

REPORT OF THE STUDY TEAM

on the
DIRECTORATE GENERAL
of
SUPPLIES & DISPOSALS

GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY & SUPPLY



**THE FINAL REPORT
OF THE STUDY TEAM ON
THE DIRECTORATE GENERAL
OF SUPPLIES & DISPOSALS**

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PART I

THE REPORT

CHAPTER I

INTRODUCTORY

1.1. The Government of India, in the Ministry of Industry and Supply (Department of Supply and Technical Development) vide their letter No. 21(8)/64/V, dated the 27th July, 1964 (Appendix I), appointed this Study Team consisting of—

1. Shri A. N. Vidyalankar,
Member of Parliament.
2. Shri K. R. Shenai,
Deputy Inspector General of Police,
Central Bureau of Investigation.
3. Shri P. K. Kathpalia,
Deputy Secretary,
Ministry of Home Affairs,
Department of Administrative Reforms.
4. Shri S. Malhotra,
Officer on Special Duty,
Directorate General of Supplies and Disposals.

to examine the working of the Directorate General, Supplies and Disposals. The letter gave the terms of reference as follows—

“The Team will examine the organisation, structure, methods of work and procedures of the Directorate General of Supplies and Disposals, particularly with a view to locating the points at which delays occur, where the bottlenecks exist and where administrative failures are possible, and would suggest measures for improvement so that opportunities for corruption are eliminated”.

1.2. We were required initially to submit our report within a period of three months. Because of the size and complexity of the task this was not found possible. An interim report was submitted to Government in December 1964. The additional time taken for the submission of the final report has the approval of government.

1.3. The first meeting of the Team was held on the 17th August, 1964 when Shri A. N. Vidyalankar was elected Chairman. The first task was to locate the problem areas and to determine the mode of their examination. It was decided to undertake case studies as well as a comprehensive opinion survey and to arrive at conclusions after taking into account the results of both. A questionnaire (Appendix 2) was drawn up and issued to all government indentors, public undertakings, trade and industry associations, officers and staff of the D.G.S. & D. and to some individuals.

Of the 425 parties to whom the questionnaire was sent, replies were received from 129 who are listed at Appendix 3. Interviews were held following these replies and a list of those who gave oral evidence is at Appendix 4. At Appendix 5 may be seen a list of the case studies drawn upon by us. The Team and its sub-committees held 115 meetings in all and visited Bombay, Calcutta, Madras, Kanpur and Ludhiana during the course of their investigations.

1.4. Any examination of the Directorate General of Supplies and Disposals must take into consideration that—

- (a) it is a service organisation intended to meet, in time, the requirements of government departments at reasonable cost;
- (b) the conduct of its business with industry should be so organised that the latter is subjected to the least possible harassment and irritation;
- (c) the internal mechanism of work should be as simple and swift as the situation permits;
- (d) the delegation of powers within it should be such that the best possible use is made of officers in the higher echelons and the maximum disposal, consistent with efficiency, is done at the lower levels;
- (e) as the largest purchaser in the country, it should play a befitting role in the development of industry and in the conservation of foreign exchange.

1.5. It is in this context that we embarked on our studies. These reveal that delay is the worst problem afflicting the Directorate General although it would be unfair not to recognize the manful attempts made, not unsuccessfully, in the past to prevent the evil from outstripping all measure of control. The causes of delay are complex and numerous and its effects are wide ranging in their ramifications and corrosive of trust and reputation. Nevertheless, whatever the criticism (much of which is just) the Ministry and the Directorate General have consistently shown an awareness of the difficult problems confronting the department and their efforts at solving them, by summoning a resourcefulness, not always bound by convention, are among the heartening signs encountered by us during our study.

1.6. The problem of delay is necessarily aggravated in organisations which undergo rapid and shapeless expansion consequent upon rapid increase in their work. The quality of original work is diluted while difficulties in coordination and control assume formidable dimensions. The very size of the organisation hampers its movement. The Directorate General of Supplies and Disposals has been no exception. The removal of adipose tissue was recognised early by us as a necessary remedy for the ills diagnosed. Corpulence however is not merely a cause of disease but a disease in itself demanding, in turn, painstaking investigation and treatment. Before evolving our recommendations we interviewed 140 persons and studied 1,250 cases as well as the various manuals governing the operations of the Directorate General, the procedures that delay and baffle, the structure of the organisation and the relations of its component parts and last, but not least, the measures recommended by earlier committees, notably the Stores Purchase Committee which, it may be added in parenthesis, has done signal service to the department.

1.7. Slimming should be the natural result of this exercise. The acceptance of our proposals will mean a staff reduction of over 400 men leading to an annual saving to the exchequer of approximately Rs. 15 lakhs. These figures represent the savings that should accrue directly from the proposals. No estimate can be prepared of their long term effect on workload which should be assessed by the Staff Inspection Unit or by the Directorate General's own O&M Cell a year after the recommendations are put into effect.

1.8. Economy, however, has not been the primary object of our study. This has unquestionably been the discovery of ways and means to dispose of work quicker and better and to secure better coordination and control. While in pursuance of this objective we have traversed considerable ground we have not been able to cover some areas—civil armaments (a study of which was abandoned in the middle because of the outbreak of hostilities between India and Pakistan), housekeeping jobs and the Pay and Accounts Office, to mention a few. The last named was left out advisedly as it did not form a part of the Directorate General. Its study however is necessary as complementary to ours.

1.9. For studying the uncovered areas and for giving continuous attention to problems of reform the need for which will ever be present in a dynamic situation we have suggested the strengthening of the Organisation and Methods Cell. This cell could also be asked to ensure that the recommendations made here and accepted by government are implemented. Implementing these however, will require review and attention at a different level also and we would for this purpose recommend the formation of an Implementing Committee presided over by the Director General and consisting of the O&M Officer, an officer of the Ministry, and an officer of the Department of Administrative Reforms.

1.10. Our task was greatly facilitated by the assistance that we received from various quarters. We owe a debt of acknowledgement to the Director General (Supplies and Disposals) and his officers for their helpful advice and unstinted cooperation, to Sarvashri C. P. Kapoor, R. L. Khanna, P. C. Sethi, D. N. Sethi, P. V. Mathew, J. R. Mazumdar, N. S. Sankaran and H. E. J. Pant our research staff, who cheerfully put in long hours of work in collecting and processing data, to S/Shri P. R. Ahir and C. R. Mahajan who gave considerable help from time to time, to Director, Research and Development (G), Ministry of Defence and his officers for showing us round their establishments and acquainting us with their inspection procedures which gave us some useful ideas, to the representatives of trade and industry who illuminated certain aspects that otherwise have been lost sight of and, above all, to Shri S. Malhotra, the convener of the team, whose intimate knowledge of the department and unremitting labour were of invaluable assistance to us throughout.

CHAPTER II

REGISTRATION

2.1. We made a number of recommendations on registration procedures in our interim report. We have since had occasion to consider certain other aspects and the results of this consideration are given in the paragraphs following.

UNIFORM CRITERIA REGARDING EQUIPMENT AVAILABLE WITH FIRMS

2.2. The registration of firms with the Directorate General (Supplies & Disposals) is based, among other factors, on the recommendations of the Inspectors which include reports on machinery and equipment. No uniform criteria, however, have been laid down for assessing the suitability and acceptability of the equipment for the production of a particular item. It has happened on occasions that one unit in a particular circle has been accepted for registration for a particular item while another unit in another circle having the same equipment has been refused registration for the same item because the two Inspectors had different ideas on the adequacy of the equipment. Registration is also sometimes refused on the basis of vague and general remarks like 'quality marking testing arrangements not satisfactory' without specifying precise lacunae. The situation can only be rectified if specific yard-sticks are laid down on which decisions can be based.

Recommendation

2.3. Uniform criteria for assessing the requirements of equipment and testing should be laid down by the Deputy Director General (I) to make registration more objective. An additional temporary post of a Deputy Director should be created in the Inspection Wing for this purpose for a period of one year.

REGISTRATION FORMS

2.4. Our case studies show that in 95 per cent cases back references have to be made to applicant firms regarding certain documents or omissions in their applications. This happens despite the fact that some instructions for filling up application forms are sent along with the forms. These instructions are not always completely followed. Besides some other relevant information like the conditions of registration is not sent with the application form and is available separately. To obtain this extra effort and work has to be put in by both sides. In a nutshell much avoidable correspondence and some delay in registration takes place on all these counts.

Recommendations

2.5. (1) The form should be accompanied by a questionnaire to serve as a list of check points for the applicant.

(2) We have consolidated the instructions for filling up the application form and the conditions of registration at one place. The form of application duly amended including the questionnaire and instructions is at Appendix 6 and should be adopted.

CONTROL CHART

2.6. Delays in registration occur at different stages including the communication of decisions after they have been taken.

Recommendation

2.7. We have revised the Control Chart for registration cases. This may be seen at Appendix 7. This control chart should be adopted and submitted to the Deputy Director (Registration) every week.

CHAPTER III

PURCHASE

SECTION 1—INTRODUCTORY

3.1. Purchasing is the central activity of the Directorate General of Supplies & Disposals and despite all attempts so much delay continues to attend on every stage of purchasing processes and procedures that a major part of our effort has been directed towards locating its causes and discovering possible remedies. The causes have been found to be numerous and, at times, complex and so necessarily are the remedies proposed.

3.2. The purchase process may here be outlined briefly. On receipt an indent is registered in the Central Indent Section. If its specifications require checking (according to instructions already laid down) it is sent to the Inspection Wing which, if satisfied upon scrutiny, passes it on to the Tender Enquiry Section of the Purchase Directorate concerned for initiating procurement action. If not satisfied, it makes a back reference to the Indenting Officer or returns the indent itself. Indents which do not require any scrutiny of specifications by the Inspection Wing are passed on directly to the Tender Enquiry Section by the Indent Section. The planning of the indent is done by the Director himself in consultation with the Assistant Director of Supplies concerned with the procurement of the particular store and the Assistant Director in charge of the Tender Enquiry Section and, wherever possible, items are bulked. Invitations to tender are thereupon issued through advertisement, limited tender enquiries or single tender enquiries, depending on the value, nature and urgency of the requirement. Tenders above Rs. 5,000 are opened in public. Quotations are then tabulated in a comparative statement and a final decision taken by the competent purchase officer. Rate Contract and Running Contract cases are directly initiated by the Deputy Directors. Financial advice wherever required under the rules is sought prior to deciding the tenders.

