addressing the Govt. of India.

Para XXI of the Report. Sanction is accorded to the write off of the ^{losses} ~~losses~~ sustained by the Sty. deptt. due to the exchange of stencil paper from the following years:-

contd:-

1943 - 44
1945-46

Rs.414
Rs.1946.

The attention of the Supt. of Sty. is invited to Rule 58 of the Sty. Manual Vol.I and he is requested to adhere to the rule in future.

Para XXII of the Report. It is observed that even according to the statement of the Supdt. of Sty., the expenditure met out of the permanent advance reached the limit of Rs.250/- only once i.e. in May 1946. The highest figure during the later period Viz.1-4-47 to 1-10-47 was only Rs.207-8-3. In the circumstances, it has been suggested that the ^{permanent} ~~advance~~ should atleast be reduced to Rs.200/-. The Supdt. of Sty. is requested to submit proposals for the reduction of ^{the permanent} ~~pre permanent~~ advance separately.

To

The Supdt. of Sty.,
(with encl.) *
The A.G.(with encl.)
s/c. for file.
*copy of A.G's letter
on p.27 c.f.

C. No 38707 c²/47

Σ f w

C₂

Staking Depth. - Accts ^{C₂}

for 1945-46 - Inspection note
by the Audit Report

The report of the
A. W. S. Dept. of the Stationing
office for Aug. 46 & the records
of the Supt. of Stationing have been
examined in the section notes
book. May be sent to F. W.
P. W. D. for review

H 5 1
 35 S.N)

8214

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Pl: see by
Library in the
Section of MSS.
higher section
by the better
or more items

by

H. H. W.

of the sectional ^{w.r.t.} notes the remarks of the Secy on p. 3/a, draft Memo to the A.G. is submitted below for approval. w.r.t. /

2 w.r.t. the remarks of the Secy on
of the sectional notes
1920 and 24. A draft Memo to the Secy
is submitted below for approval.

3. w.v.t. the remarks of the Secy on p. 26-27
of the sectional notes please see the note
submitted therein and the T.M. submitted
below for approval further note on p. 27

After issue of the drafts Rev. P.W.D. and I may see for remarks meanwhile.

ΣΠΗΛΙΟ
38707-10 C₂(C₂)
23.12.48

Issued as
 38707-9
 38707-9

73446N ✓ 27/11/14 22/11/14

Rd. b. Linn. Soc.
Pres. H. J. C.
Fm

Cv AP

Rw Dept (W)

To AS The file has been sent to this Dept. with reference to item III of the Audit Report dealt with at p. 5 of the sectional notes. The remarks of this Dept. have been noted in the sectional notes. After perusal of the note on page 5 of the sectional notes are passed the file may be passed on to P.W.D.

3.1.1949
3/1/49

4.1.49

PWD

Rev. D. 6. 73446N/48-1



DS

The file has been remitted to this Dept. with ref. to para xx of the audit report dealt with at p. 38 of the sectional notes. Necessary remarks have been entered on the said page.

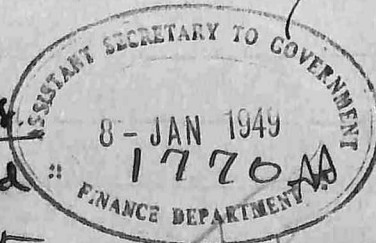
The file may be passed on to Fin.

5.1.49

6.1.49

Fin

PWD 83a/49-1
7.1.49



Finance (A.A.) Dept.

E. & P. H. have examined

in the sectional notes the report of the A.G. on the audit of the Govt. Stationary Office, Madras for the year 1945-46 and the remarks of the Supt. of Stationary on the audit report. Remarks of this Dept. have been added on to the sectional notes, wherever necessary. After orders are passed on them, the case may be returned to E. & P. H.

17/1/49

23.1.49

Thru PH Dept

AS
ADD
E. & P. H.

(Cv) (W) (P) (S) (F) (A) (M) (D) (N) (O) (B) (C) (E) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P) (Q) (R) (S) (T) (U) (V) (W) (X) (Y) (Z)

Please see the notes of Rev., P.W.D., and Finance on page 2 ante.

2. With reference to memo: on page 23 of the A.G. has since replied to the reference. But the Supt. of Stationary has not yet replied to our memo: on pages 25 and 26 cf. He may be reminded. A draft memo: reminder is submitted.

17/2/49

DM 18/2/49

17/2/49

Issued as Memo: 38707/47-11 C2 dated 18.2.49

From the Supt. of Stationary, No. A. 6823/47 dated 27-2-49.

27.2.49

With reference to the reply from the A.G. on the S/s on the memo: on p. 23-25 cf, from sectional notes have been added on p. 14, 18, 20 & 34(a) of sectional notes. Please see also from sectional notes on p. 19(a), 22, 27(b), 30(a), 36, 38(a) & 40 of the sectional notes. A further memo may be sent from sectional notes as indicated at 2 above.



16/4/49

18/4/49

PH Dept no. 38707-12 C2
19.4.49

Finance (Accts)

(Previous Finance notes on page 2 above).

The remals of this Dept. have been added to the Sectional notes on pages 4, 14(a), 18, 20^(a) and 34(a) below. After orders are passed on these, the case may be returned to E.P.H.

16
23.4.49
20/4/49

Col

E.P.H.
C2

26/38 Accts/49
25.4.49

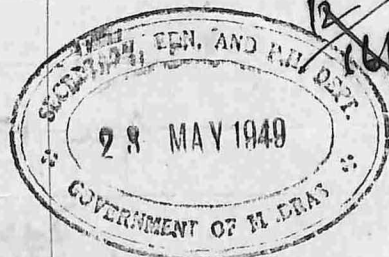


A draft order (as envisaged for the order in the sectional notes) is submitted. May be circulated to HM (Eon).

J.D.
13.5.49

14/5/49

H.M. (Eon) 20/5



23
Stahin Dept. Area Rep
1945-46

Sectional notes

3u(a)

Item of cash book.	Date of receipt.	Amount. Rs.	No. and date of receipt.
355	4.6.1945.	1--8--0	182117 d/22.12.1945.
356	4.6.1945	3--0--0	182118 d/22.12.1945.
357	4.6.1945	353--7--0	182119 d/22.12.1945.
358	15.6.1945	20--0--0	182120 d/22.12.1945.
359	15.6.1945	1--8--0	182121 d/22.12.1945.
360	18.6.1945	8--10--0	182122 d/22.12.1945.
361	18.6.1945	182--4--0	182123 d/22.12.1945.
362	27.6.1945	2--11--0	182124 d/22.12.1945.
363	28.6.1945	1--8--0	182125 d/22.12.1945.
364	29.6.1945	118-13--0	182126 d/22.12.1945.

(No receipt issued subsequent to the 29th March, 1946).

Remarks S/S

Para I (a) and (b): Receipts for cash or cheque received from 1-147 are being regularly issued now.

Officer

No remarks

JD
29/4/48

JD
10/11/48
S

P 20

Demand, Collection & Balance Register for 1945-1946.

II. It is observed that the delays in the issue of bills for supplies made to the paying departments, which was pointed out in Paragraph I (II) of the Audit Report for 1944-1945 still continue (Vide list enclosed).

1-2 (M) The desirability of assessing the demand in time and taking action on the lines suggested in the previous audit report with a view to obviating such inordinate delays in the adjustment of cost is again brought to notice.

Remarks S/S

Para II: The delay in the issue of bills for stationery supplied by this office is due to want of sufficient particulars to fix the issue rates for the articles for the preparation of the price list within the period fixed in rule 155 of the Stationery Manual Vol. I. Delay occurs in the preparation of the price list for the following reasons: The rates for the various kinds of paper allocated from the Mills are not communicated at the beginning of the financial year. A period of about 3 months lapses before the tenders for the miscellaneous articles are settled. Even after the settlement of the tender, there is some delay in the actual supply of the articles. In the case of articles which are not quoted free delivery Stationery Stores, the incidental charges borne to get the material to the stores should be taken into account in addition to the contract rate for the purpose of fixing the issue rate of such articles. This can be done only when the goods are actually received and charges, incurred. Preparation of provisional bills at the previous year's rates and supplemental bills later on will be a waste of clerical labour as the preparation of a correct bill, though belated, will answer the requirements in most cases. The delay in the issue of bills for supplies made is thus inevitable and cannot be avoided under the existing system of fixing issue rates and the difficulty and delay in the procurement of stationery.

Officer

1-2 (M) During the same remarks were made by the A.G. in the report for 1944-45. Got 1-25 (M) issued instructions in G.O. 316 En & 18.2.48 to remedy the defect complained of. The S.S. also now expresses himself against the practice of preparing provisional bills. In the circumstances, it is for order whether further instructions shall be issued on the point.

JD
29/4/48

Sup. 23 CF.

JD
10/11/48
S
w.r.t. remarks of Secy. a draft Memo to the A.G. is submitted for approval.
P 20
JD
23/11/48

Please see the previous remarks & the
 A.G. on p 27-28 of. In the
 circumstances, the proposal & the
 A.G. or A on p-27-28 may be
 accepted. The S/s asked to try it
 for a year.

Handwritten notes:
 16/4/47
 18/4/47

Finance (Accts)

This dept. may agree with the
 remarks of the A.G. at A on p 27 of.
 The ^{suggest} proposal of the A.G. to effect provisional
 adjustment at the rates of the previous
 year and make re-adjustment later on
 after the price list is drawn up may
 be tried and the results watched for one
 year.

Handwritten notes:
 19/4/47
 23/4/47
 25/4/47
 25-4-47

Faint handwritten notes:
 on the...
 14 (a) Below.

Answer 20

III. Levy of Sales Tax under the Madras General Sales Tax
 Act 1939 on Goods sold by the Stationery Department to
 Local Bodies and other Governments.

Handwritten: Noted

In G.O. Ms. No. 535 (Revenue) dated the 22nd ^{March} ~~May~~
 1946 it was directed by the Government of Madras that no
 addition on account of Sales Tax need be made to the price of
 goods sold by one Government institution in the same depart-
 ment or by one department of the Madras Government to another
 for the reason that the sale in such cases does not involve a
 any change in the ultimate ownership of the goods, the
 Government of Madras being the owners at every stage. The
 position is, however, fundamentally different with regard to
 the sale of Stationery articles by the Stationery Department
 of the Government of Madras to the Local Bodies and the
 departments of other Governments. It would, therefore,
 follow that although the stationery department of Madras
 Government is not a commercial concern as such, it stands on
 the same footing as Commercial concerns so far as the sales
 to private co-operative concerns, Local Bodies and Central
 Government are concerned. The sales effected by the Station-
 nery department to other Governments and Local Bodies etc.,
 should it appears be, therefore, governed by the provisions
 of the Madras General Sales Act, 1939. The question regard-
 ing the levy of Sales Tax in the cases cited above may,
 therefore, be taken up with Government now.

