

(T) E & P. H.

(1949) Department.

Ms. SERIES.

G.O. NO. Ms. 93/Edm.

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Subdt.

Seq

Dated 1-4-49.

[Despatch Abstract.]

Grant - Equipment - Secondary schools and colleges under private managements - Deviation from the approved indentis owing to fluctuation in prices - Condonation of irregularities and payment of grants on the basis of increased costs - Orders passed

Back Papers.

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

Further Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
Tr.	4284/R/74-76	Edn & P.H.	6.11.75				

RC.NO.345-F/47.

Office of the
Director of Public Instruction,
Madras, Dated 31--1--1949.

From

THE DIRECTOR OF PUBLIC INSTRUCTION,
MADRAS.

To

THE SECRETARY TO GOVERNMENT,
EDUCATION & PUBLIC HEALTH DEPARTMENT,
MADRAS.

SIR,

SUB: G R A N T - Equipment - Submission of vouchers
and invoices - Articles purchased at enhanced
rates - Provision for admitting the increased
costs.

Owing to the economic conditions now prevailing it is found that some laxity in the application of rules of the Grant-in-Aid Code in respect of equipment grant is necessary as the managements are not able to adhere strictly to the conditions laid down under the Code. For example, it is observed from the vouchers and invoices submitted by the management that there is much disparity between the rates quoted at the time of submitting the application and those given in the vouchers and invoices. This difference in rates is due to the fact that the prices of almost all the articles of equipment, particularly those relating to the science articles and the cost of labour have been fluctuating rapidly. In some cases, the articles have been purchased at three or even four times the original approved costs. A certain amount of irregularity has therefore become quite common as illustrated in the example given below:--

A scheme on behalf of the School for the purchase of 10 dual desks at an estimated cost of Rs.500(Rs.50-0-0x10) was admitted last year and the half cost Viz.,Rs.250/-provided as grant in the Budget Estimate. When the vouchers were submitted it was observed that the Correspondent had purchased only 8 dual desks at a total cost of Rs.560/-(Rs.70-0-0x8) from a different firm. Thus, in this case, it will be seen that the Correspondent had purchased not only a lesser number of articles but also at increased rates and even that exceeds the total amount admitted by Rs.60/-. Thus, there is departure from the original approved indent:

- (i) in the number of articles;
- (ii) in the cost of articles;
- AND
- (iii) in the matter of quotations.

A large number of managements, owing to the uncertain market conditions, are forced to deviate from the original approved indent and if the rules of the Grant-in-Aid Code are strictly applied, the institution would be deprived of the Grant on the purchase. With a view to tiding over this difficulty, the total cost of the articles is now being admitted for the subject, however, to the condition that the amount so admitted does not, on any account, exceed the total figure provided in the sanction. I request that my action so far may be ratified and that I may be permitted to condone these irregularities in any case and to admit the increased cost of the articles provided the cost so admitted does not on any account exceed the amount provided in the sanction. I however think that it would only be fair to admit the increased rates in full and not merely to limit the cost of the scheme to the amount provided in the Budget Estimate as it is being done at present and as such Government may permit me to meet this extra expenditure from out of the lapsed amount if any, or by making necessary provision in the next....

Office of the
Director of Public Instruction,
Madras, Dated 31-1-1948.

HC.No. 345-747.

From
THE DIRECTOR OF PUBLIC INSTRUCTION,
MADRAS.

To
THE SECRETARY TO GOVERNMENT,
EDUCATION & PUBLIC HEALTH DEPARTMENT,
MADRAS.

SIR,

SUB: G. R. A. N. T. - Equipment - Submission of vouchers
and invoices - Articles purchased at enhanced
rates - Provision for admitting the increased
costs.

Owing to the economic conditions now prevailing it is found that some laxity in the application of rules of the Grant-in-Aid Code in respect of equipment grant is necessary as the managements are not able to adhere strictly to the conditions laid down under the Code. For example, it is observed from the vouchers and invoices submitted by the management that there is much disparity between the rates quoted at the time of submitting the application and those given in the vouchers and invoices. This difference is due to the fact that the prices of almost all the articles of equipment, particularly those relating to the science articles and the cost of labour have been fluctuating rapidly. In some cases, the articles have been purchased at three or even four times the original approved costs. A certain amount of irregularity has therefore become quite common as illustrated in the example given below:-

A scheme on behalf of the school for the purchase of 10 dual desks at an estimated cost of Rs. 500 (Rs. 50-0-0x10) was submitted last year and the half cost viz., Rs. 250-0-0 was admitted as grant in the Budget Estimate. When the vouchers were submitted it was observed that the Correspondent had purchased only 8 dual desks at a total cost of Rs. 280-0-0 (Rs. 70-0-0x8) from a different firm. Thus, in this case, it will be seen that the Correspondent had purchased not only a lesser number of articles but also at increased rates and even that exceeds the total amount admitted by Rs. 60-0-0. Thus there is departure from the original approved indent:

- (i) in the number of articles;
(ii) in the cost of articles;
AND
(iii) in the matter of quotation.