3.3. Once a contract is placed it becomes the responsibility of the supplier to inform the Inspector concerned as soon as the stores are ready for inspection. Stores inspected and accepted are then despatched to the ultimate consignee by the supplier. Payment for the store supplied is made direct to the supplier by the paying authority nominated in the contract. As a rule 95 per cent payment (the instalment varies for different types of contracts) is made on receipt of the proof of despatch and the balance payment on the receipt certificate issued by the consignee. Finalising cases of payment involves amendments to the contract which have to be decided upon and issued by the Director General of Supplies & Disposals before payment can be made by the Pay and Accounts Office.

3.4. Location of the stages at which delays occur and their causes has been made possible by the replies of indentors and suppliers to our questionnaire, consultations with the latter and by the analysis at Appendix 8 furnished by our case studies. Delay in payment irks the supplier who tends to cushion himself against it by quoting higher prices. Delay in supplies inconveniences the indentor and (except when he himself is responsible) the supplier as well.

3.5. Impressed by the overriding need for the expeditious disposal of business in the Directorate General, Supplies and Disposals both industry and the Santhanam Committee have laid much emphasis on the prescription of time-limits. The mere prescription of time-limits, however, is not a panacea. This remedy has been tried in the Directorate General of Supplies & Disposals, as elsewhere, and has proved of little avail. Time-limits can be effective only if the organisation, process, and quantum of work make adherence to them practicable and supervision to secure adherence not merely possible but automatic. Our exercise has, therefore, led us to study and make recommendations on the purchase organisation, the internal processing of purchase work, the procedures and the contractual obligations governing the contractor, the indenter, the Directorate General and to prescribe time-limits only in this context and not without providing for a mechanism of control to ensure adherence to these schedules.

3.6. Delays have been studied and categorised as—

- (a) those occurring in or owing to any step in the pre-contract stage;
- (b) those occurring at the stage of contract or owing to certain terms of the contract or to any errors in the contract; and
- (c) those occurring at the post contract stage.

These have been discussed and presented accordingly in this chapter. The emphasis has been on the simplification of procedure and on organisational arrangements making for better coordination, quicker internal processing and adequate control.

3.7. Separate sections have been devoted to each of these three stages, to organisation and to time-limits. Because of their special features, the standard terms and conditions of contract, rate contracts and miscellaneous items have also been treated in separate sections.

3.8. Delays in the Pay and Accounts Office which actually makes payment have not been studied as this office does not form a part of the Directorate General of Supplies and Disposals. A separate study of that office is recommended as a corollary to this study.

SECTION 2—THE PRE-CONTRACT STAGE

THE INDENT

3.9. *Defective Indents—Return of*—A study of the indents received in the Directorate General of Supplies & Disposals during the months of April and May 1965 reveals that of the 2,854 indents received, 269 were returned to the indenting officers by the Central Indent Section and 454 by the supply section. Thus almost 25 per cent of the indents received in the Directorate General of Supplies and Disposals had to be returned to the indenting officers. The reasons for return by the Central Indent Section were—

- (1) the indent had not been sent on the prescribed form;
- (2) drawings/specifications had not been sent with the indent;

- (3) the correct technical particulars had not been given (these are screened by officers of the Inspection Wing who sit in the Central Indent Section for this purpose);
- (4) in the case of Defence indents, they had not been vetted by the authority holding sealed particulars;
- (5) the availability of funds had not been certified;
- (6) foreign exchange had not been provided;
- (7) the items included in the indent were on rate contract and the indenter being a Direct Demanding Officer could make the purchase direct; and
- (8) the value of indent was within the direct purchase powers of the indenter.

3.10. Besides returning indents for these reasons back references to the indentors had to be made in another 25 per cent cases before initiating any purchase action requesting them to accept longer delivery periods as the delivery periods quoted by them were too short and unrealistic (being less than one month in 198 cases, between one and two months in 252 cases and between two and three months in 289 cases). A major reason why the Directorate General was given such a short time in which to arrange procurement was that the indents were received in the Directorate General long after they were prepared by the indentors. Thus of these 2,854 indents, 853 were received after a time lag of 10 days as will be clear from the table below:—

<i>Time lag (days)</i>	<i>No. of indents</i>
Between 10—19	303
20—29	154
30—39	6
40—49	13
50—59	25
60—69	17
70—79	58
80—89	211
90—99	66

3.11. In short, in these two months, out of a total of 2,854 indents, the Directorate General had either to return indents or make back references in the very beginning without initiating any purchase action in 1,462 or over 50 per cent cases. This experience, which can be taken as representative, illustrates how the defective preparation of indents can delay supplies and create unnecessary work.

Recommendations

3.12. (1) Indentors should prepare the indents carefully and to help them avoid the usual errors and omissions a separate questionnaire as at Appendix 9 to serve as a list of check points should be printed on the top of the indent form.

(2) The delivery period in the case of an indent sent late after signing should be refixed by the Directorate General or the Regional Directorate, as the case may be, without reference to the indenter, by extending it to the extent of the delay in sending the indent. As a measure of caution the indent form should have a note as follows :

“Your indent is expected to reach Directorate General of Supplies and Disposals within a period of 7 days of the date it bears. If it does not and you have indicated specific dates of delivery, the delivery period will be automatically treated as extended upto the extent of delay in the transmission of the indent.”

(3) To enable the indenting officers to quote correct specifications the Director General of Supplies and Disposals should prepare catalogues of various items purchased by it which should be circulated to the indenting officers. These catalogues should contain the following information—

- (i) Serial Number.
- (ii) Description of Stores.
- (iii) Specification number and/or Drawing number.
- (iv) Rate Contract or Running Contract.
- (v) Remarks.

Such catalogues will help in—

- (a) the identification of any item by the indenting departments, the Director General (Supplies and Disposals) and the Suppliers; and
- (b) the standardisation of various items for the benefit of the Directorate General of Supplies & Disposals, suppliers and indentors.

This work should be entrusted to the proposed Planning and Development Directorate who should be responsible for the review of the vocab from time to time.

TRANSMISSION FROM CENTRAL REGISTRY TO CENTRAL INDENT SECTION

3.13. All indents were formerly received in the Central Registry and after diarising were passed on to the Central Indent Section. This transmission often took an unconscionably long time as will be clear from Appendix 10. Separate post box numbers have now been given for Defence Indents, Railway Indents and Civil Indents other than Railway and indentors have been advised to address their indents to specific post box numbers. Indents now come straight to the Central Indent Section as a rule although some still find their way to the Central Registry in the first instance.

Recommendation

3.14. The present instructions should be clearly indicated on the indent form so that the indentors address the indents correctly.

**TRANSMISSION FROM CENTRAL INDENT SECTION TO INSPECTION WING/
PURCHASE SECTION**

3.15. Upon receipt in the Central Indent Section, an indent is screened and if it is not complete in all respects it is returned to the indenting officer for the completion of particulars. The screening previously took anything upto 3 days and was conducted on a detailed screening sheet. During the course of our study the screening sheet was given up and the checking of all the items is now done on the indent itself. Two clerks of the Inspection Wing have been located in the Central Indent Section for watching the disposal of indents which have been passed on to the Inspection Wing for checking tender particulars. These steps have resulted in saving a day in most cases.

SCREENING IN INSPECTION WING

3.16. The Inspection Wing is required to check indent particulars to ensure that they are clear, broad-based and upto-date. Our case studies reveal considerable delays in completing the process of screening. These delays are due to procrastination in the Inspection Wing, a large number of back references to the indentors to seek clarifications and neglect of these back references by the indentors. The question of back references has already been discussed. The tendency to procrastinate needs to be controlled.

Recommendations

3.17. (1) In cases in which the indent particulars can be checked by the Inspection Wing without making any reference to the indenting officer, the indents should be sent back to the Central Indent Section within 48 hours. For a check, a daily report, should be submitted by each officer to the Director of Inspection.

(2) In cases in which back references are necessary indentors should be given a target date by which they must send their replies. A period of 3 weeks should normally suffice although in some cases it may be longer if the Inspection Wing considers a longer period necessary. If no reply is received within this period the indent should be treated as cancelled. The letter which should have a standardised form should clearly state that if no reply is received within that period the indent will be treated as cancelled.

INSTRUCTIONS FOR THE GUIDANCE OF INDENTORS

3.18. The pamphlet containing detailed instructions for the guidance of indenting departments was last printed by the Directorate General (Supplies & Disposals) in 1959. This has now become out of date.

Recommendation

3.19. We have prepared a revised pamphlet (at Appendix 11) which may be adopted. The revised pamphlet does not incorporate the changes recommended in this report. Where appropriate, these will have to be incorporated by the Director, O. & M.

TENDERS

3.20. *Time allowed for tendering*—In accordance with the existing instructions a period of 4 to 6 weeks is given to the trade for the submission of tenders. The following time limits have been laid down in the case of advertised tender enquiries—

- | | |
|--|---------------|
| (a) demands other than emergent demands for imported stores which have to be manufactured to special design, or for which samples are required | 6 weeks |
| (b) demands other than emergent demands for common articles purchased day-to-day | 30 days |
| (c) demands for developmental items | 6 clear weeks |

3.21. Our case studies reveal that in many cases firms ask for the postponement of the dates fixed for opening tenders mainly—

- (a) in cases in which they have to obtain drawings/specifications from out side authorities which takes about 10 days; or
- (b) in cases of advertised tender enquiries in which the tender notices are published in the Indian Trade Journal a week to 10 days after despatch for publication.