Revs vs/s

Para III: In their Memo No. 1402-K/47-2 Revenue dated 9-4-47,
 the Government have sanctioned the levy of sales tax on the sale of
 stationery to other Governments including the Central Government and
 other non-Government concerns. Sales tax is being levied on such
 sales from 1-4-47.

G/Rev. note
 No. revs. - Rev may see.

Handwritten: 28/4/47

Handwritten: 10/4/47

Handwritten: Rev Dept (v)

✓ The extracts from the audit report and
 the remarks of the Supdt of Stationery may
 be perused. No remarks are called for.

Handwritten: 2.1.47

Handwritten: 4.1.47

Handwritten: 220

Appendix

Annex Report

22/3/46 (A)

IV. Delay in concluding Agreements.

As pointed out in Paragraph III of the last audit report, delays in the execution of agreements were noticed as detailed below. Such delays may please be avoided in future.

S.No.	Name of the firm.	Date of acceptance of tender or commencement of supply.	Date of agreement.
1	The Indian Goods Depot, Trichinopoly.	19.6.1945.	28.12.1945.
2	London Cutlery Works, Nizamabad.	19.6.1945.	25.3.1946.
3	Lords Chemicals, Madras.	1.4.1945.	28.12.1945.
4	Kumar Stationery Stores, Bombay.	1.4.1945.	16.2.1946.
5	Messrs. Newton & Co., Madras	1.4.1945.	15.3.1946.
6	Messrs. Paper Products, Madras	..	28.12.1945.
7	The Indian Glue & Co., Cawnpore.	..	25.2.1946.
8	Messrs. F.M. Gooptu & Co., Calcutta.	1.4.1945.	1.2.1946.
9	Messrs. Champaklal & Co., Bombay.	1.4.1945.	4.2.1946.

(signed by the Superintendent on 11th March 1946)

Remarks

Para IV: The difficulties experienced in getting the agreements executed within the stipulated time were stated in reply to para III of the report for 1944-45. However, all efforts are being made to minimise the delay in getting the agreements executed.

Appreciation

Copy of the remarks of the S/S may be communicated to the AG.

JA
29/4/46

JA
29/4/46

22/3/46

Annex Report *At*

V. Contract for the supply of Blue Black ink powder during 1945-1946 Messrs. Bengal Electricals Co., Madras.-Non execution of agreement.

It is seen that the Stamped agreement bond signed by the Bengal Electrical Co., Madras tenderer for the supply of blue black ink powder during 1945-1946 has not been signed by the Superintendent of Stationery as one of the Contracting parties and attested by 2 witnesses as required by the rules while the schedule of rates and quantities accompanying the agreement bond has not been signed even by the contractor himself.. The agreement bond cannot, therefore, be deemed to have been executed-vide Article 131 Madras Financial Code, Volume I. The omission to observe on the condition for the due enforcement of the contract is brought to notice.

Revs 25/5

✓ Para V: Noted. Such omission will be guarded against, in future.

Office note

No remarks.

JP
25/5/48

JP
25/5/48

ATC

10
Annex Refers

VI. Sale of indents.

It is seen that certain articles issued to paying departments were not charged for at the correct rates as per the printed price list resulting in a short recovery amounting to Rs.169/13/- in nine cases and excess recovery of Rs.36/- in one case as detailed below* Action may please be taken to regularise the transactions under intimation to this office. (*Vide Annexure II).

p. 45 below
Rev. 25/5.

Para VI: Supplemental bills have since been sent in the case of short collections. Excess recoveries made will be adjusted by short collection in subsequent bills.

9/11-20

No marks.

7A
29 Oct

OSM
29/11/48
S
14/11/48

P 20

Annex Refers

29

VII.(a) Contract for the supply of Gum during the year 1945-1946.

A contract for the supply of 1,00,000 lbs. of gum before the end of June 1945 and 20,000 lbs. before the end of September 1945 at Rs.70/- per Cwt. F.O.R. Bombay was entered into with Messrs. Kumar Stationery Stores, Bombay. As the firm could not get priority assistance for the movements of the articles by goods train from Bombay to Madras, the gum was shipped from Wadibunder to Madras on 30th March 1946 just a day before the expiry of the contract period. The gum was actually received in May 1946, and the firm was paid at the contract rate for 1945-1946. The claim of the firm for Rs.831/11/- being the freight charges due to them has not yet been paid.

In this connection, the following irregularities are noticed.

(1) The firm was paid at the contract rate of 1945-1946 viz. 0/10/0 per lb. though the goods were actually received in 1946-1947. As the contract rate with the same firm for 1946-1947 is only Rs.0/8/9 per lb. there has been an excess payment to the firm amounting to Rs.2,343/12/- by regulating the payment with reference to the higher rate ~~of Rs.0/10/0~~ applicable to supplies made ~~in 1945-1946~~.

/clearing

(2) The Stationery Department has incurred an expenditure of Rs.986/2/- for the goods from the harbour including an amount of Rs.496/2/- paid as shed dues owing to delay in sending the bill of lading properly endorsed. Had the goods been despatched by the train the Railway freight and transport charges for the delivery of the goods ~~had been Rs.946/1/-~~ at the Stationery Stores would have amounted to only Rs.946/1/- The extra expenditure of Rs.40/1/- could be deemed as recoverable from the suppliers.

(3) Regarding the shed dues paid (Rs.496/2/-) the firm accepts liability only for half of the amount as the Stationery Department failed to clear the goods in time and the payment of the other half of the amount of Rs.248/1/- would appear to devolve on the department. The final decision in settling the claim of the contract may be communicated to this office.

(b)(1) Against the approximate requirement of 30,000 lbs. of Gum for the year 1945-1946 as notified in the tender notice, the contractor failed to supply any portion thereof during the year. Consequently, purchases were resorted to from the local dealers at rates varying from Rs.0/11/8 to Re.1/- per lb. The total quantity purchased during the year, however, works out to 44,305 lbs. costing in all Rs.37,243/5/- the average cost price working out to Rs.0/13/5 per lb. A further quantity of 30,000 lbs. of gum supplied by the contractor 1945-1946 in May 1946 against the contract for 1945-1946 was also passed by the Committee and brought on to stock in September 1946. The average quantity of gum issued during the 3 preceding years viz. 1942-1943 to 1944-1945 works out to 16,396 lbs. only while the quantity of gum issued during 1945-1946 and 1946-1947 (so far) are 17,368 lbs. and 18,023 lbs. respectively. The closing stock of gum on 31st March 1946 was 27,016 lbs. It would, therefore, appear to be sufficient if the purchases in each of the years 1945-1946 and 1946-1947 had been restricted to about 20,000 lbs. The purchase of such a large quantity of gum viz. 44,305 lbs. during the year 1945-1946 at a much higher rate than the approved tender rate for the year and the purchase of another quantity of 30,000 lbs. of gum from the Bombay firm in 1946-1947 at the higher rate applicable to the contract for 1945-1946 would, therefore, appear to be far from economical besides disclosing the fact that the purchases were effected far in

(30)

excess of and far in advance of the actual requirements instead of being regulated with due regard to the actual requirements of the past and the probable needs of the future. This has resulted in an avoidable expenditure of 26,978 to Government amounting to unnecessary locking up of funds. There has also been loss to Government in the shape of extra expenditure to the extent of Rs. 7,146/- due to the acquisition of the material at rates much higher than those quoted by the tenderers for supplies during 1946-1947 as per details below. This is brought to notice.

- a. Cost of 24,305 lbs. purchased in excess from Mr. S.D. Rajarathanam during the period from 22.2.1946 to 23.3.1946 at Rs. 21/- per 25 lbs. Rs. 20,416/-
- b. Cost of 10,000 lbs. purchased in excess during 1946-1947 at Rs. 0/10/6 per lb. Rs. 6,562/8/-
- Total. Rs. 26,978/8/-
- Cost of 34,305 lbs. as in (a) above. Rs. 26,978/8/-
- Had this been purchased in 1946-1947 at the lower rate tendered for supplies during 1946-1947 viz. Rs. 0/8/9 per lb. f.o.r. Bombay or Rs. 0/9/3 per lb. delivery at Stationery Office, Quindry, the cost would have been Rs. 19,832/9/-
- Extra expenditure to Government about Rs. 7,146/-

b(2). The average cost per pound of the gun purchased by the department locally otherwise than through the contractor during the year 1945-1946 works out to Rs. 0/13/4 per lb. against the rate of Rs. 0/10/6 per lb. at which the article could have been procured from the Contractor Messrs. K. S. Kumar Stationery Stores, Bombay under the terms of his contract. Failure on the part of the contractor to supply the article has, therefore, resulted in an extra expenditure of Rs. 5,531/4/- to Government as per details below*. This may be arranged to be recovered from the contractor in accordance with Clause 16 of the agreement executed by him.

*30,000 lbs. at Rs. 0/13/5.4 per lb. = Rs. 25,218/12/-
Do at Rs. 0/10/6 Do = Rs. 19,687/8/-
Rs. 5,531/4/-

b(3). It will be seen from the statement furnished below that 34,803 lbs. of gun purchased locally during 1945-1946 were paid for by the department against 33,805 lbs. of gun (ordinary) actually brought on to stock resulting in an extra expenditure of Rs. 846/15/- to Government. The payments in question have been made with reference to the quotations for the gross weight including the weight of gunny accepted by the department. Payment for the weight of the packing materials at the same rate as for the gun instead of paying separately towards packing charges would appear to be prima-facie irregular, and the extra expenditure of Rs. 846/15/- incurred by the department is therefore not in order. Further the supplier in respect of item 1 in the statement was paid only on the net weight excluding the weight of gunny in respect of 10,220 lbs. of gun supplied by him on the 9th November 1946 and the terms of contract for the year 1945-1946 for the supply of this commodity are only for payment based on the net weight - vide item 111(c) dated the 19th November 1945 of the Store Committee book. No uniform procedure appears to have been followed in the matter of payment for one and the same commodity purchased on different occasions. This is brought

to notice.