A large number of managements, owing to the uncertain market conditions, are forced to deviate from the original approved indent and if the rules of the Grant-in-Aid Code are strictly applied the institution would be deprived of the grant on the purchase. With a view to this, even this difference in total cost of the articles is now being admitted for the supplement, to the condition that the amount so admitted does not, on any account, exceed the total figure provided in the original indent. I request that my action so far may be ratified and that I may be permitted to continue these irregularities in any case and to admit the increased cost of the articles provided the cost so admitted does not on any account exceed the amount provided in the original indent. I however think that it would only be fair to admit the increased rates in the original indent to limit the cost of the school to the amount provided in the Budget Estimate as it is better to have a small amount of irregularity than to have a large amount of irregularity. I request that my action so far may be ratified and that I may be permitted to continue these irregularities in any case and to admit the increased cost of the articles provided the cost so admitted does not on any account exceed the amount provided in the original indent. I however think that it would only be fair to admit the increased rates in the original indent to limit the cost of the school to the amount provided in the Budget Estimate as it is better to have a small amount of irregularity than to have a large amount of irregularity.

in the next year's Budget Estimate in respect of such institutions which HAVE incurred over and above the approved cost so that the extra amount may be paid as a supplemental grant in the coming year.

There is yet another point for consideration. In some cases, it is also observed that the managements claim grant on the expenditure incurred towards Sales Tax, Freight, Packing charges etc., for which no provision was made in the original estimate. Though, this item of expenditure is a necessary and unavoidable item and even though necessary vouchers are submitted for this expenditure, yet this is being disallowed for want of provision in the original estimate. Though the managements are every now and then instructed to make necessary provision for this expenditure in the application itself, yet they omit to do so but find it big enough to claim grant thereon only at the time of submission of vouchers and invoices. I request that I may be permitted to admit this amount also for purposes of assessing grant even in cases where provision has not been asked for at the time of submitting the indent.

I request that Government may pass early orders in the matter.

Yours faithfully,

Thiruvananthapuram

for DIRECTOR OF PUBLIC INSTRUCTION.

Ram.1/2.

Grant - Equipment - Secondary schools under private managements - Deviation from the approved indents owing to fluctuation in prices - condonation of irregularities and payment of grants on the basis of increased costs - Orders passed. (h)

From The D.P.I., Rc.No. 345-F/47 dated 31--1--49.

ORDER (MS) NO. 931 EDN. DATED 1-4-49

The Govt. approve the action of the D.P.I. in having condoned the irregularities committed by the managements of aided secondary schools in the purchase of articles of equipment by deviating from the approved indent in the number of articles, in the cost of articles and in the matter of quotations owing to the uncertain market conditions and admitted the increased cost of the articles restricting the maximum grant payable on the basis of the increased cost to the amount sanctioned for the scheme.

2. The D.P.I. is informed that in future the total cost of each scheme for the purchase of equipment should be arrived at by adding to the estimated cost of the articles - a percentage ^{of the estimated cost} to meet the fluctuation ⁱⁿ prices so that there may be no necessity to make any supplementary grant for the scheme and the Government's liability ^{maybe} limited to the maximum already fixed ^{Rs 5000 for Secondary schools}. Provision should also be made for sales-tax, freight and packing charges etc. in the estimated cost of the equipment. If the managements fail to make necessary provision ^{even after providing for the above, the maximum limit of Rs 5000 will not be exceeded} may include ^{of the management} a reasonable amount towards expenditure on these items when approving the indent. The Director is requested to issue the necessary instructions to the managements of aided secondary schools and colleges in the matter, as the principles will hold good in respect of equipment ^{schemes} for aided colleges also; ^{the maximum limit in respect of such colleges will be Rs 10000.}

3. The Director is informed that in respect of schemes for the purchase of equipment for aided schools -

In the next year's Budget Estimate in respect of such institutions which have incurred over and above the approved cost so that the extra amount may be paid as a supplementary grant in the coming year.

There is yet another point for consideration. In some cases, it is also observed that the management claim grant on the expenditure incurred towards Sales Tax, freight, packing charges etc. for which no provision was made in the original estimate. Though this item of expenditure is a necessary and unavoidable item and even though necessary provisions are submitted for this expenditure in the original estimate, they are not allowed for want of provision in the original estimate. Though the managements are every now and then instructed to make necessary provision for this expenditure in the application itself, yet they omit to do so but find it difficult to claim grant thereon only at the time of submission of vouchers and invoices. I request that I may be permitted to admit this amount also for purposes of assessing grant even in cases where provision has not been asked for at the time of submitting the indent.

I request that Government may pass early orders in the matter.

Yours faithfully,

FOR DIRECTOR OF PUBLIC INSTRUCTION.

Rm. 1/2.

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D on p 3 nf

C on p 2 nf

schools and colleges which have already been submitted for sanction, he may admit the claim for grant towards expenditure on payment of sales-tax, freight and packing charges etc. provided the maximum limit for grant for the scheme is not exceeded thereby. In cases where it is necessary to exceed the limit, he may report such cases to Govt. and obtain their sanction for payment of grant in excess of the limit.