Recommendation

3.22. In both types of cases referred to above ten days extra should automatically be added to the period at present prescribed so that sufficient time for submitting offers is given in the first instance and unnecessary correspondence is eliminated. The existing instructions should be amended accordingly.

PUBLICATION OF TENDER NOTICES

3.23. There is a considerable time lag in the despatch of tender notices and their publication in the Indian Trade Journal. Besides, not all firms registered with the Directorate General (Supplies & Disposals) contribute to the Indian Trade Journal. It has, therefore, been represented to us by a number of trade association that the Directorate General of Supplies and Disposals should issue a weekly or bi-weekly bulletin containing particulars about tender notices. We understand that this matter has been considered by the Department from time to time but no final decision has yet been taken.

Recommendation

3.24. A small priced tender bulletin should be issued weekly by the Directorate General (Supplies & Disposals). This bulletin should also publish decisions taken on tenders as well as any other information of use to suppliers or indentors. All the registered suppliers of the Directorate General of Supplies & Disposals can be expected to contribute to it.

TRADE LISTS

3.25. It has been observed that trade lists maintained in the sections are out-dated. They include names of firms who have not quoted for years and even of firms who are no more in existence. We found from our case studies that there were instances where although 40 to 50 enquiries were issued only 3 to 4 quotations were received. Not all registered suppliers are included in trade lists.

Recommendation

3.26. The purchase sections should immediately review these trade lists and bring them up-to-date by comparing their records with those maintained in the Registration Branch. These should be reviewed annually by the Assistants Director.

TENDER SAMPLES

3.27. The practice of calling for samples at the stage of tendering has been questioned especially by small scale units who find tooling costs heavy and infructuous for the firm which does not get the order.

Recommendation

3.28. If a firm is considered technically and financially capable of manufacturing a store it should not be asked to submit a sample at the stage of tendering even in the case of defence contracts. Samples, where necessary, should be asked for only after the contract has been placed but before the firm undertakes bulk manufacture.

SECTION 3—THE CONTRACT STAGE

DELAY IN DECISIONS ON TENDERS

3.29. Case studies reveal considerable delays in the consideration of tenders. The validity of offers has to be extended in a large number of cases, in many as often as 6 times. This is quite unfair to trade and, besides, delays supplies to the indenter. The main reasons standing in the way of quick decisions are—

- (a) piecemeal consultations with indentors and references to firms seeking clarification of technical particulars;
- (b) delays in the furnishing of capacity reports by the Inspection Wing in the case of unregistered and untried firms;
- (c) delays in obtaining laboratory test reports on samples; and
- (d) correspondence and consultations with firms where deviation from any standard terms and conditions has been asked for.

Recommendations

3.30. (1) (a) Each Director should, for each category of stores, list the factors to be considered by the purchase officer when scrutinising the tenders.

(b) A purchase officer, before making a reference, either to the indenter to consult him on any issue or to a firm seeking any clarification, should invariably state on the file that he has covered all points and that no other issue for reference remains.

(c) To keep a closer check on this tendency the Indent Route Card should be modified slightly. The amended form of the card is at Appendix 12.

(2) The need for a review of those standard terms and conditions which are vague, or cannot be invoked, or are unrealistic or are inequitable and which are generally objected to with success was pointed out in our interim report. This review has now been carried out by us and our conclusions presented later in this chapter as these deserve separate treatment.

3.31. The question of expediting capacity reports has been taken up in the chapter on the Inspection Wing and that of expediting sample test reports in the chapter on the National Test House. In any case it has earlier been recommended that the practice of calling for samples should be dispensed with.

DELIVERY DATES IN CASES IN WHICH QUOTA CERTIFICATES ARE ISSUED

3.32. If supplies are not made in accordance with the delivery dates stipulated in the contract extensions to the delivery period involving amendments to the contract are sought by the firm concerned. These amendments are invariably delayed and are invariably asked for in cases involving the use of controlled commodities like steel for which quota certificates are issued. While the factor of delay once extension is asked for is sought to be curtailed by our proposals in the sub chapters dealing with the post contract stage, payments and terms and conditions, an effort needs to be made to nip the evil in the bud by inserting realistic delivery dates in the contracts in the first instance. This is admittedly difficult and may not be possible in all cases. It will however be possible for many items and if a serious attempt is made substantial success can be achieved.

Recommendations

3.33. (1) The Deputy Director (Steel) at Calcutta should prepare time schedules for other items similar to the one prepared by him during the course of the study for steel sheets which may be seen at Appendix 13.

(2) These estimates should be revised by him every year.

(3) These estimates should be available with every purchase officer concerned so that he can consult them before concluding the contract. In fact, wherever unrealistic dates have been given by the indenter he can take up the matter with him at the initial stages of the case on the basis of these estimates. This will also enable the indenter to plan better.

DELAYS IN PLACING ORDERS

3.34. After decisions are taken on tenders considerable time is lost in informing the successful tenderer about the acceptability of his offer and still more in placing formal contracts on them embodying full details of

the terms and conditions. In some cases this delay extends to more than a month. It is necessary that once the tenders have been decided the formal contracts should issue within 48 hours. The practice of issuing advance acceptances should be given up and as far as possible only formal contracts should be issued. We have been told that instructions in this matter have already been issued. Instructions have also been issued that where advance acceptance has been issued, the formal acceptance should be issued within 5 days. While this has improved matters the instructions are not being fully implemented and there is no check to secure adherence to these time limits.

Recommendations

3.35. (1) All cases where acceptance has not been issued within 48 hours or where the formal acceptance has been delayed beyond 5 days after the issue of the advance acceptance should be brought to the notice of the Director who should investigate the reasons for such delays.

(2) This information should also be incorporated in the control chart suggested separately in this chapter.

CROSS-MANDATION OF INDENTS

3.36. Indents requiring cross-mandation to overseas purchase missions for procurement are generally delayed at two places. They are either delayed in the purchase sections which take a long time in taking decisions to cross-mandate the indents or they are delayed in the Import and Shipping Section from where the cross-mandates have to be issued. Purchase sections sometimes omit to mention certain relevant particulars required to enable the Import and Shipping Section to cross-mandate the indent.

Recommendations

3.37. (1) Detailed instructions should be issued to the purchase sections regarding the particulars that are required to be furnished to enable the Import and Shipping Section to cross-mandate the indents. Particulars will need to be furnished on the items mentioned in Appendix 14.

(2) The Import and Shipping Section should be given 48 hours to cross-mandate the indent after its receipt. The Deputy Director (Imports and Shipping) should get a daily report about pending indents for cross-mandation.

OMISSION IN CONTRACTS

3.38. Amendments to contracts have to be issued for a variety of reasons and it is estimated that about 25 per cent of these have to be issued because of typographical errors or small mistakes escaping scrutiny at the time of drafting the contract. These mistakes not only create much extra work but also cause a great deal of inconvenience to suppliers who for one reason or the other cannot fulfil their obligations expeditiously. The following are the main types of mistakes and omissions in the contracts which require the issue of amendment letters later:—

- (i) the delivery period indicated in the contract is not in accordance with the delivery period offered by the firm in its offer;

- (ii) though the firm has asked for sales tax as extra, the same is not provided in the contract;
- (iii) though the firm has asked for excise duty as extra, the same is not provided in the contract;
- (iv) the inspection authority is wrongly indicated;
- (v) the consignee instructions are either not given or are incomplete;
- (vi) the despatch instructions are either not given or are wrongly given;
- (vii) the head of account is not indicated;
- (viii) typographical errors occur in respect of specifications, particulars, etc.;
- (ix) typographical errors occur regarding the name of the firm.

3.39. It is absolutely necessary that such mistakes are avoided and that they are immediately rectified whenever they do occur. The setting up of Contract Cells, as recommended in our interim report, should help in eliminating these mistakes to a large extent. Even so, a method to ensure a more careful scrutiny is required.

Recommendation

3.40. We have prepared a list of check points as at Appendix 15 to help in the scrutiny of the draft contract drawn up. Both the Assistant and the Assistant Director should append their initials against each item in this check list in token of having verified it.

SECTION 4—THE POST CONTRACT STAGE

3.41. In a majority of contracts placed by the Directorate General of Supplies and Disposals supplies are delayed beyond the delivery dates stipulated in the orders. The extension of delivery dates has become more a rule than an exception. Several factors contribute to this delay—some within the control of the Directorate General, some within the control of the supplier and some others outside the control of either. The major causes of delay for which the Purchase Organisation is responsible or which it can help control are discussed below.

THE ISSUE OF IMPORT RECOMMENDATION CERTIFICATES

3.42. For contracts involving the import of any stores the Purchase Organisation is required to issue an Import Recommendation Certificate to enable the supplier to apply for an import licence to the licensing authority. The issue of Import Recommendation Certificates after the placing of the formal contracts has often been badly delayed, at times by months, with the result that the suppliers could not take timely action to get the stores from abroad.

Recommendations

3.43. (1) We have felt that these certificates should accompany the contracts. During the course of the study, accordingly, instructions have been issued that the Import Recommendation Certificate should accompany the contract wherever practicable. Where it cannot accompany the contract, it is required to be issued within 48 hours thereafter.

(2) This time limit should be strictly enforced and adherence to it secured through the control chart which we have suitably revised.

THE ISSUE OF IMPORT LICENCES

3.44. Import licences that are issued on the basis of Import Recommendation Certificates are also being delayed. This may be due to the time taken by the Chief Controller of Imports and Exports in issuing the import licences or to the failure of the firms to apply expeditiously for the import licences after the receipt of Import Recommendation Certificates.

3.45. Normally after the receipt of the Import Recommendation Certificates by the firms the import licence applications are submitted by them direct to the licensing authorities. In a few cases, however, the applications are received in the Directorate General for onward transmission to the Chief Controller, Imports and Exports. There is no principle laid down stating which applications should be preferred direct and which through the Directorate General. Applications routed through the Directorate General are in the first instance received in the purchase sections. The purchase sections who have the office copies of the Import Recommendation Certificates on the purchase files verify the correctness of the applications and then transmit them to the Liaison Officer of the Directorate General (Supplies & Disposals) who is required to ensure the expeditious issue of import licences. This Liaison Officer who is of the rank of Assistant Director passes on such applications to the Chief Controller of Imports and Exports.