S.No.	Date.	Name of supplier.	Quantity paid for.	Quantity brought to stock	Rate at which purchased.	Excess amount paid.
			lb.	lbs.	Rs.	Rs.
47-C.	22.8.1945	J.B. Advani & Co Ltd Madras	4,965.	4,836.	0/14/6	116/15
178-C	22.2.1946	Mr. S.D. Rajarathanam.	9,949	9,630	21/- per 25 lbs.	268/-
187-C	6.3.1946.	Do	9,920	9,634	Do	240/4
192-C	23.3.1946	Do	9,969	9,705	Do	221/12
			34,803	33,805	Total	846/15

Rajaratnam S/S

Para VII (a) (i): The figure 1,00,000 lbs. is presumably a typographical error for 10,000. As the goods were put on board on 30-3-46. i.e. within the period of contract, the company should be technically deemed to have delivered the goods at Bombay within the period of contract, as the quotation was F.O.R. Bombay. Hence the period of payment was made at the contract rate for 1945-46. The rate for 1946-47 cannot be enforced against the company.

VII (a) (3): The matter is under consideration.

VII (a) (2) and (b) (2): The Government solicitor is being consulted in the matter.

(b) (1): On account of transport difficulties which existed at the time and on account of elections, it was thought expedient to lay in a stock of this article of every day use intended for supply to all officers.

G. P. S. S. S.

Messrs. Kumar, Stationery Stores

B. S.

we have the contractor's supply of gunny for Sept. 1945. On account of the delay in supply of gunny, the contractor has been paid for the gunny at the rate of Rs. 0/13/4 per lb. against the rate of Rs. 0/10/6 per lb. at which the article could have been procured from the Contractor Messrs. K. S. Kumar Stationery Stores, Bombay under the terms of his contract. Failure on the part of the contractor to supply the article has, therefore, resulted in an extra expenditure of Rs. 5,531/4/- to Government as per details below*. This may be arranged to be recovered from the contractor in accordance with Clause 16 of the agreement executed by him.

(i) Amount recovered from the contractor for the gunny supplied by him on the 9th November 1946 and the terms of contract for the year 1945-1946 for the supply of this commodity are only for payment based on the net weight - vide item 111(c) dated the 19th November 1945 of the Store Committee book. No uniform procedure appears to have been followed in the matter of payment for one and the same commodity purchased on different occasions. This is brought

A, B & C on 11/11/46

(ii) Difference in freight charges between steam & railway

(iii) Shed dues

(iv) Extra cost due to the purchase of gun locally over to the factory of contractor to make supply when

5531/-

8311.30

8410-15

The Govt. Solicitor who was consulted ^{by S/S} states that a sum of Rs 5531.40 which is the total cost of gun purchased locally alone owing to the failure to supply in time could be recovered from the Comkhachi as per the contract agreement entered into. The Govt accepts the G.S. opinion and issues order in Go 2000 En of 13.8.48 directing the recovery of the sum of Rs 5531.40 only. No further action seems called for. The attack on the A.G. may be imputed to the above Govt.

11 of 2000 En
13.8.48
(2)
p. 20 of 13.8.48

JP
2.11.48

10/11/48

11/11/48
6, 3, or 12-13 etc?

w.r.t. the remarks of the Secy in the margin, a draft memo to the S/GS is submitted below for approval.

19/11/48

Finance (A.A.) Dept.

The proposal at A above may be agreed to. This covers points (a)(1), (2) and (3) and b(2). The remarks of the Supdt. of Stationery on point b(3) has been called for. As regards point b(1), please see the remarks of the Supdt. of Stationery at X in p. 13 above. Presumably E. & H. accept the explanation of the Supdt. for the purchase of large quantity of gun. and finance may agree.

See para 1 on p. 25 CF.

CP
22.1.49

19.1.49

22.1.49

27/1/49

Please see the explanation in the S/S memo referred to the Secy above. May be accepted.

* L - 1314

(2) Fin (A.A.)

In the circumstances stated by the Supdt. of Stationery at L in p. 31 CF, regarding item b(3) in pages 12-13 above, no remarks seem called for. The explanation may be accepted.

11/23.11.49
11/23.11.49

11/23.11.49

11/23.11.49

VII(a) Purchase of slate pencils-Messrs.Kumar Stationery Stores Bombay.

Messrs.Kumar Stationery Stores, Bombay were the contractors for the supply of an approximate quantity of 2000 boxes of slate pencils (containing 50 pencils each) at Rs.0/9/0 per box f.o.r.Bombay. No portion of the supply was, however, made by the contractors in spite of several reminders but 2,000 boxes were despatched by passenger train from Bombay late in the year i.e. on the 17th March 1946. Even this was rejected by the Stationery Committee in toto as not being equal to the approved sample. The Company was, however, addressed by the Assistant Superintendent of Stationery on the 18th April 1946 to supply 2000 boxes of pencils of good quality and the Company accordingly despatched by rail 2000 boxes of slate pencils on the 7th May 1946. 1,971 boxes were passed by the Stationery Committee on the 14th June 1946 and brought on to stock while 29 boxes were rejected as they had been damaged. Payment was made to the Company at the rate of 9 annas per box f.o.r. Bombay applicable to supplies due in 1945-1946. The total expenditure incurred by the department against this supply works out to Rs.1254/13/- as per details furnished below:

a. Cost of 1,971 boxes at 9 annas each.	Rs.1,108-11--0.
b. Railway freight as per credit notes 65626 and 65627 dated 18.5.1946.	126-14--0.
c. Transit charges from Madras Central to Guindy.	19--4--0.
Total.	Rs.1,254-13--0.

There does not, however, appear to be any reason for the department placing an order with the Bombay firm for slate pencils after the expiry of the contract period (1945-1946) and at the higher rate applicable to supplies due in 1945-1946 especially in view of the fact that the rate tendered on 14th March 1946, by Messrs.South Indian Products, Madras, for supplies to be made during the year 1946-1947 was as 7 annas per box of 50 pencils, for delivery at the Stationery Office, Guindy and the contract for 1946-1947 was decided in their favour. There has, therefore, been an avoidable extra expenditure of Rs.392/8/- to Government (Vide details below):

Expenditure incurred as per details above.	Rs.1,254-13--0.
Deduct cost of 1,971 boxes at the contract rate for 1946-1947.	862--5--0.
Extra expenditure.	Rs. 392--8--0.

b. As the pencils supplied by Messrs.Kumar Stationery Stores,Bombay, in March 1946 were rejected in toto as stated in sub paragraph (a) above, the railway freight and other incidental charges incurred in connection with the clearance of the packages from the Madras Central Station and the transport thereof to the Stationery Office, Guindy amounting in all to Rs.110/4/- (vide details below) should have been recovered from the contractors or adjusted against the payments made to them for the supplies made in May 1946. Steps may now please be taken to recover the sum of Rs.110/4/- from the Company.

Railway freight paid as per credit notes Nos.65620 and 65621 dated the 23rd March 1946.	Rs.96--4--0.
Transfer charges from Madras Central to the Stationery Stores at Guindy.	14--0--0.

Total. Rs.110--4--0.

Remarks 2/5/5

VIII(a): The goods were first despatched by the company on 17-3-46 i.e. within the period of contract. As this supply was not as per accepted sample, the company was asked to replace the quantity. The order for replacement cannot be deemed to be a fresh order. As the goods were first supplied before the expiry of the period of contract, payment was made at the rate for 1945-46.

(b): The question of recovering the amount is under consideration. AX

Office note

The extra charges involved in rejecting and replacing the ^{first} supply of stationery pencils is Rs 502.12-0 as per details at A. B on 1-15 ante. The Govt. Stationery Stores Committee as regards the recovery of these charges stated that the extra expenses incurred in removing the rejected stationery pencils could also be claimed from the Company. The Govt. agreeing with the G.S. described the recovery of Rs 502.12-0 from the Coy - 1-20 of G. 2000 Rs of 13. 11. 8. No further action seems called for. The A.G. is of the opinion that this may be made to this order. A

JD
2.11.48

MM
Walter S

fin (AA) Dept.

The proposal of E & P. A.

at A above may be agreed to.

17/11/49

22.1.49

25/1/49

PRO

Annex Report

33

IX(a) Purchase of Imported Stationery articles at rates higher than the maximum prices fixed by the Government of India from time to time under the Hoarding and Profiteering Prevention Ordinance 1943. 1-47 mfm

It will be seen from the statement (Annexure III) enclosed that certain imported stationery articles specified therein were purchased at rates higher than the maximum prices which may be charged by any dealer in accordance with the orders issued by the Government of India from time to time under the Hoarding and Profiteering Prevention Ordinance 1943. The amount paid in excess works out to Rs. 1924/-.

(b) Payment for imported stationery stores other than those included in the list of articles for which maximum selling prices have been fixed by the Government of India under the Hoarding and Profiteering Prevention Ordinance 1943. 1-49 mfm

The following (Vide Annexure IV) imported stationery articles were purchased by the Stationery Department from time to time at the rates noted against each. Due, however, to the non-inclusion of these articles in the list of imported stationery articles for which maximum selling prices have been fixed by the Government of India and published in the Fort St. George Gazette dated the 6th March 1945 and 5th February 1946 the correctness or otherwise of the rates paid by the department towards the purchase of these articles could not be examined in audit. The matter may now be taken up with the department of Industries and Civil Supplies of the Government of India and the excess payments, if any, made to the suppliers recovered with reference to the maximum rates chargeable by the dealers in these cases as may be decided upon by that Department.

Remarks 2/5/5

IX (a): As regards items (1) to (3) and 6 and 7, the rates referred to by the auditor applied to transactions between one dealer and another. In all other cases the retail selling price applies. The Superintendent of Stationery is not a dealer but a consumer. Hence the rates paid are within the controlled rates payable by a consumer.

Items (4) and (5): These items were accepted against the quantity due on the contract for 1944-45, the rates for which were agreed to in March 1944. In the tender call for pins for the year 1944-45, only one person quoted for the article which was found suitable, thereby indicating the scarcity of the material in the market. On account of the great difficulty experienced in the procurement of stationery articles during the war, it was thought desirable to accept the supplies made. As the supplies were taken against the settled contract, the question of enforcing controlled rate of a later date cannot arise in this case.

(b): When maximum selling prices were not fixed by the Government of India, purchase had to be made only at the rates at which the goods were offered. As already pointed out above, the period covered by the audit is one when great difficulty was being experienced in getting the articles. It is therefore considered not justifiable in getting the articles. It is therefore to enforce any price that may be fixed by the Government of India now in respect of supplies made at the time when prices were not notified.

17/11/49

IX (a), (b) on 7-17 and 18.

In the circumstances stated by the S/S, it seems, the matter needs to be pursued further. Copy of this report may be communicated to the A.G.

2148

10/11/2008

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and which is ^{very} high
Dollars?

2
11/11/11

w.r.t. the remarks of the Secy please see the draft Memo to the S of S submitted below for approval

sup. 25 cl.

The ends of the S/S with
 refers to the former S/S's work
 quasi above may be proved. No
 further action necessary.

$\frac{16}{16}$

over
1844/68

Pin (Accts)

The excess payment in the case of articles for which prices were fixed under the Hoarding & Profiteering Act was Rs 1924. In 16 imp. 17 above the other cases, the it is not possible to say.