Apr 12. 1949
M. S. 14

To The D.P.I.
Copy to G. 2 Sub. 1
The A.G. thro' Fin.
2 copies for 87

19.3.49
21-3-49

by 21/3/49

Grant-Equipment - Secondary Schools under private managements - Non Compliance of the provisions of the Grant-in-Aid code

From the D.P.G. No. 345 F/47 d/31.1.49

Chapter IX

BK. No 40

Under the existing ^{orders} ~~provisions~~, applications for aid towards the purchase of equipment for secondary schools under private managements should be accompanied by details showing the number, description and price of each article for which aid is sought. The Scheme on approval will be eligible for a grant towards one half of the cost of ^{the} equipment purchased not exceeding Rs 5,000/- provided that all the conditions prescribed in the Grant-in-Aid code are duly complied with. The original indent submitted by managements along with their ^{to aid} applications should be strictly adhered to in respect of the number, description and price of the articles of equipment purchased.

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2. The D.P.G. has now reported that due to the existing market fluctuations several managements have been forced to deviate from the original specifications submitted by them. Even though this deviation would entail a loss of grant-in-aid to the managements, the D.P.G. has been condoning this unavoidable irregularity committed by certain managements and has been sanctioning grants to these managements keeping in view the limit already fixed in the original sanction. The Director requests that his action may be approved. In the circumstances stated it is submitted that the Director's action in having ^{conditioned} these unavoidable irregularities may be ratified.

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3. The variations observed were not confined only to the description and number of articles purchased. The D.P.G. reports that there has been an appreciable variation

in the prices of the articles purchased. In view of the upward trend of cost of materials, the Director has noticed that the managements of Secondary Schools have been quite frequently forced to go in for equipment at rates far higher than the rates originally quoted by them. But as the ^{amount of} grant is based upon the estimated cost at the time of submission of application ~~in-aid has been confined only towards one of the cost~~ for the grant of the articles subject to a maximum of Rs 5,000 ~~as originally~~ ^{the extra cost on} account of the enhanced rates ~~is~~ not admitted for purposes of grant. The Director recommends that ^{in the case of institutions} ~~which have incurred expenditure over and above the approved cost,~~ ^{which have incurred expenditure over and above the approved cost,} ~~may be admitted for the assessment of grant. He may be permitted to pay the extra amount as a supplemental grant by making provision~~

in the next years Budget if the additional amount required for payment in any year cannot be met from the savings of any in the appropriation sanctioned for that purpose ^{in that year} & This would result in payment of grant in excess of the maximum of Rs 5000 in certain cases. A better arrangement seems to be ^{to} provide when sanctioning, a percentage of the estimated cost of the articles to meet fluctuation in prices of the articles proposed to be purchased say 5 or 10% and to limit the maximum grant including the percentage to Rs 5000. This will obviate the necessity to provide in the succeeding years budget grants for schemes which have not been paid in full in ~~that~~ year owing to the increase in the price of the articles purchased and will not also involve additional liability. It is not the province now to provide

in Part I any provision for equipment grants to Secondary schools in respect of schemes for which grants were ^{not} disbursed in the previous year

3. The Director also points out that in some cases managements fail to provide for sales tax, freight, packing charges etc in the original estimate & claim grant in respect of the expenditure incurred on these items later on. As this is an unavoidable item of expenditure, the Director requests that he may be permitted to admit this amount also for purposes of assessment of grant even in cases where provision has not been asked for at the time of submitting the indent. The Director may be permitted to admit the claim provided the maximum limit of Rs 5000 fixed for each scheme is not exceeded thereby. In cases where it is necessary

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to exceed the limit. The Director may be asked to report such cases to govt and obtain their sanction to the payment of grant towards that expenditure. As this will result in extra expenditure the Director may be asked to instruct the managements to provide for these in the original estimate and where this is not done, the Director may himself include a reasonable amount towards the expenditure on these items when approving the indent.

The remarks of Finance may be invited.

These principles may be applied in the case of aided colleges as well; the limit of equipment grant admissible is Rs 10000/-

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S / Fy
5/3/49

Fin (Exp. A)

Please see the notes on pages 1-3 above.

The proposals of E.P.H. at A B C + D on pages 1-3 above may be agreed to. The proposal to apply the same principles in the case of equipments for aided colleges may also be agreed to.

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11-3-49

For
11/3/49 ERPA

Fin U.O. 15912 Exp A-1
E.P.H. 12-3-49

A draft order is submitted below for approval.

For orders as to circulation.

SWR
199711
14 MAR 1949
19-3-49

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21-3-49

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5/3/49
15A
20-3-49

SECRETARY, EDN. AND P.R. DEPT.
81 MAR 1949
GOVERNMENT OF MADRAS

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A circular postmark from San Francisco, CA, dated April 18, 1902. The text "SAN FRANCISCO, CALIF." is curved along the top inner edge, and "APR 18 1902" is in the center.

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