3.46. Our case studies reveal that the applications submitted by the firms to the Directorate General (Supplies & Disposals) for transmission are generally delayed in the purchase sections. So also are import licences which are sent by the firms for revalidation with the result that even the grace period allowed for revalidation expires.

3.47. Firms, too, delay sending applications for import licences. Regarding applications submitted directly to the licensing authorities, the Liaison Officer in the Directorate General (Supplies & Disposals) is not at present aware whether the firm has applied for the import licence or whether there has been any delay in government. He comes to know only if the firm approaches him for assistance. Delay by the firm itself remains undetected.

Recommendations

3.48. (1) Applications where no lists of goods are attached should be submitted direct to the licensing authorities.

(2) Where lists of goods are attached and require attestation the application should be submitted to the Liaison Officer rather than to the purchase section. This Liaison Officer should then immediately collect the relevant purchase file and within 24 hours of the receipt of application pass it on to the Chief Controller of Imports and Exports for the issue of the licence. The increase in work on this account will be marginal as the number of applications, at present 16 a month, is not likely to register a marked increase. The work will be well within the capacity of the Liaison Officer and his staff consisting of two assistants and two clerks.

(3) All import licences requiring revalidation, amendments, corrections, etc. should also be sent to this Liaison Officer who should then take expeditious action for getting the comments of the purchase section concerned. He should also be responsible for watching the expeditious disposal of such applications.

(4) A slip in the form at Appendix 16 should be attached to the letter with which the Import Recommendation Certificate is sent and the firm advised to return the slip within 15 days. This slip will give the Liaison Officer the particulars of the application submitted by the supplier to the Chief Controller of Imports and Exports and he will be able to chase it. If this slip is not received within 15 days a reminder should be issued to the supplier. There should be a standard printed reminder card.

(5) The form of the covering letter of the Import Recommendation Certificate issued to the firms has also been slightly amended and the amended form is at Appendix 17. It is recommended that the revised form of the covering letter should be adopted.

THE ISSUE OF QUOTA CERTIFICATES

3.49. To expedite the issue of Quota Certificates for controlled items the Directorate General has recently improved its procedure. The arrangements now are that simultaneously with the issue of the tender enquiry for stores manufactured indigenously and requiring a quota certificate, the purchase section sends a copy of it along with the relevant drawings/specifications, etc. to the Material Estimating Section which assesses raw material requirements. The Material Estimating Section is expected to calculate the quantity of steel or other material required and keep the estimate ready well in advance. While this is a good system adequate classified information is not being kept and is therefore not available in the Material Estimating Section. Maintenance of such information could prove useful for guidance.

Recommendations

3.50. (1) A store-wise/directorate-wise register should be maintained by the Material Estimating Section alphabetically showing the details of calculations and the quantities of raw materials required/issued in respect of each specific store with a reasonable allowance for wastage. This register will eventually serve as a 'guide book' for making future estimates and also for use by the Purchase Directorates or any other section that may be interested in information about the requirements of raw materials for any particular store at any stage. The existing staff will be adequate for this purpose.

(2) As soon as the Acceptance of Tender with the relevant steel clause is ready to be issued intimation should be given by the purchase section to the Material Estimating Section with full particulars of the Acceptance of Tender so as to have the quota certificate typed out in terms of the contract. Both the Acceptance of Tender and the quota certificate should then be issued together.

DELAY IN PHYSICAL DELIVERY OF STEEL

3.51. Even after all the preceding steps have been taken promptly the contractor may not get steel in time, either because he delays placing an indent with the Iron and Steel Controller or, after the indent has been planned, depositing the cost of the raw materials with the producers or because the producer is unable to supply the raw materials in time. Some control, we feel, should be kept on the contractor to see that he does not delay his part of the job.

Recommendations

3.52. The Steel Cell should

- (i) see that the suppliers place an indent with the Iron and Steel Controller within 15 days of the receipt of the Quota Certificate;
- (ii) see that the supplier deposits the cost of raw materials with the producer within 15 days of the offer of the producer;
- (iii) chase the delaying party;
- (iv) keep control in the form at Appendix 18.

AMENDMENT LETTERS

3.53. While the acceptance of our recommendations should generally quicken activity cases in which supplies are delayed for one reason or the other will continue to occur and extensions to the delivery period will continue to be asked for. Delays in the issue of amendment letters delay final payments to the firms and cause them loss and inconvenience.

Recommendations

3.54. (1) It is necessary to lay down time limits for the issue of amendment letters. A time limit of 7 days should be laid down for the issue of all amendment letters unless they require a reference to the indenting officer or some other authority, in which case the amendment letter should be issued within 7 days of the reply of the indenting officer.

(2) For extension to the delivery period the supplier should be instructed to ask for extension for a specific period from the date of issue of the amendment letter rather than for extension up to a specified date as is being done now so that even if there is some delay in the issue of the amendment letter the supplier gets the required time.

SECTION 5—RATE CONTRACTS

3.55. Rate Contracts or Price Agreements are entered into by the Directorate General of Supplies & Disposals for stores for which there are large but indefinite demands from a number of government indentors. As every indentor is not in a position to indicate his exact requirements and the total demand of all the indentors cannot be worked out to meet the situation rate contracts fixing prices are entered into and all the user departments authorised to draw their requirements directly from holders of rate contracts. The users are called "Direct Demanding Officers" and the contracts they place with the rate contract holders are called "Supply Orders".

UNEVEN DISTRIBUTION

3.56. Parallel rate contracts for the same item are entered into with a number of firms when the total requirements of government are very large and spread all over the country. In these cases, the Direct Demanding Officer has the option to buy the store from any of the rate contract holders on condition that the cost of purchase to him at the destination is the lowest. This gives considerable scope to the firms to canvass with the Direct Demanding Officers and results in the uneven distribution of orders, overloading some firms and under-utilizing others. The resultant paradox of delayed supplies and unutilized capacity is the most unsatisfactory feature of the existing system of rate contracts.

Recommendation

3.57. Whenever parallel rate contracts are concluded specified Direct Demanding Officers should be earmarked for each rate contract holder, this distribution being made according to the firm's capacity and the users' requirements. Thus any particular Direct Demanding Officer will be able to get his requirements only from one particular firm. This will eliminate canvassing and will also result in an equitable distribution of orders among all the rate contract holders. Besides it will greatly reduce the cross-country movement of stores involving unnecessary haulage and transit risks. The factors to be taken into account when earmarking Direct Demanding Officers for a particular rate contract holder will be—

- (i) the capacity of the firm;
- (ii) the quantity ordered against the last rate contract (if applicable);
- (iii) the quantity supplied (if applicable);
- (iv) the estimated regionwise demand calculated on the basis of the Supply Orders placed and any anticipated increase or decrease to be calculated on an ad hoc basis as is being done now.

All this information is available on the file or with the Statistical Section.

STANDARDISATION OF THE LISTS OF DIRECT DEMANDING OFFICERS

3.58. At present no standardised lists of Direct Demanding Officers are being maintained. The current lists of Direct Demanding Officers are incomplete in so far as these include a large number of general categories such as "all Garrison Engineers", and "all Executive Engineers" etc. The supply directorates cannot possibly have complete lists of these officers/formations and are therefore unable to supply copies of rate contracts to all of them. They tend therefore to send copies of rate contracts only to those officers in these categories who make specific demands on them. This results in a great deal of correspondence which can be easily avoided.

Further it has been observed that in one office two or more officers are declared by the Director General as Direct Demanding Officers. Thus for each Central Ministry the Under Secretary, the Deputy Secretary and the Secretary to the Government of India are all declared as Direct Demanding Officers.

Recommendations

3.59. (1) Only one officer should be declared as a Direct Demanding Officer in one office.

(2) The list of Direct Demanding Officers should be properly prepared and kept up-to-date by the section concerned. These lists should be prepared on the following form—

Serial No.	Department concerned	Designation and address of the officer who has been declared as Direct Demanding Officer	No. of copies
1	2	3	4

(3) There should be no general categories of Direct Demanding Officers. These lists should be reviewed at the time of the renewal/conclusion of fresh rate contracts and exact designations given.

DISTRIBUTION OF COPIES OF RATE CONTRACTS

3.60. After the lists of Direct Demanding Officers are standardised the issue of the copies of rate contracts should also be centralised at one place. This matter has been taken up in the chapter on "Complaints and Public Relations" and the recommendation has been spelt out in the note at Appendix 19.

SECTION 6—PAYMENTS

INTRODUCTORY

3.61. In accordance with the existing instructions 95 per cent payment is authorised in cases of acceptances of tender on proof of inspection and despatch. In the case of items on rate and running contracts 98 per cent payment is authorised on proof of inspection and despatch. The final 5 per cent/2 per cent payment can be claimed by the supplier on production of the Receipt Certificate from the consignee as proof of having received the goods in good condition. In the case of plant and machinery and purchase cum erection contracts slightly different terms of payment have been prescribed. 80 per cent payment is authorised on proof of despatch and inspection, 10 per cent payment on the erection of the equipment and the final 10 per cent on the satisfactory commissioning of the equipment.

3.62. While delays occur at both the stages the most vexatious of them occur at the second stage. In contracts where supplies have been made within the original validity period and where no other issues have to be sorted out the supplier obtains the full payment from the paying authority on the basis of the original contract document. However, in a very large number of contracts, either the supplies are not made in accordance with the original delivery period stipulated in the contract and an extension of the delivery period requiring an amendment of the contract is sought or some other issue is required to be resolved. These issues have to be settled

and amendment letters issued before the supplier can obtain his final 5 per cent/2 per cent payment. Such cases form an overwhelming majority of the total number of contracts and the action taken to settle the issues to enable final payment is called "finalisation".