(P.T.O.)

what the amount of excess, if any, was. In the circumstances stated by the S of S. on p. 31 cf., it does not seem worthwhile pursuing the suggestion at X on p. 17 above.

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23-4-49
AN
23/12/49

~~Cele~~
25749

170 5
p 20 below

X. Purchase of Ink Glasses (ordinary).

The total approximate number of ink glasses due to be supplied by the contractors Messrs. Champaklal & Co., Bombay, during the year 1945-1946 as notified in the Tender Notice and the schedule appended to the agreement bond was only 800 doz. The supply was made in full during the year 1945-1946 but a further quantity of 500 doz. ink glasses was supplied by the firm in May 1946 of which doz. 484 Nos. 8 were passed by the stationery committee and brought on to stock on the 20th May 1946 the rest having been rejected as broken or damaged ones. The firm was, however, paid for the supply made in May 1946 at the rate applicable to supplies made during the year 1945-46 (viz) Rs. 3/3/- per doz. against the contract rate ~~applicable to supplies made during the year 1945-46~~ of Rs. 3/- per doz. at which the same firm has agreed to supply ink glasses (ordinary) during the year 1946-1947. The sum of Rs. 242/5/- paid in excess on 484-2/3 doz. at 8 as per dozen may now be arranged to be recovered from suppliers.

M

Remarks

X: Purchase of Ink glasses: The 500 dozens of ink glasses supplied in May 1946 is in respect the additional order placed in January 1946 and hence the rate for 1945-46 is alone applicable.

Conclusion

No further remarks seem necessary. The A.G. may be informed accordingly.

JD
2/11/48

20/11/48
S

Fin (A.A) Dept.

The A.G.'s point seems to be that, as 800 dozens ink glasses contracted for supply during 1945-46 has been supplied in full during that year, the additional supply of 500 doz. bottles ^(made in May 1946) should not be regulated by the contract price for the year 1945-46 and that it should be calculated with reference to the price as on the date of supply. The supply has not explained the necessity to identify for 500 doz. bottles in excess of the number notified in the tender notice for the

(Continued in the next sheet)

Audio Report

XI. Excess payment to certain contractors for supplies made.

In the cases cited in the statement enclosed (Vide Annexure V) the contractor for the supply of the stationery articles to the stationery office during the year 1945-1946 failed to supply any portion of the indents during the contract period and supplied the required number of each kind only during the current year (1946-1947). All the same, they were paid by the department at the contract rates for the year 1945-1946 although under the terms of the contract the higher rates of 1945-1946 would be payable only in respect of supplies made during the period covered by the contract (viz) 1st April 1945 to 31st March 1946. The contract rates for the supply of each of these articles during the year 1946-1947 were lower than those of the previous year. There has therefore been an overpayment of Rs. 1001/7/- to the contractors. The amount may now be recovered from contractors. (Vide statement separate sheet).

Results 2 S/S

XI: There is great difference between the quality of the supplies for 1945-46 and 1946-47. Hence, there is difference in price. As the supplies were made against the contract for 1945-46, the agreed rates for the year were paid.

Efficiendi

In the circumference strike by the S/S, no further results seen necessary.

A. Late for the
specifics:
B. The new for
this what was
actually made in (46-4)
to. likes & this
made (and) to

~~The remarks of the Secy please see~~
the draft memo to the S. of I. submitted
below for approval.

Please see the memo on 9/5 or Y
on 7-31 of. In the circumstances note
that the matter must not perhaps be pursued.

N

the year 1945-46. Granting ^{that} there was urgent necessity to indent for more, it is not clear why no fresh quotations were especially when the supply was not expected before the close of the year called for. The Supdt. of Stationary may be asked to explain and to pursue the point raised by the A. C. at M on p. 19 above.

17162 $\frac{KKK}{19.1.49}$

49 The A.G.'s point is that as the additional supply grants plans were actually made in May 1946, payment therefor should have been made at the 1946-47 rate and not at the 1945-46 rate of \$/s.t.'s own remarks at 'y' on p 13 above. The question of recovery of excess payment mentioned by the A.G. may therefore be pursued.

$\frac{7\pi}{257.149}$
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M / The proposal v Fri at A
may be accepted the s/s may be
asked to explain.

$\frac{50}{16 \text{ cm}}$

18/11/19

M alone :- Fun (Heads)

No remarks pending receipt of the
Supdis'. further remarks.

100
23.4.19

N in p. 20 above. The page of
E.H.H. has been checked.

23/1/19

Cheng

(a)pl

the year 1945-46...
is it necessary to supply...
the supply of ink...
the supply of ink...
the supply of ink...

3488
4512

21
Audi Report

XII. Contract for the supply of blue black registration ink during the year 1944-1945.

Against 208000 (24 oz) bottles of blue black registration ink due to be supplied by the contractors (Messrs. Kodai Ribbon Carbon and Allied Industries, Bangalore) during the year 1944-1945, only 3488 bottles were actually supplied by them during that year. A further quantity of 4467 bottles of ink was supplied during the year 1945-1946 as indicated below, while payment was made in respect of item 2 only at the contract rate payable to the supplies made during 1945-1946 by the contractors, (paper products corporation Ltd., Madras) viz. Rs.1/8/- per bottle item 1 was paid for at the higherrate of Rs.2/- per bottle applicable to the supplies made during 1944-45. The payment made in respect of item 1 at the rate admissible only in respect of supplies made during the year 1944-1945 is not in order. The excess amount of Rs.1237/8/- paid to the firm may now be recovered and credited into the treasury.

No.	Item No. in the Committee book.	Date of bill.	Quantity supplied	Amount paid.	Amount admissible.	Excess payment.
1	34C d/23.7.'45.	26.6.1945.	2475 bottles.	Rs.4,950/- (at Rs.2/- per bottle.)	Rs.3,712/8 (at Rs.1/8 per bottle)	Rs.1,237/8/-
2	69C d/25.9.'46.	25.7.1945.	1992 bottles.	Rs.2,988/- (at Rs.1/8/- per bottle).	Rs.2,988/- (at Rs.1/8 per bottle)	Nil.
			4467.	Total.		1,237/8/-

Revs 2 S/S

XII: The 4467 bottles of ink supplied by the company in 1945-46 were in substitution of the quantity supplied by them in 1944-45, which was rejected. They were allowed a fixed time limit to make replacement. The quantity supplied by them within the time limit was paid for at the rate for 1944-45, subsequent supply being paid for at the rate for 1945-46.

6 p.m. note

The explanation 2 S/S

may be accepted

2/11/48

10/11/48

Finance (AA)

Finance may agree to the

proposal of E.D.H. above.

17/11/48

This is not known whether agreement with the Municipal Co. provides for the grant of extension of time at all above. The supply of ink may be resubmitted and then to say

my an extension of time was given if
the agreement did not contain material intended

28.49 for
w/1 up.

E du
C2

The S/s may be cancelled
as proposed by Fin.

JB
16-49

BM
18/4/49

28.49 21-49

28.49 21-49

(AA) 28.49

PTD

Amor Report

23

XIII. Purchase of stores far in advance of and excess of requirements resulting in avoidable expenditure and unnecessary locking up of funds.

It will be seen from the statement enclosed that there was no necessity for the purchase during the year 1945-1946 of the articles mentioned against items 1 to 9 14 to 18 and 22 to 24. This is brought to notice in view of the existence of fairly large stock at the commencement of the year, which was much higher than the average annual quantity issued during the 3 preceding years and was, therefore, more than sufficient to meet the year's requirements. The articles purchased during the year 1945-1946 as indicated against items 10 to 13 and 19 to 21 in the statement would clearly show that the purchases were by no means regulated with due regard to the actual expenditure in the past and the probable requirements in the near future. Due obviously to the overstocking in the year 1945-1946 in almost all these cases, purchases were not effected nor were tenders invited during the current year. The expenditure on the acquisition of materials during the year 1945-1946 amounting to Rs. 1,52,635/- as per the details in the enclosed statement (Annexure VI) would, therefore, appear to be not merely avoidable but also uneconomical in view of the downward trend in the rates, in general, as could be seen from the contract rates for the supply of stationery articles to the department during the year 1946-1947. (In view of the fact that tenders were not invited during 1946-1947 for most of the articles mentioned in the statement the rates paid in 1945-1946 could not be compared with those for 1946-1947. But the general trend of prices is definitely downward as could be seen from almost all other items.)

M

Review S/s

XIII: The period in question was one when great difficulty was being experienced in the procurement of the articles. Hence, it was thought desirable to purchase articles when available.

G. P. in note

Please see the statement of the AG at M above the review of the S/s above. It may be stated that the Commission's report regarding this was not be exactly correct during an exhibition to which these reviews apply. For more

JB
21-49

BM
21-49

JB
21-49

PTD

fin (AA) Refor.

Finance may agree to the explanation of the impdt. of stationery being accepted.

7
19.1.49

22.1.49

28.1.49

XIV.(a). Pricing of Articles sold to paying Departments.

Rule 155(b) of the Madras Stationery Manual, Volume I, lays down that in the case of articles purchased locally either from private firms or other Government departments, the actual price paid including the cost of delivery into the Stationery Office, if any, during the contract year plus 10% thereof shall be taken as the value of each article. Rule 155(a) ibid, requires that in respect of all articles except typewriters supplied to Officers whose indents are to be complied with either on payment or book adjustments, a further addition of 10% should be made to the value arrived at as in Clause(b). Thus, the additional charges recoverable from the paying departments would amount to 21% of the cost of acquisition of the stationery articles by the Stationery Department.

The question regarding the revision of the centage charges leviable on the paying departments has been engaging the attention of Government since the year 1941.

The position was reviewed by the Government from time to time in consultation with the accountant General and it was decided in Government memorandum No. 18363-A-B/43-8 Education dated the 22nd January 1944 that the levy of departmental charges under sub rules (b) and (c) of rule 155 of the Madras Stationery Manual, Volume I, might be continued subject to the position being reviewed later when normal conditions were restored. In his letter dated the 15th June 1946 to the Government of Madras (Education and Public Health) department it was reported by the Superintendent of Stationery, Madras, that there was no appreciable reduction in the prices of paper and other stationery articles notwithstanding the termination of the war and that pending the shifting back of the office from its present location to its original place, the total percentage charges leviable on sale indents might be taken at 20% of the cost of acquisition of the stores. The continuance of the existing system of valuation of stores till the restoration of the normal conditions and the shifting back of the office to its original place was approved by the Government in their Memorandum No. 10608-C/2/46-4 Education dated the 29th June 1946. The orders issued by Government from time to time would, therefore, appear to indicate that no change was authorised by Government in the levy of the departmental charges under rule 155(b) and (c) of the Madras Stationery Manual, Volume I as indicated in sub paragraph (1) above. In support of the levy of per centage charges equivalent to 20% of the cost of acquisition of stores against 21% due under the rules as they stand it was pointed out by the Superintendent of Stationery in his letter dated the 15th June 1946 to Government referred to above, that the addition of 10% departmental charges under rule 155(b) had been dispensed with as per orders in G.O. No. 835 Education dated the 31st May 1941 and that it would, therefore, be sufficient to levy percentage charges at 20% on sale indents. It is, however, observed that this G.O. merely relates to the valuation of the opening and closing stock of the stores held by the Stationery Office and has no reference to the levy of departmental charges under rule 155(b) of the Stationery Manual and no amendment to the rule has been issued. In the circumstances, the correct method of pricing the stores for the purpose of inclusion in the price list would be to take the value of each article at the cost of acquisition plus 10%. A further 10% over the value as noted in the price list is recoverable from the paying departments under rule 155(c), ibid. Percentage charges have, however, been levied only at 20% of the cost of acquisition, from the paying departments from the year 1941-1942 and onwards against 21% charged in the previous year. This is brought to notice.

1109-(W)

1109-108/(W)

1119-(W)

X

1119-33 (W)

Z

The short recovery from the consuming departments during the years 1944-1945 and 1945-1946 works out to Rs.3518/- as per details below. The short recovery in respect of the articles supplied to the paying departments during the years 1941-1942 to 1943-1944 may now be worked out and supplemental claims prepared against the paying departments or orders of Government obtained for waiving the recovery.

	1944-1945.	1945-1946.
Value of supply as billed.	Rs.2,06,471/-	Rs.1,45,273/-
1% of the value.	Rs. 2,065/-	nearly 1,453/-

total short recovery for 44-45 and 45-46 = Rs.3,518/-

(b) Pricing of articles of stationery for 1945-1946.

Rule 155(b) of the Madras Stationery Manual, Volume I lays down that the actual price including the cost of delivery into the Stationery Office, if any, during the contract year plus 10% shall be taken as the value of the stationery articles. The price of the articles specified below as noted in the printed price list for 1945-1946, is however less than the cost of their acquisition by the department. This is brought to notice.

(Note: These articles were not supplied to the paying departments Hence there is no instance of short-recovery).

Article.	From whom purchased.	Lbs.	Rate.	as per price list for 45-46.
1. ^{Steel} Steel nibs. No.788.	Steel nibs of sort 788 American from New ton & Co., Madras 11.8.1945.	Gross 500.	Rs.7/8/- per gross plus sales tax F.D.	Rs.6/13/-
2.-do-No.322.	--do-- 322 American Newton & Co., Madras	Gross 500	-do-	Rs.7/1/-
3.Flannel Sil-ver grey 54" wide 3.9.1945.	The Oriental Carpet Manufacturers Ltd., Amritsar. 500 yards.Bill No.176 D/-16.7.1945. 42 D/-27.4.1946. 4/2/- per yard.			2008/6/- 296/13/- ----- 2305/3/- 52/6/- ----- 2357/9/- -----
	Freight paid on 2.8.1945.			
				Rs.4/11/5 per yard or Rs.4/11/-
4.Flannel silver grey 27/- 28" wide.	Raymond woollen Mills Ltd., Bombay. 482 yards. 6.2.1945. Rs.1019/-(no purchase thereafter).		Rs.2/2/- or Rs.2/1/9 per yard.	Rs.2/- per yard.

Revs 25/5

M 32 33 2 (W)

XIV (a): In the appendix to the G.O.No.835 Edn. dated 31-5-41 it has clearly been laid down that the issue rates fixed should not include any departmental charges. In connection with the question of the levy of departmental charge on indents complied with on payment of cost, it was suggested in this office letter 1.7424/40 dated 8-12-41 to the Accountant General that 20% over the purchase rates may be charged and this has been approved by Government in Memo No.24792 B-13/41 dated 27-1-42.

(b) The price list was prepared on the basis of the rates available at the time of its preparation. The final rates were available only long after.

Office note

No rem. The revs 25/5 may be communicated to the A.G.

Place
see
revs 25/5
2/11/48

2008/6/-
296/13/-
2305/3/-
52/6/-
2357/9/-

11-31-33 (W)

w.r.t. the remarks of the Secy on p.26 ante, it is seen from the annexure of G.O.No. 835 Edn. 31.5.41 that the issue rates should be fixed in the case of articles purchased in India and articles manufactured in Govt Press to the nearest anna, with out the addition of 10% departmental charges. However a draft T.M. is separately submitted below for approval to clear the doubt.

The Supdt apparently refers to portions of the 'B' on p.32 and the memo on p.67 of (W). The A.G. has pointed out that this refers only to valuation of opening and closing stock of stores.

23/11/48
23/11/48
Rev 25/5
23/11/48
23/11/48

[Pl. see the next sheet - faces 27(a) & (b) for Fin. note]

(PTD)

Ann. ReportXIV. Payment for paper obtained from the Mills on the basis of the nominal weight.

It is observed that paper purchased by the department is paid for on the basis of the nominal weight per ream noted in the invoice whereas the stock accounts are maintained in terms of reams only. The basis on which the chargeable weight is to be calculated in accordance with the instructions issued by the Director General of Supplies contemplates weighing of the paper supplies. The paper supplied to the department has been paid in full in all cases with reference to the nominal weight. There is, however, nothing on record to show that weighing was made before payment in all these cases and the actual weight compared with the permissible limits of variation. It would appear to be necessary that the Stationery Committee should, in future, record the results of weighing and the percentage of variation from the nominal weight in each case in the Committee Book before the relevant bills are passed for payment in full on the basis of the nominal weight.

Reams & S/S

XV: The paper is taken into stock in reams after a test check as regards the quantity and quality of paper, as per rule 167 of Stationery Manual Volume I. As no case of variation in weight beyond the permissible limits has occurred so far, the fact of the test check made, is not recorded in the Committee Book. Payment is made by the Controller of Supply Accounts, New Delhi and not by this office.

Efficiency

The reams & S/S may be communicated to the A.G.

1/11/48
4/11/48

1/11/48
4/11/48

Finance (A.A) Deptt.

The proposal of E. & P. H. may be agreed to. The S. of S. has stated that as no case

of variation in ~~weight~~ weight beyond the permissible limits has occurred so far, the fact of the test check made is not recorded in the Committee Book. In view of the A.G.'s remarks at Madras, the S. of S. may be asked to do the same for satisfying audit.

1/11/48
19.1.49

28/49

pro

Finance (A.A) Deptt.

Para XIV (a) Pricing of articles sold to paying Depts.

The position is as follows:-

Rule 155(b) of the Madras Stationery Manual, Volume I lays down that in the case of articles purchased locally either from private firms or other Government departments, the actual price paid including the cost of delivery into the Stationery Office, if any, during the contract year plus 10% thereof shall be taken as the value of each article. Rule 155(c) ibid. requires that in respect of all articles except Typewriters supplied to Officers whose indents are to be complied with either on payment or book adjustments, a further addition of 10% should be made to the value arrived at as in Clause (b). Thus, the additional charges recoverable from the paying departments would amount to 21% of the cost of acquisition of the stationery articles by the Stationery Department.

In 1940, the A.G. made certain proposals relating to the stock accounts of the Stationery office which were intended to bring out the correct and true value of the opening balance, the receipts, issues and closing balance. In regard to the fixation of issue rate, he suggested the elimination of the departmental charges in India (i.e. 10%) from the calculations. These proposals were examined by the Govt. in consultation with the Superintendent of Stationery and the Accountant General and orders were issued in G.O. No. 835, Education, dated 31-5-1941. According to this G.O., the issue rates of articles purchased in India/or manufactured at the Govt. Press should be fixed as shown below:-

(a) Articles purchased in India.

Contract rates settled for the year rounded off to the nearest anna without the addition of 10% departmental charges.

(b) Articles manufactured at the Government Press.

Cost of materials and labour charges rounded off to the nearest anna without the addition of 10% departmental charges.

At the same time the question whether the percentage of

M m

p. 25 above

10% + 10% of (100+10)
= 21%
= 21%

cf. IV & V m

p. 9/ (W)

Su H. 11-21

(W)

Th 31-33

(W)

B m p. 32

(W)

See bottom of

p. 29 (W)

addition of 10% ^{only} ~~alone~~ for departmental charges ^(proposed to be) ~~then~~ levied
 would cover the cost of running the Stationery Stores was also
 raised and ^{further} examined in consultation with the Superintendent
 of Stationery and the Accountant General. The ~~then~~ A.G. ~~then~~
 suggested that the levy of 10% departmental charges over the
 issue rates and an additional 10% to paying departments might
 be allowed to continue for the time being, and the position
^{was} ~~revived~~ after a period of one year. This suggestion of the
 A.G. was accepted in Memo No. 24792 B-13 Edn./41 dated 27-1-42.
^{This} ~~which~~ has the effect of modifying the orders in G.O. No. 835 Edn
 dated 31-5-41 referred to at B ^{on p. 27(a)} above and restoring the old
 position of recovering from the paying departments an addi-
 tional charge of 21% of the cost of acquisition of the sta-
 tionery articles by the Stationery Dept. This arrangement
 has been continued since then - see Memo No. 18363 A.B/43-8
 Edn. dated 22-1-44 and Memo No. 10608 C2/46-4 dated 29-6-46.

R m p. 29
 H. 35-36
 39-59
 M m p. 59
 H. 67-68
 H. 31-33
 V para. 1 m
 M p. 27(a) above
 H. 109-118
 p. 119

42

In the circumstances, the view of the A.G. at X on p. 25 above
 is correct and the levy of percentage charges equivalent to
 20% of the cost of acquisition of the store against 21% due
 under the orders issued by the Govt. is a mistake. E & P.H
 may be requested to inform the Supdt. of Sty. accordingly and
 to ask him to submit proposals for waiving the short recovery
 from the consuming departments during the years ^{1941-42 onwards} ~~1944-45 and~~
^{suggested} ~~1945-46~~ amounting to Rs. 3,518/- as worked out by the A.G.

N ✓
 22.49
 K m p. 26
 above

17
 19/12/42
 19/1/49

22.49
 25/1/49

E fu

may be taken
 Achi as at N above

16/1/49
 18/1/49

Annul Report

(A3)

XVI.(a) Loss due to Damage of Stationery Articles caused by the Ravage of insects, Defective storage etc.