3.63. The finalisation of cases is done in a separate wing of the Directorate General (Supplies & Disposals) called the Finalisation Wing. This wing was created in 1957. Prior to that this work was done by the purchase sections themselves.

3.64. The Finalisation Wing consists of

- (1) the Price Finalisation Unit responsible for finalising cases which are subject to variations in price on account of variations in prices of raw materials, labour costs etc. and this unit is manned by officers and staff of the Pay and Accounts Office;
- (2) the Delivery Period Unit which is responsible for finalising cases on all other issues, which in the main are issues requiring the regularisation of delivery periods; and
- (3) the R/R (Receipt and Recording) Unit which is responsible for the distribution of cases and receipts to the sections and assistants concerned in the Finalisation Wing.

3.65. The Finalisation Wing was created in 1957 on the recommendation of the Staff Reorganisation Unit who found 7,000 cases lying in arrears, pending finalisation. They felt that as purchase sections were required to handle

- (i) all stages of purchase work,
- (ii) progressing, and
- (iii) finalisation

it was "not possible to ensure effective standards of work, as pressing demands of the constituent elements in the work, at a point of time, tended to distort the picture". They felt that if a separate Directorate were created only for the purpose of finalisation of cases it would be possible not only to liquidate the arrears but also to ensure that finalisation was done within a reasonable period. A separate Finalisation Wing was thereupon created and continues to this day.

3.66. The expectations of the S.R.U. have not been realised. The arrears mounted from 7,000 in 1957 to over 20,000 in 1964-65. The statistical information kept gave the arrears at 3,000 and it was only on the receipt of a large number of complaints about cases pending finalisation that a physical search for files was made, once in 1964 and again in 1965. In the first search 12,000 files were located in the purchase directorates without having been transferred to the finalisation wing even though supplies had been completed. The second search yielded about 8,000 files.

3.67. The reorganised system thus broke down the major but simple reason being the failure of the purchase directorates to transfer files.

3.68. Other defects in the existing arrangement are—

- (1) a case, when it has been transferred to the Finalisation Wing, has to be dealt with by an assistant and an officer who have not dealt with it earlier. To acquaint themselves with the background they have to wade through the entire file which naturally takes considerable time;

- (2) not every case after transfer is completed by the Finalisation Wing on its own. No accurate figures are available but, after consulting officers in the Finalisation Wing, we estimate that about 10 per cent cases have to be referred back to purchase for consultation. (A small but unreliable sample showed the proportion to be higher);
- (3) the purchase section while transferring a case to the Finalisation Wing has to fill in a detailed form as given at Appendix 20. The assistant who fills this form has to go through the file and do a part of the work that is done again in the Finalisation Wing. The work that is thus duplicated takes about half an hour per case on the average. Besides the section officer in the purchase section has to check the form before it is sent to the Finalisation Wing;
- (4) rules provide that when a case is transferred to the Finalisation Wing the firm should be informed of the event. This is not done in many cases. The firms, therefore, address their letters to the purchase section only. The purchase section on going through these receipts has to find out if those cases have been transferred to the Finalisation Wing in which case they also transfer the receipt to the Finalisation Wing. Here is obvious waste of effort. Moreover, some time is spent also in addressing the letter to the firm informing it, of the transfer of its case to the Finalisation Wing;
- (5) in the Finalisation Wing there is an elaborate system of keeping track of the files received from the purchase sections and record of the person to whom they have been handed over in the Finalisation Wing. The record of the files is maintained in a large number of diversified registers and these registers have to be referred to while transferring receipts to the dealing clerks;
- (6) purchase sections have also been found to transfer receipts indiscriminately to the Finalisation Wing on the specious plea that the cases pertaining to these receipts have been transferred to the Finalisation Wing. Quite often these receipts do not pertain to the cases transferred to the Finalisation Wing and pertain in fact to cases still in the purchase section. These receipts remain unlinked for months and at any given time thousands of such receipts remain pending in the Finalisation Wing.

3.69. Besides the appalling figure of arrears discovered, which should be conclusive by itself, an idea of the delays that take place at different stages may be had from the analysis at Appendix 21.

3.70. The case seems to be clear for transferring back to the purchase sections all finalisation work other than work relating to price variation. The main reasons may here be recapitulated—

- (1) the existing system has clearly failed;
- (2) the failure of the system is traceable directly to the transfer of this work from the purchase sections leading to unsolved problems of coordination;

- (3) the pre-1957 situation in which purchase assistants in the purchase sections did not take prompt and effective action to finalise cases upon the completion of supplies is not likely to be repeated in the revised set up of the Purchase Directorates in which the dealing assistant/upper division clerk in the purchase section is not responsible for the preparation of the tender enquiry or the comparative statement or the contract, which work has been entrusted to separate sections in the Directorate. The main item of his work is post contract action and finalisation is post contract action. The activity should be carried on where it belongs;
- (4) the workload on the purchase section on this count will not be heavy. A part of it the assistant is doing already and is duplicated in the Finalisation Wing and in any case a section will only have about 20 contracts to handle in a month. Even with current procedures this increase in workload will be marginal and with the simplifications proposed by us and with the revision of the terms and conditions of contract suggested the increase will be nominal and well within its capacity to cope with;
- (5) safeguards could be built in to ensure that there is no delay in the finalisation of cases if handled in the purchase section;
- (6) in the recent drive to finalise cases discovered during the searches referred to earlier, finalisation was done in a number of cases in the purchase sections.

Recommendations

3.71. (1) Work relating to the finalisation of cases should be transferred to the purchase sections except that relating to price finalisation.

(2) In price finalisation cases the actual amendment letters finalising the cases should be issued by the purchase section which may refer the cases to the price finalisation unit for advice. The transfer of full responsibility of this portion of the work to the purchase section has not been recommended as this work is complicated and requires knowledge of accounts.

(3) To ensure that there is no delay in finalising cases in the purchase sections the responsibility for watching their disposal will be that of the Director. An external check can be had through the Progress Wing. The Progress Wing should prepare lists of contracts where supplies have been completed during the previous month separately for each purchase section. These lists should be given to the Purchase Directors for keeping a watch over the finalisation of those cases. After the expiry of one month the Progress Wing should take up with the Purchase Director all cases which have not been finalised. All cases where finalisation is delayed beyond 6 weeks should be brought to the notice of the Deputy Director General and Director General.

(4) All cases should normally be finalised within 6 weeks of the completion of supplies.

3.72. Delays also occur for reasons not pertaining to finalisation. These are discussed below.

NON-RECEIPT OF AUTHENTICATED COPY OF CONTRACT

3.73. At times the firms' bills are returned on the ground that the Pay and Accounts Officer has not received his copy of the contract or the amendment letter.

Recommendation

3.74. The Chief Pay and Accounts Officer should immediately issue instructions to all his officers not to return bills on the plea that they have not received their copies of the contracts or the amendment letters. They should, instead, take up the matter with the purchase officers telegraphically and ask them to send the copies duly authenticated.

DISPUTES BETWEEN PAY AND ACCOUNTS OFFICERS AND D.G.S. & D.

3.75 There have been delays in payment by the Pay and Accounts Officer on account of disputes between his organisation and the purchase organisation regarding certain terms of contract. According to the Pay and Accounts Officer certain terms need amendment before he can authorise payment while the supply officer considers that amendments are not required. The case suffers delay because of neglect or wrangles and the firm is put to much inconvenience.

Recommendation

3.76. Where the paying authority feels that an amendment is absolutely necessary to enable him to make the payment there is no need for the Central Purchase Organisation to withhold the issue of such an amendment even though they feel that the advice of the Pay and Accounts Officer to issue amendment is not correct. In other words if there is no dispute about the substance of the matter and there is disagreement only on form i.e. the legal necessity of issuing a letter of amendment, the advice of the Pay and Accounts Officer should be acted upon without raising any controversy.

REFUND OF SECURITY DEPOSIT

3.77. Our case studies have revealed that there are long delays in the refund of security deposits obtained from unregistered suppliers. At times these delays have been explained to be on account of the fact that suppliers are not fully aware of the procedure for obtaining the refund of their security deposits. After supplies against the contract have been completed the supplier is required to make a request for the refund of the security deposit and to furnish a 'No Demand Certificate' in the prescribed form. The form of 'No Demand Certificate' is available from the Directorate General (Supplies & Disposals), on request.

Recommendation

3.78. (1) In every case in which a security deposit is to be paid by a supplier a copy of the blank form of the 'No Demand Certificate' should be sent to him along with the contract. The 'No Demand Certificate' should contain the following instruction on the reverse :—

"Immediately on completion of supplies and after obtaining full payment in respect of the contract, the supplier should forward this 'No Demand Certificate' duly filled in to the purchase office requesting for the refund of the security deposit".

(2) The refund of the security deposit must be authorised by the Purchase Officer within 10 days of the receipt of the request complete in all respect. A separate register should be maintained for all such requests which should be reviewed by the Assistant Director of Supplies once a week.

TERMS AND CONDITIONS OF CONTRACT

3.79. Delays in payments are very often the direct result of the existing terms and conditions of contract. Separately in this chapter we have made proposals for modifying some of them. Their acceptance will have a direct effect on delays in payment.

SECTION 7—CONTROLS AND RETURNS

INTRODUCTORY

3.80. Simplification of procedures and rationalizing structures will not in themselves suffice unless the men working these are themselves conscious all the time of the need for the timely despatch of work. The working out of time schedules gives them targets which they know they should achieve. However, unless there are inbuilt methods of control to ensure adherence to time schedules, these tend gradually to be ignored. This has been the unhappy experience of the Directorate General of Supplies and Disposals in the past. The prescription by the Directorate General of Supplies and Disposals of the Indent Route Card is the result of this experience and is an effort to secure compliance with time limits imposed. Partial success can be claimed for this card which should be retained with the modifications proposed earlier in this chapter. The very nature of this card prevents it from being more than partially successful in curbing delays. It spots the delay only in the case for which it is prepared. It brings it to light only after it has occurred and only when the case is sent up to higher officers. It requires to be supplemented by other controls, the necessity of which in an organisation like the Directorate General of Supplies & Disposals cannot be over-emphasised, for delays here can run to extraordinary lengths without early detection.