It is observed from the annual stock verification statements for the years 1942-1946 that considerable damage has occurred to the stationery articles due to the ravage of insects, defective storage etc. The extent of the damage in each year has not, however, been assessed by the department and the loss written off under proper sanction, vide rule 10 of the Madras Stationery Manual Volume I and appendix 23 of the Madras Financial Code, Volume II. The articles found unserviceable or unfit for issue are merely shown as "issues" in the stock register and brought on to the register of condemned stores without the sanction of the competent authority to the write off of the articles after due investigation as required in articles 140 and 141 of Madras Financial Code, Volume I. Failure to observe the code rules on the subject is brought to notice.

(b) The unserviceable stores have accumulated since the year 1941 without being disposed off either by public auction or otherwise as required in article 142 Madras Financial Code, Volume I. Steps may now be taken to dispose off the articles to the best advantage of Government without any further delay.

(c) It is stated that the Stationery Office was shifted to its present location in Narasu Nagar, Guindy in May 1942 as an emergency measure and that the buildings occupied by the Stationery Stores are not suitable for the purpose. The place is reported to be not free from damp while the absence of proper arrangements for ventilation has resulted in considerable damage due to white ants etc. Protective receptacles such as almirahs are also stated to be not available for the preservation of woollen materials and costly stationery articles. The desirability of making adequate arrangements for proper storage with a view to preventing further damage and the resultant loss to Government is brought to notice.

Remarks S/S

X | XVI (a): It is reported to Government that the damaged and unserviceable articles will be separated from the main stock and disposed of in auction or made use of to the best advantage and this is approved by Government every year. Hence it is considered unnecessary to formally write off the value of such articles.

(b) The unserviceable stores were auctioned on 27-3-47

+

(c) As the duration of location of this office in the present buildings was uncertain, it was not thought advisable to invest on expensive equipment for the preservation of the stores in the temporary building especially when the permanent Stores Building specially built for the purpose has all the necessary equipment. However, all efforts are being made to minimise damage by keeping the stores on wooden horses purchased from the Jail Department and stacks made by the office carpenter and by using naphthalene balls and D.D.T. solution to prevent ravage by insects.

X a 1-3 of AA
G 52 En
81-46

Coffee note
2h Spent Coffee for Verification of stock of Stationery Office in his report of Annual stock taking

Finance (AA) Dept

The proposal of E. d. A. at X mp. 30 above may be accepted subject to the following remarks:-

With reference to the point raised by the A. G. in para. XVI (a) of the Audit Report, the Supdt. of Stationary ~~has~~ considers that it is ~~not~~ unnecessary to formally write off the value of the damaged articles. Attention is invited to Articles 141 and 142 of M.F.C., Vol I, which lay down the procedure for the disposal of unserviceable stores. Unserviceable stores should not be condemned and disposed of until after their value has been written off by the authority competent to write off a loss of cash equivalent to their value under Art. 297 and Appendix 23 of M.F.C., Vol I. So the contention of the Supdt. of Stationary that the formal write off of the value of the condemned articles is not necessary ~~is~~ ^{is} not seen to be correct. E. d. A. may therefore be requested to issue necessary instructions to the Supdt. in the matter to observe the code rules strictly in future.

extract mp. 29 above

X mp. 29 above

p. 86 of P.B. No. 34.

Art. 141(a) mp. 86 of P.B. No. 34

X 22.49

17/6/49
19.1.49

22.49

25/1/49
E. d. A.

X also may be done

JP 16.49

JP 18/4/49

In igus. 46 referred in the articles found damaged or otherwise unserviceable in the stores. The Supdt. & S/S then observed that such articles would be separated from the main stock and disposed of in auction or made the best use of, as usual. On further report being called for, the S/S stated that the shoring ships had been in a private building since July 1942, leaving its building in the North Beach Road which was constructed especially for its accommodation & also equipped with precautions. It also points out that owing to inherent defect in the building and consequent inadaptability for a shoring ship, some damage was inevitable as long as the ships continued to be located in the present place (Narasimhar) and the articles which could be used in spite of slight damage were made use of to the best advantage and others would be sold in public auction. On further report being called for for the S/S as regards the results for each of the damaged articles, G. M. has dropped the matter. In the circumstances now stated by the S/S, no further action seems necessary. The results of the S/S may be communicated to the S/S. A.G.

3 of AA

18 of AA

AA

AA

X

JP 19/4/48

JP 11/11/48

JP 4/11/48

P.T.O.

Finance (AA) Dept.

The proposal of E.P.H. is to value the closing stock at the end of the year 1945-1946 at the cost of acquisition or market rates whichever is less, in accordance with the instructions issued in G.O.No.Ms.835 Education dated the 31st May 1942, the result of such valuation being shown as loss or gain by valuation. The results of such valuation showing the net loss or gain during the years 1943-1944 to 1945-1946 are tabulated below. It will be seen that there has been considerable loss due to the revaluation of the closing stock as on 31st March 1946 the net loss amounting to Rs.52,230. The desirability of taking adequate steps to minimise such loss to Government by regulating the purchases in each year with due regard to the average issues of the preceding years and the reasonable requirements of the year especially, in the view of the downward trend of prices is brought to notice.

1-31-33 (W)

XVII. Revaluation of closing stock at the end of the year 1945-1946.

The closing balance at the end of each financial year is being valued at the cost of acquisition or market rates whichever is less, in accordance with the instructions issued in G.O.No.Ms.835 Education dated the 31st May 1942, the result of such valuation being shown as loss or gain by valuation. The results of such valuation showing the net loss or gain during the years 1943-1944 to 1945-1946 are tabulated below. It will be seen that there has been considerable loss due to the revaluation of the closing stock as on 31st March 1946 the net loss amounting to Rs.52,230. The desirability of taking adequate steps to minimise such loss to Government by regulating the purchases in each year with due regard to the average issues of the preceding years and the reasonable requirements of the year especially, in the view of the downward trend of prices is brought to notice.

Year.	Gain due to valuation.	Loss due to valuation.	Net gain + Net loss -
-6	Rs.	Rs.	Rs.
1943-1944.	2,54,230.	5,118.	+2,49,112.
1944-1945.	35,472.	42,082.	- 6,610.
1945-1946.	45,628.	97,858.	- 52,230.

Remarks S/S

XVII: During the period of the war, articles were purchased when available as there was difficulty in getting articles when real need arose. In future, purchases will be regulated to meet the actual needs.

In the special circumstances of the case, the explanation S/S may be accepted.

4/4/48

collected by

Finance (AA) Dept.

The proposal of E.P.H.

above may be agreed to.

17/6/49 19.1.49

20.1.49

25.1.49

020

32
Audit Report

XVIII. Contract for tailoring.

The data for arriving at the estimate of cloth issued by the department for each unit of clothing specified in the tender notice and incorporated in the schedule appended to the agreement bond appear to have been worked out as far back as the year 1936. It was pointed out in paragraph 19 of the last audit note (1944-1945) that the very low and seemingly unworkable rates quoted by the tenderers might perhaps be due to a liberal issue of cloth and other materials by the department and might therefore warrant a revision of the scale of issue of cloth and other materials. The superintendent of stationery has also promised to consider this aspect of the question - vide his reply No. A.I.2992/46 dated the 9th December 1946 to the audit note for 1944-1945. It would therefore appear to be necessary to review the scale of clothing at an early date, possible, due regard being had to the possible savings of cloth in lump sum orders and give effect to the revision, if possible, before the tenders are invited for stitching garments during the year 1947-1948.

Remarks

XVIII: The Deputy Director of Ordnance Factories, Delhi is being consulted in the matter.

Office note

The S/s may be asked to see

in what stage the matter is

by the S/s

by the S/s

46 33

Audit Report

XIX. Quarterly verification of stock by storekeeper.

Rule 189 of the Madras Stationery Manual, Volume I, lays down that during the issue season, the Storekeeper, shall, at least once a quarter, verify a reasonable proportion (to be fixed by the Superintendent) of the stock of articles with the unopened and loose stock registers and submit a certificate of his verification together with (i) a list of excesses or deficiencies found by him and (ii) a list of articles which have become damaged or un-serviceable, to the Superintendent of Stationery. It is, however, observed that the quarterly verification of stores for the quarters ending 31st March 1946 and 30th June 1946 was conducted by the storekeeper only in respect of a few articles which could be verified by actual count and that no separate action was taken on the report of excesses and deficiencies submitted by the storekeeper on the ground that the excess and deficiencies which occurred during the quarters became merged in those listed out by the Special Stock Verifying Officer during the annual stock verification conducted by him in August 1946. The verification of stores does not appear to have been carried out by the storekeeper for the subsequent quarters (quarters ending 30th September 1946 and 31st December 1946).

It was explained that during the quarterly verification of stores by the store-keeper the issues and receipts of stores could not be suspended as in the case of the annual stock taking and that for want of sufficient space in the stores at Guindy, the articles accounted for by weight and measurements and which have to be issued only in the presence of the packers or representatives of the local indenting officers, could not be kept apart from the main stock during the period intervening the date on which the stocks were noted as issue in the stock books with reference to the entries made in the indents and that on which the packets actually turned up at the respective sections for taking delivery of the stores. As this rendered it difficult to arrive at the correct book balance for comparison with the actuals stock found on verification it was held that it would not be possible to carry out the quarterly verification by the storekeeper in the manner contemplated in rule 189 so long as the stores remained at Guindy.

It is suggested that a suitable note be made of issues entered in the stock book but not actually issued to the packers, in a separate book for arriving at the correct book balance for the purpose of comparison with stock found on actual count or weightment and the quarterly verification prescribed in rule 189 so long as the stores remained at Guindy.

It is suggested that a suitable note be made of issues entered in the stock book but not actually issued to the packers, in a separate book for arriving at the correct book balance for the purpose of comparison with the stock found on actual count or weightment and the quarterly verification prescribed in rule 189 carried out or in the alternative the specific sanction of Government may be obtained for relaxing the provisions of rule 189 until such time that the stationery stores are shifted back to their former buildings.

Remarks on the S/S

XIX: The quarterly verification of the stores prescribed in rule 189 of Stationery Manual Vol. I presents great difficulty for want of adequate space to keep stocks under issue separately from the main stock. This difficulty will continue as long as the stores remain in the present buildings at Guindy. The suggestion of the auditor to record the issues not separated from the main stock in a separate book to facilitate verification is not workable in practice. It is therefore suggested that a regular verification of stores during each quarter as per rule 189 of Stationery Manual Vol. I, may be dispensed with so long as the stores remain at Guindy. However a surprise test check of stock of a few items in which large transactions occur will be conducted by the Store Keeper as often as possible.