SUPERVISION BY DIRECTOR

3.81. It is necessary in this context to provide for time limits that will meet the needs of the clientele of the Directorate General of Supplies and Disposals substantially and will at the same time be realistic. It is necessary also to work out an arrangement which enables the head of a Directorate to exercise active and continuous vigilance over the working of his sections and to have remedial action taken before a case is badly delayed. This must naturally throw up more work for the Director, but the obligation of exercising effective supervision is clearly his and any extra effort enabling him to discharge it is worthwhile. The time limits and controls suggested by us have been recommended after considering what is possible and what is not. The additional work should be perfectly manageable especially in view of the proposed creation of a new Directorate which will ease the load of purchase work on the overworked Directors and leave them freer to exercise proper supervision.

Recommendations

3.82. (1) An abstract as at Appendix 22 should be prepared at the end of every day in the indent register and signed by the Assistant Director. It should then be signed by the Director either that evening or the first thing next morning.

(2) The Director will obtain information every day from his sections in the control form at Appendix 23. The form will give the position about the following items—

- (1) cases where comparative statements are outstanding for more than 2 days;
- (2) cases where the validity of the offers is due to expire within 15 days and where there is any hold up which may require extension of the period of validity;
- (3) cases where decisions on tenders have been taken but formal contracts have not been issued within 48 hours;
- (4) cases where advance A/Ts. have been issued but formal contracts have not been issued within 4 days;
- (5) requests for amendment letters which have not been attended to within 7 days;
- (6) rate contracts and running contracts in respect of which enquiries have not been issued even though the dates laid down in the Programme Book for the issue of enquiries have already passed;
- (7) rate and running contracts which have not been concluded even though the dates fixed in the Programme Book have passed;
- (8) cases where I.R.Cs. and Quota Certificates have not been issued along with the contracts; and
- (9) cases where supplies have been completed but the cases are still lying in the sections without any action for more than a week.

This chart will not only serve as an index of outstandings, but will at a glance give in one sheet a comparative idea of the day to day performance of each section during the entire month.

(3) The Deputy Director General should see this chart for the Directorates under his control once a month. Consolidation for each Directorate will be done by the Director's P.A.

OTHER REPORTS AND RETURNS

3.83. There are, at present, 25 returns that are being submitted by the purchase sections. A statement of these returns, their periodicity and the authority to whom they are submitted is at Appendix 24. We have studied these returns, examined their utility and reviewed possibilities of rationalisation with the conclusions indicated in Column 5 of Appendix 24.

Recommendations

3.84. (1) Of the 8 monthly returns at S. No. 2 to 9 of Appendix 24, 3 returns, namely performance dossiers of Section Officers, Assistants Director, Deputy Directors which more or less repeat the information available in the remaining 5 returns should be discontinued.

(2) The remaining 5 returns which have a common purpose and which, with the exception of the review statement, are sent to the same authority, namely, the O. & M. Section, should be combined and one comprehensive dossier in the form at Appendix 25 introduced instead. In this dossier, we have added some new columns which we felt were important e.g. those concerning delays in the issue of tender enquiries, formal A/Ts. (where advance A/Ts. had been issued), rate and running contracts, import recommendation certificates, quota certificates, preparation of comparative statements, drafting of contracts and transmission of cases to the price finalisation unit when supplies have been completed, and omitted some which we felt were of less significance or were repetitive e.g. those concerning receipts, finalisation, indexing and recording, visits of Section Officers to the Central Record Room, average out-turn of receipts per man per day and break-up of outstanding indents under "spares" and "other than spares", etc.

(3) In addition the following returns are also considered unnecessary and may be discontinued:—

- (1) statement of L/D waived/imposed;
- (2) statement showing the position of audit requisitions in chronological order;
- (3) statement showing the position of audit objections in chronological order;
- (4) statement showing the position of audit queries in chronological order;
- (5) monthly note of important activities.

The three statements of audit requisitions/queries and objections may be combined into one return in the form at Appendix 26 which we have further rationalised.

(4) The returns at S. No. 18 to 25 of Appendix 24 may continue.

(5) To facilitate the completion of these returns, the existing forms of record maintenance may be replaced by the forms at Appendices 27 to 31. The advantage with these forms of registers will be that they will not only facilitate proper maintenance and collection of the required data for the returns but will also lend themselves to quick scrutiny for checking the authenticity of the data.

(6) With the acceptance of these recommendations, 11 returns will be prepared by the purchase sections against a total of 25 returns being submitted at present.

SECTION 8—TERMS AND CONDITIONS GOVERNING CONTRACTS ENTERED INTO
BY THE DIRECTORATE GENERAL OF SUPPLIES AND DISPOSALS

3.85. In our interim report we had recommended that the terms and conditions which were not in accordance with the normal trade practice and were generally unacceptable to suppliers should be amended. We have gone into this question in detail and have made recommendations wherever we have felt that the terms and conditions of contract applied by the Directorate General of Supplies and Disposals are either inequitable or unrealistic or not in consonance with the recognised trade practice. Whenever a tenderer asks for terms and conditions other than the standard terms and conditions governing the contract entered into by the Directorate General of Supplies and Disposals, a decision, discretionary with him, is required from the competent purchase officer. In many cases the decision is unavoidably delayed. Sometimes in his enthusiasm to conclude the contract without loss of time the purchase officer incorporates terms and conditions which have already been objected to by the tenderer in his offer, which results in unnecessary dispute and correspondence and subsequent delay in supplies and payments. We have discussed below all clauses which, we feel, require amendment and our proposals, if accepted, will meet much of the legitimate complaint of the industry and will themselves ensure quicker disposal, quicker payment and reduction in work load.

3.86. I. CLAUSE 4(2) OF GENERAL CONDITIONS OF CONTRACT

(*Consignee's Right of Rejection*)

The existing clause reads as follows—

“Notwithstanding any approval which the Inspector may have given in respect of the stores or any materials or other particulars or the work or workmanship involved in the performance of the contract (whether with or without any test carried out by the contractor or the Inspector or under the direction of the Inspector) and notwithstanding delivery of the stores where so provided to the interim consignee, it shall be lawful for the consignee, on behalf of the purchaser, to reject the stores or any part, portion or consignment thereof within a reasonable time after actual delivery thereof to him at the place or destination specified in the schedule if such stores or part, portion or consignment thereof is not in all respects in conformity with the terms and conditions of the contract whether on account of any loss, deterioration or damage before despatch or delivery or during transit or otherwise howsoever;

Provided that where, under the terms of the contract, the stores are required to be delivered to an interim consignee for the purpose of despatch to the consignee, the stores shall be at the purchaser's risk after their delivery to the interim consignee; but nevertheless it shall be lawful for the consignee on behalf of the purchaser to reject the stores or any part, portion or consignment thereof upon their actual delivery to him at the destination if they are not in all respects in conformity with the terms and conditions of contract except where they have been damaged or have deteriorated in the course of transit or otherwise after their delivery to the interim consignee.

The provisions contained in clause 17 relating to the removal of stores rejected by the Inspector shall, *mutatis mutandis*, apply to stores rejected by the consignee as herein provided.”

The consignee has been given an absolute right to reject the stores, even after they have been inspected and accepted by the Inspector. This absolute right, after acceptance by the inspector, is for obvious reasons not fair to the supplier and invocation of it in some cases in the past has been questionable. There should be a provision for arbitration by a third party whose decision should be binding. There should also be a time limit to the period within which this power can be exercised. This period should be the same as in the Transit Insurance Clause.

Recommendation

The existing clause may be revised as follows—

"Consignee's right of rejection—Notwithstanding any approval which the Inspector may have given in respect of the stores or any materials or other particulars or the work or workmanship involved in the performance of the contract (whether with or without any test carried out by the contractor or the Inspector or under the direction of the Inspector) and notwithstanding delivery of the stores where so provided to the interim consignee, it shall be lawful for the consignee, on behalf of the purchaser, to reject the stores or any part, portion or consignment thereof within 30 days after receipt, if such stores or part, portion or consignment is not received in conformity with the terms and conditions of the contract whether on account of any loss, deterioration or damage before despatch or delivery or during transit or otherwise however, and wherever this right of rejection is exercised the consignee shall intimate the rejection to the contractor as well as the D.G.S. & D. by Registered Post (A.D.).

Provided that where, under the terms of the contract, the stores are required to be delivered to an interim consignee for the purpose of despatch to the consignee, the stores shall be at the purchaser's risk after their delivery to the interim consignee; but nevertheless it shall be lawful for the consignee on behalf of the purchaser to reject the stores or any part, portion or consignment thereof upon their actual delivery to him at the destination if they are not in all respects in conformity with the terms and conditions of contract except where they have been damaged or have deteriorated in the course of transit or otherwise after their delivery to the interim consignee.

Provided further that where the supplier contests the rejection by the consignee within 30 days of the receipt of the intimation thereof, the D.G.S. & D. shall appoint an Arbitrator who shall either be the National Test House or a national laboratory or any other independent authority not under the control of the consignee and the decision of such Arbitrator shall be final and binding on the parties.

The provisions contained in clause 17 relating to the removal of stores rejected by the inspector shall, *mutatis mutandis*, apply to stores rejected by consignee as herein provided."

II. CLAUSE 6 OF THE GENERAL CONDITIONS OF THE CONTRACT

The existing clause reads as follows—

"(1) The price quoted by the contractor shall not be greater than the controlled price fixed by law for the stores or where there is no controlled price, save for special reasons stated in the tender be greater than the price usually charged by the contractor for stores of the same nature, class or description to a private purchaser.

(2) If it is discovered that the contractor has contravened the above condition, then without prejudice to any other action which might be taken against him, it shall be lawful for the Secretary—(i) to revise the price at any stage so as to bring it in conformity with sub-clause (i) above, or (ii) to terminate the contract and purchase the stores at the risk and cost of the contractor and in that event the provisions of clause 14 shall apply as far as applicable.”

Regarding sub-clause (1) it would only be fair to the supplier if it is made applicable only to cases in which the terms of payment are the same. Similarly sub-clause (2) is too sweeping. The contractor may have valid reasons for charging a higher price and should have an opportunity of explaining it at the appropriate stage.

Recommendation

This clause may be revised as follows—

Quotations of rates by contractors

“(1) The price quoted by the contractor shall not be greater than the controlled price fixed by the law for the stores or where there is no controlled price, save for special reasons stated in the tender be greater than the price usually charged by the contractor for stores of the same nature, class or description to a private user.

(2) If the price quoted exceeds the price usually charged by the contractor from a private purchaser for the stores of the same nature, class or description, the contractor will specifically mention this fact in his tender giving reasons for quoting higher price(s). Failure to do so or any mis-statement will render the contractor liable to action under clause 14 in case the contract is placed with him.”

III. CLAUSE 9(2) OF THE GENERAL CONDITIONS OF THE CONTRACT

The existing clause reads as follows—

“Unless otherwise provided in the contract, all samples required for test shall be supplied by the contractor free of cost. Where a sample which is supplied free, is rejected after examination and test, the same or whatever remains of the sample after examination and test will be returned to the contractor at his request and cost within three months of the date of such rejection.”

This clause does not provide for the communication of the reasons for rejection whenever a sample is rejected.

Recommendation

Clause 9(2) of the General Conditions of the Contract may be amplified as follows—

“Unless otherwise provided in the contract, all samples required for test shall be supplied by the contractor free of cost. Where a sample which is supplied free is rejected after examination and test, the same, or whatever remains of the sample after examination and test, will be returned to the contractor at his request and cost after 3 months of the date of such rejection. The reasons for rejection shall be communicated to the contractor.”

IV. CLAUSE 14 OF THE GENERAL CONDITIONS OF THE CONTRACT

Delivery—The delivery date(s) indicated in the contract enjoins on the supplier to despatch the goods after getting them inspected. It happens that even in cases where the stores are tendered for inspection sufficiently in advance of the delivery date (the stores cannot be despatched within the delivery period, because of delay in inspection and in the issue of the Inspection Note. This compels firms to ask for extensions to the delivery periods.

Recommendation

It is recommended that the following should be added below Clause 14(7)(iii) of the General Conditions of the Contract—

“The delivery schedule as indicated in the Schedule to the Contract will be considered to have been adhered to by the contractor provided the contractor tenders acceptable stores for inspection on or before the date as specified in the Schedule to the Contract and also despatches the stores prior to the time-limit specified in the contract after the receipt of the Inspection Note.”

With this change in the conditions of the Contract, the Delivery Clause in the Schedule to the Contract will have to provide specifically the date by which the contractor must submit acceptable stores for inspection. It will also have to provide the period within which the stores should be despatched after the receipt of the Inspection Note by the supplier. These time-limits will naturally depend upon the quantity on order and the nature of the store.

Recommendation

The Delivery Clause in the Schedule to the Contract may be worded—

- (1) in the case of contracts where the entire quantity has to be delivered at one time as follows—

“Delivery by.....(date).

Note—In case you tender acceptable stores for inspection by.....
.....(date) and despatch the inspected stores
within 7 days of the receipt of Inspection Note, you will be
considered to have performed the contract in accordance with
the above delivery period,” and

- (2) in the case of contracts where delivery is in instalments as stipulated for each instalment of delivery as follows—

“If acceptable stores are tendered for inspection.....
days before the due date of delivery and despatched before
.....days after receipt of Inspection Note, the
delivery will be considered to have been made in accordance
with the contract.”

V. DELIVERY CLAUSE IN THE CASE OF FABRICATION CONTRACTS WHICH ARE SUBJECT TO ASSISTANCE OF RAW MATERIAL BY THE DIRECTOR GENERAL (S. & D.)

The following Delivery Clause is incorporated in contracts where the delivery of goods is subject to the receipt by the manufacturers of raw materials for which Quota Certificates or Essentiality Certificates are issued by the D.G.S. & D.—

“Your delivery will start within.....weeks from the receipt of raw materials, i.e., from.....(date) and completed by..... (date).”

Wherever there is delay in the receipt of raw materials, even for no fault of the contractor, extension of the delivery period has to be asked for. The clause should be amended to make the obligations of the contractor and those of government clear beyond doubt.

Recommendations

The following revised clause may be adopted in the contracts—

“Your delivery will start within.....weeks after the receipt of raw materials i.e. by.....(date) and will be completed by.....(date). For any delay for which no responsibility devolves on you the delivery period will be extended.

Note:—The above delivery date has been worked out on the basis that it will take you.....months to receive the raw materials from the producers after the receipt of the Quota Certificate (allowing a time of 4 weeks for planning by the Joint Plant Committee and receipt of quota from the producers) and on the understanding that you will place your indent on the Joint Plant Committee within 15 days of the receipt of the Quota Certificate and will conclude the necessary financial arrangements with the producers within 15 days of the receipt of the quota from the producers.”

Clause 11 (last para) DGS&D-100C in the Tender Enquiry will also be amended to read as follows—

“The contractor must also take prompt action for the procurement of raw materials on the receipt of the Quota Certificate/Essentiality Certificate. He should indent on the Joint Plant Committee within 15 days of the receipt of the Quota Certificate and should conclude financial arrangements with the producers within 15 days of the receipt of the quota from the producer. Any delay on his part in this regard will render the contract liable to be cancelled at his risk and expense and in that event the provisions of Clause 14 of the General Conditions of Contract are liable to be involved in so far as they are applicable. If the supplier has taken every action required by him in time and if the delay in supplies is on account of the late allocation of raw materials by the Joint Plant Committee or the late receipt of raw materials from the producer for which the supplier is not in any way responsible the delivery period will be extended to the extent of the delay.”

VI. CLAUSE 19 OF THE GENERAL CONDITIONS OF THE CONTRACT

Payments under the Contract—There is universal and legitimate complaint of delay in the final 5 per cent payment on account of the non-receipt of receipted copies of the Inspection Notes from the consignee through the negligence and irresponsibility on the part of the latter. To overcome such delays instructions as at Appendix 32 were recently laid down. These instructions however have remained a dead letter.

In fairness to the supplier legal sanction must be given to the body of these instructions by incorporating them in the payment clause of the Standard Terms and Conditions of the Contract.

Recommendations

- (1) The following clause should be incorporated as clause 19(2)(iii)—
 “The consignee will as quickly as practicable, and in any case within 60 days of the despatch of stores by the contractor, furnish to the contractor his receipt in token of having received the stores in good condition. This period of 60 days will count from the date of despatch of stores and not from the date of receipt of the last consignment by the consignee.

If however, the consignee fails to furnish the receipt certificate within 60 days of despatch of Inspection Note and Proof of despatch the contractor will address the purchase officer under registered cover (acknowledgement due) asking him to authorise him payment on the 91st day from the date of despatch of the Inspection Note and proof of despatch. He will also endorse a copy of this letter to the consignee. He will be entitled to recover the balance payment, upon authorization by the purchase officer, on the 91st day's. Immediately on receipt of this letter from the supplier the purchase officer will address a letter (registered—acknowledgement due) to the consignee with a copy to his next higher officer asking him to arrange for the return of the Inspection Note or to reply with reasons for delay within 15 days and pointing out that failure to reply will lead to the automatic payment of the firm's balance payment on/after the 91st day after despatch of stores. A copy of this letter will be endorsed, duly authenticated, to the Pay & Accounts Officer with instructions to make payment after the 90th day without the receipted copy of the Inspection Note unless he hears to the contrary either from the consignee or from the purchase organisation.”

(2) To ensure prompt compliance with these terms in the Purchase Organisation

(a) all letters addressed by the suppliers when received in the purchase sections should be entered in a separate register which will be reviewed by the Assistant Director of Supplies every day and by the Director once a week. They should sign the register in token of having checked it;

(b) the letter to be addressed to the consignee should be printed in a standardised form as in Appendix 33.

VII. SALES TAX

The tenderers are asked to quote rates exclusive of sales tax and are required to state explicitly in their tenders that their rates are exclusive of sales tax, Central or State. They have, however, to furnish the prevailing

rates of sales tax. In the contract what is deemed the prevailing rate is mentioned. If the supplies have been made in time and if there is no default on the part of the contractor, the sales tax clause for payment of the same applies.

Disputes however arise later as, for some reason or the other (*e.g.* classification of goods, leviability of local and central rates, etc.), the sales tax authorities levy sales tax at a rate different from the one mentioned in the contract. The supplier has no option except to pay sales tax as levied by the sales tax authorities but enters into considerable difficulties with the D.G.S. & D. when claiming re-imbusement if the rate is different from the one mentioned in the contract.

Recommendation

(1) Sales tax should be paid to the contractor at the rate it is actually levied, provided, of course, the supplies have been made in time and there is no default on the part of the contractor.

(2) The tenderers should be asked to submit quotations exclusive of sales tax indicating that it will be paid to them at the rates actually levied. They should, however, be asked to indicate the prevailing rates of sales tax. The relevant clause in the Tender Enquiry should be amended accordingly.

VIII. EXCISE DUTY

For getting reimbursement of excise duty, the suppliers are required to furnish Form ARI along with their bill. It has been represented to us that it should not be necessary to furnish this bill as the rate (percentage or amount) of excise duty is known to the purchaser. The suppliers feel that the provision for furnishing form ARI along with their bill unnecessarily delays their getting reimbursement on this account. It has also been represented that in cases where the excise duty goes down the suppliers are paid at the reduced rates. However, in cases where the excise duty has gone up the suppliers are paid only the rates specified in the contract unless they have asked for variation on this account.

Recommendations

(1) Where the rate of excise duty is fixed per unit of store it should not be necessary to ask for the production of Form ARI along with the bill. The rate of excise duty should be given in the contract itself and the supplier should be able to claim it as a part of the contract price.