15/11/48
11/11/48
M

Office note

The A.G. has pointed out in his audit report objections on p. 33 and how the instructions of rule 189 of the S.S. Manual Vol. I have been violated in view of the limited space in the building now occupied by the Stationery Stores. The question of removing the Stores to the Fort Lake Beach, its original premises is under separate consideration & may take time. Meanwhile, it is for the consideration whether the proposal at M may be accepted. The present Supt. & S.S. (Mr. V.V. Subramanyam) has been asked to go into the working of the Stationery Stores & submit a report. Perhaps he may touch on this aspect of the question.

JH
10/11/48
11/11/48
w.r.t. the Secy's remarks in the margin please see the draft memo submitted below for approval.

10/11/48

Please see the previous remarks & the S/S. on p. 32 of J. The circumstances stated therein, the explanation of the S/S may be accepted.

JH
16/11/48

18/11/48

Finance may agree with A above.

16/11/48

23/11/48

The A.G. may be considered as whether the proposal at M on p. 34 above may be adopted.

25/11/48

N - My copy is in the hands of the Secy for the file.

p. 26 of

XX. Adjustment of the cost of stationery articles supplied to the Civil Pioneer Force Unit Offices.

The supplies made by the Stationery department to the offices of the Civil Pioneer Force Units are chargeable to the Central Head "64-Miscellaneous-Expenditure connected with the War 1939" as seen from the orders of the Government of Madras issued from time to time directing the supply of stationery articles from the stationery office to the offices in question (Vide Government Memoranda Nos. 24004-43-1 Public Works Department dated the 19th August 1943 and 2936-A/44-1 Public Works Department dated the 27th May 1944)

It is, however, observed that the supplies made to the offices from the 1st April 1944 and onwards have been erroneously treated by the Stationery Department as free issues. Necessary adjustment may now be arranged to be effected in respect of the supplies in question in the same manner as supplies made to other Central departments (Vide also paragraphs 4 and 13 of the Audit Notes for 1944-1945)

Remark 2 in S/S

XX: The cost of the articles is debitable to 64-Miscellaneous Expenditure connected with war as per Government Memo P.W.D. 2400 A/43-1 dated 19-8-43. There is no specific direction in the Government Memo that the cost should be recovered. Hence the supply was made free of cost and charged to Mis. departments in the departmental registers maintained in this office.

Conclusion

The remark 2 P.W.D. in the works on the point raised by the S/S. The paper quoted above is not very frank.

4.11.48

4.11.48

DS

Civil Pioneer Force

The S.O.S. may be asked to prefer a bill for the recovery of stationery to the C.P.F. as order that further action may be taken for addressing the same.

India

5.1.49

7.1.49

(150)

Finance (A.A.) Dept.

The suggestion of P.W. on p.35 above may be agreed to in this Dept.

28.1.49

For 27/1/49

Expenditure
(C2)

With reference to the suggestion of P.W. overleaf a draft memo is submitted may be considered.

JH 18/4/49

JH 16/4/49

Audit Report

XXI. Exchange of Stencil Papers (R.R.R) for inferior variety supplied to the departmental officers in the first instance.

It is observed that a total quantity of Reams 35 and sheets 312 of Stencil papers (R.R.R) costing Rs.2614/- (nearly) supplied by the Stationery Officer to certain departmental officers was returned by them during the years 1943-1944, 1944-1945 and 1945-1946 on the ground that the papers were useless, inferior, unfit for typing etc.,

1943-1944.	1944-1945.	1945-1946.
Rms. Shts. Value.	Rms. Shts. Value.	Rms. Shts. Value.
4 253 Rs.414/- (at Rs.92/- per ream)	3 164 Rs.254/- (at Rs.77/- per ream).	27 395 Rs.1946/- (at Rs.70 per ream).

Total Value: Rs.2,614/-

The stencil papers thus returned were condemned by the Assistant Superintendent and set apart for auction presumably under the powers vested in him under rule 192, Madras Stationery Manual, Volume I, and an equal number of papers issued in exchange to the respective offices.

Under rule 58 of the Madras Stationery Manual, Volume I, the exchange of stationery once supplied is strictly forbidden and requisition from officers for such exchange shall not be considered unless (1) the articles proposed to be returned were issued from the stationery office for use during the year in which application is made and (2) they have not deteriorated since issue. The acceptance of the stencil papers in question by the Stationery Office and the issue of good quality of paper in exchange in the manner indicated above is ~~long~~ brought to notice.

	1942-1943.	1943-1944.	1944-1945.	1945-46.
	Rms. Shts.	Rms. Shts.	Rms. Shts.	Rms. Shts.
Opening Stock.	232 267	254 130	103 396	334 230
Purchased during the year.	145 300	105 200	426 40	164 41
Total.	378 67	359 330	529 436	498 271
Issues during the year.	123 437	255 434	195 206	201 225
Closing Stock.	254 130	103 396	334 230	297 46

The loss, in question, should, therefore, be deemed to be due to damage which occurred at the stores and dealt with under rules 10 and 57 of the Madras Stationery Manual, Volume I. The loss pertaining to the year 1944-1945 amounting to Rs.254/- may now be written off by the Superintendent of stationery under rule 10 ibid after due investigation of the reasons for condemnation and the sanction of Government obtained for the write off of the loss pertaining to the years 1943-1944 and 1945-1946 as the amounts involved are beyond the powers of sanction of the Superintendent of Stationery to write off.

Rep 2 S/S

XXI: Stencil paper is an article which is subject to quicker deterioration depending upon the climatic conditions and as such an elaborate enquiry into the cause of the damages is considered unnecessary. As rule 192 of Stationery Manual Vol. I empowers the Assistant Superintendent of Stationery to condemn and set apart for auction is considered unnecessary. Moreover, the stencil papers were returned by several officers at different times and total value of the stencil paper returned in a year cannot be taken to determine the authority competent to write off its value.

Office note

The following statement shows the loss sustained by the S/S Dept. due to the exchange of Stencil paper during 1943-44 to 1945-46.

1943-44 - Rs 414.

1944-45 - Rs 252

1945-46 - Rs 196.

↑ 37 art

17 1/2 S/S Manual

Under rule 10 of the S/S Manual, S/S is authorized to write off irreparable loss of stock articles lost or damaged up to the value of Rs 300/. As per the order of the A.C. Asst. Supt. S/S can write off the loss for 1944-45. Govt. may write off the loss for 1943-44 & 1945-46 as the amount exceeds Rs 300/.

JP 11/11/48

JP 11/11/48

Finance (NA)

The proposal at X above may be agreed to. E.A.P. may be requested to ask the Supt. of Stationery to adhere to Rule 58 of the Stationery Manual.

PTU

Vol I in future.

17/11/49

22.49

7/11/49

2 1/4 C2

The suggestion of Fin. on the previous page may be accepted.

JP 16/11/49

JP 18/11/49

X

PTU

met out of the permanent advance touched the limit of Rs 250/- only once, i.e. in May 1946. The highest figure during the later period, viz 1.4.47 to 1.10.47 was only Rs 207-8-3. Although unforeseen expenditure will have to be incurred, it does not seem desirable to keep money unutilised till it is required for disbursement; it appears therefore that there is a case for a reduction of the permanent advance to at least Rs 200/- Finance may advise that action may be taken to reduce the amount from Rs 300/- to Rs 200/-

20.1.49 23.1.49 27.1.49

£ 54

The proposed Finance may be accepted.

JP 16.4.49 MM 18.4.49

[Faint handwritten notes and signatures at the bottom of page 40]

XXIII. Outstanding points of previous reports.

The test audit notes for each of the years 1941-42, 1942-43 and 1943-1944 have not yet been replied to in spite of several reminders (vide also paragraph 1 of the audit report for 1944-1945). The defects pointed out in these audit notes have not also been rectified. (vide instances cited below). Special action may now be taken to bring the relevant registers up to date besides strictly observing the code rules relating to the maintenance of the stock registers and the physical verification of stores, in future.

(a) Registers of furniture, office stores and tools and plant.

Volume I.

The annual verification of furniture and other office stores prescribed in Article 143 Madras Financial Code, has not been conducted since September 1941. These articles do not also appear to have been verified at the time of the transfer of the Superintendent of Stationery although there have been several changes in the incumbency of the Superintendent (vide Article 144 of the Madras Financial Code, Volume I). Early action may, therefore, be taken to carry out the physical verification of stores.

(b) Register of loan machines (Typewriters).

The register has not been maintained during the last six years with the result that effective action has not been taken to get back the loan machines. The register may now be brought into use and vigorous action taken to get back the machines whose terms of loan have expired.

Re to 2/5

XXIII (a): Action will be taken in the matter.

(b) The circumstances under which the maintenance of the register of loan machines was discontinued were explained

in this office letter No.A.1.2992/46 dated 11-11-46 in reply to the audit report for 1944-45. The tracing of the course of each of the machines during the last five years involves a reference to several files and this work is not capable of being attended to by the clerks now working in the section who are already overworked on account of the large volume of current correspondence to be dealt with as a result of the huge number of machines purchased every year. It is considered that a proper maintenance of this register will involve work requiring a ~~one~~ clerk ~~extra~~ exclusively at least for a period of three months. It is proposed to address Government for additional staff to cope with the increase of work in the several sections of the office and the work will be taken up as soon as the additional staff becomes available.

[Handwritten notes and signatures at the bottom of page 41]

ANNEXURE I.

(Wide paragraph II of the Report).

Demand, Collection and Balance Register for 1945-1946, Items of delay in the Recovery of cost.

Serial Number.	Indent No. and date.	Date of issue.	From whom due.	Date of return of Indent.	Date of bill.	Total demand. Rs.	Recovery date & amount.		
2	S.I.719-45 d/2.4.1945	25.7.1945.	The Central Co-operative Printing Works, Madras.	26.10.1945.	28.8.1946.	8,685--5--0	4.4.1946	Rs.8,685--5--0	Reserve Bank of India, Madras
3	S.I.120-45 d/2.4.1945	20.4.1945. 1.6.1945.	The Coimbatore Co-operative Printing Works, Coimbatore	15.5.1945. 2.7.1945.	26.9.1945.	6,128-15--0	18.10.1945.	Rs.6,128-15--0	Imperial Bank of India, Coimbatore.
39	S.I.102-44 d/28.4.1945	9.7.1945 13.7.1945.	The Commissioner, Corporation of Madras.	17.7.1945. 18.7.1945.	6.2.1946.	12,829--9--0	18.2.1946.	12,829--9--0	Reserve Bank Madras.
42	I.483-45 d/2.5.1945.	22.6.1945.	The Principal, Mrs.A.V.W. College, Vizagapatam.	25.8.1945.	19.3.1946.	154--7--0	30.3.1946.	154--7--0	Huzur Treasury Vizagapatam.
70	S.I.128-45 d/18.5.1945	11.7.1945.	The Commissioner, Tirumalai Tirupathi Devasthanam.	7.8.1945.	5.12.1945.	4,135-14--0	20.12.1945	4,135-14--0	Sub Treasury Chandragiri.
79	I.661-44 d/24.5.1945.	29.5.1945. 25.9.1945.	The Registrar, University of Madras.	16.6.1945. 12.10.1945.	27.2.1946.	7,040--4--0.	14.3.1946.	7,040--4--0	Reserve Bank, Madras.
86	I.568-45 d/1.6.1945.	7.8.1945.	Chairman, Port Trust, Madras	18.8.1945.	13.3.1946.	1,395--7--0	28.3.1946	1,395--7--0	Reserve Bank, Madras.
89	I.391-45 d/1.6.1945.	28.6.1945.	Manager, Kodaveri Estate.	31.7.1945.	1.3.1946.	263-14--0	10.6.1946.	263-14--0	Imperial Bank of India, Trichy
118	S.I.130-45 d/13.8.1945.	13.8.1945.	The President, District Board South Kanara.	22.10.1945	21.3.1946.	1,508--1--0	24.6.1946.	1,508--1--0	Imperial Bank of India, Mangalore.
139	I.944-45 d/27.8.1945.	27.8.1945.	The Estate Collector, Sivaganga.	17.9.1945.	15.3.1946.	6,006--7--0	26.3.1946.	6,006--7--0	Sub Treasury, Sivaganga.
173	1023-45 d/4.9.1945.	26.9.1945.	The Registrar, Annamalai University.	20.10.1945.	4.4.1946.	817--4--0.	15.5.1946.	817--4--0	Sub Treasury, Chidambaram.
227	1492-45 d/1.11.1945.	6.11.1945.	The Registrar, University of Madras.	3.12.1945.	8.4.1946.	2,056--6--0	13.5.1946.	2,056--6--0	Reserve Bank Madras.
258	1492-45 d/3.1.1946.	22.1.1946.	Do.	13.2.1946.	17.6.1946.	8,287--8--0	6.7.1946.	8,287--8--0	Do.
269	856-44 d/11.1.1946.	31.1.1946.	The Registrar, Andhra University.	22.8.1946.	14.9.1946,	112--6--0	29.10.1946.	112--6--0	Sub Treasury Vizagapatam.
311	I.48-46 d/11.2.1946.	23.4.1946.	Do.	2.7.1946.	9.8.1946.	1,983--4--0	6.9.1946.	1,983--4--0	Do.

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ANNEXURE II.
(Vide paragraph VI of the Report).

Short Claim and recovery on Sale indents for 1945-1946,

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Serial Number.	Reference to indent.	To whom issued.	Date of issue.	Articles issued.	Price charged. Rs.	As per price list for 1945 1946. Rs.	Price to be charged. Rs.	Short claim and recovery. 20%. Rs.	Total Rs.
1	DCB.86/13.3.1946: Rs.1,395/7/-.	Chairman, Port Trust, Madras.	7.8.1945.	Carbon Paper for T.W. 13 x 8 purple 9 Rms.	71--7--0 + 20%	10--4--0 a Rm	92--4--0 + 20%.	20-13--0	4-2--7. ✓25--0-0
2	Do ✓	Do	Do	Paper Tracing part E.S in rolls of 50 yds.60" 200 yards.	80--0--0 + 20%	21/- per roll of 50 yards.	84--0--0 + 20%	4--0--0	0-12-10 ✓4-13-0
3	DCB.42/45-46/19.3.46. Rs.154--7--0.	Principal, A.V.N.College, Vizagapatam.		Carbon paper for T.W. 13 x 8 purple 3 Rms. black.	15-14--0 + 20%	10/4/-	20--8--0 * 20%	4-10--0	0-14-10 ✓5--9-0
4	DCB.227/45-46/29.6.1945.	Registrar, Univer- sity of Madras.		Do 17 Rms.	134-15--0 + 20%	10/4/-	174--4--0 + 20%	39--5--0	7-13-10 x 47--3-0
5	DCB.90/25.9.1945. Rs.1264-10--0.	Manager, Reserve Bank of India, Madras.	26.7.1945.	L.C.Royal 36 lbs. 10 Rms.	411--4--0 * 20%	43--3--0.	431-14--0 + 20%	20-10--0	4--2--0 } x 24-12-0
6				L.L.D.F.28 lbs. 6 Rms.	192---0--0+20%.	33--9--0.	201--6--0 + 20%	9--6--0	1-14--0 } x 11-14-0
7				Az.W.R1.52 lbs. 24x27 4 Rms.	83--4--0 x 20%	25--3--0.	100-12--0	17--8--0	3--8--0 } x 21--0-0
8	DCB.70/5.12.1945 Rs.4135-14-0.	Commissioner, Tirupati Devasthanam.	11.7.1945.	Duplicating paper 5 lbs. 112 Rms.	252--0--0	2--5--0.	259--0--0	7--0--0	1--6--0 x 8--6-0
9	DCB.185/45-46 ✓	Forest Utilization Officer, Madras.	22.11.1945.	Carbon paper type- writer 13"x8" (purple). Rms.5	39-11--0.	7-15--0.	61--9--0		✓21-14-0
Total.									Rs. 169-13-0

Excess recovery.

1	DCB.39-97/45-46/ 6.2.1946.	The Commissioner, Corporation of Madras.	9.7.1945.	80 reams of Brown wrapping paper of Punalur Mills.	Rs.786/- including 20% centage charges.	7-13--0 per ream.	750/- inclu- ding 20%cen- tage charges.	36/-/-	Excess recovery.
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Serial Nos. 1, 2, 3, & 9 since recovered.

To be recovered

47-3-0
24-12-0
11-14-0
21-8-0
8-6-0

Short recovery at present } 113-3-0
Excess recovery Rs. 36-0-0

tmp/.

Serial Number.		Date or month of supply.	Description of article.	Quantity.	Rate at which purchased.	Contract rate.	Reference to Fort St. George Gazette in which the ceiling rates were published.	Excess payment made.	Name of supplier from whom the amount specified in column 8 is recoverable.
					Rs.	Rs.		Rs.	
1		September 45.	Relief Nibs.No.314(American).	50 Gr.	6/10/- per Gr (F.O.R)	6/6/- per Gr	Page 161 of Fort St. George Gazette dated the 6th March 1945.	12/8/-	Messrs.Kumar Stationery Stores Bombay.
2		February 46.	Do	50 Gr.	Do.	5/8/3	Do 120 dated the 5th February 1946.	55/7/6 or 55/8/-	Do
3		July 1945.	Perry Nibs(88M).	1000 Gr.	3/8/- per Gross.	3/3/- per Gross.	Do 161 dated the 6th March 1945.	312/8/-	Messrs.Newton & Co., Madras.
4		August 1945.	Pins 2 3/4" (in sheets of 100 pins).	12 1/2 Gr.Shts. (less 2 shts).	24/30/7/- per Gr. (F.O.R. Bombay).	24/- per Gross.	Do	192/12/-	Messrs.Bombay Stationery House, Bombay.
5		May 1945.	Do 1" Do	10.08 Gr.	41/7/- per Gr. (F.O.R. Bombay).	33/10/- per Gr.	Do.	78/12/-	Do
6		October 46.	Utility Copying English pencils.	90 Gr.	32/- per Gross (F.O.R. Bombay).	27/9/6	Page 120 of the Fort St. George Gazette dated the 5th February 1946.	396/9/-	Do
7		June to December 1946.	Copying pencils.	201 Gr.(less 8 pencils).	32/- per Gr. (F.O.R. Bombay)	27/9/6 per Gr.	Do.	885/7/-	Messrs.Champaklal & Co., Bombay.

(Vide paragraph III. of the report).

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Annexure IV.
(Vide paragraph IX(b) of the report).

Serial Number.	Date and month of supply.	Description of article.	Quantity purchased.	Rate at which purchased.
1	August 1945.	Steel nibs of sort No.788 American.	500 Gross.	Rs.7/8/- per gross.
2	November 1945 to January 1946.	„ Easterbrook 788 & 322.	2000 Gross.	Rs.6/8/- per gross.
3	August 1945.	„ No. 322 American.	500 Gross.	Rs.7/8/- per Gross.
4	February 1946.	„ 2114 Hinks & Wells, London.	643 Gross.	Rs.4/8/- per gross.
5	November 1945.	„ Elora Macdonald.	50 Gross.	Rs.8/12/- per Gross.
6	July 1946.	Tracing cloth 30" wide in rolls of 24 yards.	30 rolls.	Rs.63/- per roll.
7	December 1945 & January 46.	Stencil paper for Cyclostyle.	50 reams.	Rs.40/- per ream.
8	November & December 1945.	„ Gestetner.	100 reams.	Rs.70/- per ream.
9	--do--	„ R.R.R.	100 reams.	-do- -do-
10.	--do--	„ Roneo.	80 reams.	-do- -do-
11.	July 1946 to January 1947.	Tape white Europe 1/2" wide.	37400 yards.	Rs.3/14/- per gross yds.

NOTE: Items 1 to 3. The rates charged by M.Srinivasalu Naidu against item 2 are less than those charged by Messrs. Newton & Co., in respect of items 1 and 3. The variations in the rates for articles of the same description charged by the suppliers are brought to notice.

Name of supplier.

Messrs. Newton & Co., Madras.

M. Srinivasalu Naidu.

Messrs. Newton & Co., Madras.

S.R. Sharma & Co., Madras.

Srinidhi Ltd., Madras.

J.B. Adwahi & Co., Madras.

Gestetner (India) Ltd., Madras.

Do

Do

Do

Messrs. B. Varada Sah & Sons., Madras.

Sp

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ANNEXURE V.
(Vide paragraph XI of the Report).

Serial Number.	Description of article.	Name of contractor.	Quantity due to be supplied during 1945-1946.	Quantity supplied during 1945-1946	Quantity supplied during 1946-47	Date or dates of sup- ply.	Contract rate for 1945-1946 at which payment was made. Rs.	Contract rate for 1946-1947. Rs.	Excess pay- ment. Rs.
1.	Camel hair brush flat 1 1/2".	The Dollar Co., Madras.	156.	Nil.	156.	23.5.1946.	3--5--0.	2--0--0.	204-12--0.
2.	Camel hair brush flat. 3".	The Dollar Co., Madras.	120.	Nil.	120.	23.5.1946.	5-10--0.	3--0--0.	315--0--0.
3.	Three cornered needles.	Messrs. Newton & Co., Madras.	10,000.	Nil.	9,998.	6.1946.	10-13--1, per 100.	6--0--0, (per 100 1.8.0 per packet of 25).	481-11--0.

Total. Rs. 1,001--7--0.