(2) In cases in which the rate of excise duty is percentage *ad valorem* which may not be the same as the rate specified in the contract it should be necessary for the suppliers to produce ARI form along with their bill.

(3) The suppliers should also be reimbursed excise duty as actually levied in case of upward revision on production of the necessary documents provided there is no default on their part.

IX. CUSTOMS DUTY

The following clause is incorporated in the tender enquiry—

“For imported stores offered against forward delivery, tenderers will be responsible for correctness of rates on which the Customs

Duty included in their quotation is based. They will also be responsible for indicating the correct I.C.T. item number. No increase in price will be allowed on the ground that customs duty originally included in their quotation was wrongly calculated at a rate lower than the one prevailing at the time of tendering. Variation on account of statutory change in the rate of customs duty will be allowed where admissible."

The suppliers have been experiencing great difficulty in this regard because

- (i) the customs duty at different ports may be levied at different rates for the same store; and
- (ii) the c.i.f. value of the stores as indicated in the Bill of Entry may be different from the value by the customs authorities for the calculation of the duty. The customs calculation is as a rule more than the c.i.f. value.

Recommendation

Customs duty as actually paid on the basis of the documents produced should be reimbursed to the supplier. For this purpose, it will be necessary at the time of tendering for the supplier to state in his quotation the total amount of customs duty that he has included in his quotation and the rate at which this has been calculated, as known to him. The revised clause may be as follows—

"For imported stores offered against forward delivery, customs duty as actually paid will be reimbursed, on production of the necessary documents. In your quotation you should indicate the total amount of customs duty that has been included and the rate at which it has been calculated."

X. THE PRICE VARIATION CLAUSE

The present price variation clause requires the supplier in the event of variation in the price of raw materials to furnish evidence to show that the materials used by the contractor were those for which the increased price had actually been paid.

This procedure is very cumbersome especially in the case of contracts running for a long period. Meanwhile, the firm is denied the increase in price due to increase in the price of raw materials. For one, no increase is allowed until the entire contract is completed, which is harsh in the case of long term contracts. Secondly proof has to be furnished, not only for the purchase of the raw material at the higher rate, but also regarding its utilization for the stores in question. For furnishing the first proof he has to submit vouchers. For the second he generally submits his own certificates which the purchase officer has no reasons to verify. The process of allowing this increase and issuing amendments to contract itself becomes tortuous and long delayed.

Recommendation

In rate and long term contracts, if an increase occurs in the price of raw materials, such increase may be allowed automatically upon the expiry of a period, to be specified by mutual consultation, after the date on which

such increase occurs. This period will be specified in the contract and will be worked out, in each individual case, after taking into account the manufacturing process, the time taken to manufacture the store and to consume the raw materials. For example, if such a period is agreed at two months and the increase in the price of raw materials takes place on 1st October, the increased price of the store will automatically come into effect from 1st December.

XI. THE FALL CLAUSE

The Fall Clause in Rate Contracts stipulates that if the contractor sells stores of identical description to any other person during the period of the contract at a rate lower than the rate Contract rate, the contract rates for supplies made after the date of such reduction will be reduced correspondingly. The only two exceptions permitted are in cases of—

- (1) export at lower prices, or
- (2) supply at lower prices on the basis of competitive quotations outside the Rate Contract where direct purchase outside the Rate Contract is permissible according to the conditions therein, i.e., the demand exceeds the maximum of the supply order as provided in the contract.

A number of associations have pointed out that the Rate Contract does not guarantee any off-take and it happens sometimes that suppliers accumulate stock in anticipation of supply orders which do not materialise and consequently for obtaining funds they may sometimes have to make distress sales. Sales may also have to be made under orders of a court.

Recommendation

In the following categories of sales, the Fall Clause should not apply—

- (a) sale or disposal of any stock or goods under order of a Court of Law;
- (b) sale of goods as original equipment which are always made at prices lower than the prices charged for normal replacement supplies as for instance supply of tyres to automobile or cycle manufacturers;
- (c) sale of goods such as drugs which have expiry dates, i.e., which have to be used before a certain date (for it may be necessary to dispose of such goods expeditiously at lower prices to minimise losses).

SECTION 9—ORGANISATION

3.87. Our recommendations in this and in our interim report that—

- (a) tender Enquiry and Contract Cells should be set up in all the Directorates;
- (b) dual control by Assistant Director and Section Officer over a purchase section should end and purchase sections should be split up;

- (c) separate sections should be organised for rate and running contract items;
- (d) finalisation except price finalisation should be transferred to the purchase sections;

warrant a second look at the organisation and structure of the purchase section and the purchase directorate, encompassing in its view the purchase organisation both at the Headquarters and in the regions.

THE PURCHASE ORGANISATION AT THE HEADQUARTERS

3.88. In our interim report we had said that the experiment of creating a Tender Enquiry Cell and a Contract Cell, each under the charge of an Assistant Director/Section Officer, centralising the functions of issuing tender enquiries and of preparing comparative statements and drafting contracts, should be continued and extended to each directorate. Tender Enquiry Cells have now been set up in all the Directorates. The experiment of contract cells however has not yet been fully tried out or fully extended. We had also pointed out that the existing purchase section consisting of 10 to 12 clerical hands was unwieldy and could not be supervised properly and that the problem of supervising was aggravated by the dual control exercised by the Assistant Director and the Section Officer. We had, therefore, suggested that the purchase section be split up, each reorganised purchase section being placed under one man. We had also recommended that separate sections should be organised for rate and running contract items. We had felt that after the creation of the Tender Enquiry and Contract Cells and after splitting up purchase sections as suggested above it should be possible to introduce an officer oriented system for coping with the balance purchase work. The system, consisting essentially of the disposal of work substantially by the officer in charge of the section himself with the help of whole-time stenographic assistance and the minimum office assistance, not for noting, but for routine office chores, was recommended for trial on an experimental basis.

3.89. The Director General agreed to make an experiment and, after consultation with us, tried the system from October 1964 in a new section created in the Works Programme Directorate. The section was placed under the sole control of an Assistant Director who was given a whole-time stenotypist and one Assistant and no other staff. The results of the experiment are clear from the data given at Appendix 34. On an average 20.3 indents were received every month and were handled very promptly. So was the correspondence up to the month of April and the bulk of the correspondence in the month of May, receipts being disposed of as they came. The validity of offers had to be extended in only five, i.e., 3 per cent cases during this entire period compared to the approximate general average of 33 per cent for the same period. Obviously this improvement in quality and effective output became possible because the Assistant Director did the bulk of the original work himself. It may be added that drafting of acceptances of tenders was also done by him and his Assistant and not in the contract cell as had been recommended in our interim report, and was therefore an additional item of work. On the other hand it must be conceded that during the period of this experiment many cases could not have become ripe for receiving requests for amendments after the completion of supplies. It may also be noted that for typing work the section was not self-contained (barring the stenotypist) and had to draw upon other resources. In its essentials the

experiment has clearly proved successful. It may in this context be added that this section dealt with various types of machine tools and could not therefore be said by any means to be an easy section. It would appear, however, that if such a section were to function as a self-contained unit, as is desirable, some augmentation of staff would be necessary. This augmentation seems also to be called for by the figures revealed for the months of April and May 1965 when, with a heavier rush of work, the standards of prompt disposal set in the earlier months could not be kept up. But for a rather severe deprivation of staff the results of the experiment would have been even more striking. The outstandings under "Receipts" in the month of May were attributable to the fact that the Assistant went on leave during the last few days of May leaving no one in the section to do his work.

3.90. In determining the optimum strength of such a unit we may, besides the results of this experiment, also take into account an analysis of the data at Appendix 35 furnished by a detailed study of workload carried out in sections in two Directorates as also of the contribution made at various levels. Briefly this study shows that

- (1) on an average about 35 per cent receipts are for information, 15 per cent are of a routine, miscellaneous nature (reminders, calling for copies of A/Ts, etc.) and only 50 per cent receipts require effective action;
- (2) the average number of receipts per day per section comes to 65;
- (3) the average number of receipts relating to contracts and amendments of A/Ts is 33. The proportion disposed of at different levels is as follows:—
 - (a) S.O.—21.9%
 - (b) A.D.—51.2%
 - (c) D.D.—13.5%
 - (d) Dir.—11.6%
 - (e) DDG/ADG/DG—1.8%
- (4) the proportion of cases initiated at different levels is as follows—
 - (a) Office—91.2%
 - (b) Asstt. Dir—6.8%
 - (c) Deputy Dir.—2.0%
- (5) the cases disposed of at the level of Section Officer are purely routine cases e.g. those meant only "for information" or those meant for transfer to the Finalisation Directorate on the completion of A/Ts.

3.91. Calculated on the basis that they are 50 per cent of the total, the number of receipts requiring effective action comes on an average to 32.5. With the split up of these sections and with more competent initial handling these should become less than half this number. The maximum monthly figure of receipts (for the month of May) in the experiment conducted was 209. While many of them will be disposed of by the Assistant Director/Section Officer himself, assistance of at least one Assistant/U.D.C.

will be required for putting up routine drafts for receipts of a miscellaneous nature and for simple amendments to A/Ts. He will be engaged mainly in doing a part of post A/T work. Post A/T work consists of

- (1) correspondence with the indenter/consignee/inspector which at present accounts for 29 per cent of the total receipt coming into the sections;
- (2) issue of amendment letters which at present accounts for about 20 to 25 per cent of the total receipt coming into the section.

With the simplification and checks proposed by us in our report, the number of amendment letters to be issued as well as the amount of correspondence that would be required with the indenter/consignee/inspector should be reduced. The Assistant Director with the help of a stenographer should himself be able to handle many of these receipts as soon as they come and one Assistant should suffice to attend to the rest.

3.92. In addition, however, it will be necessary to have one L.D.C. to attend to diary, receipt and despatch, and reports and returns (which work, in the experiment, was being attended to by an L.D.C. of another section) and another L.D.C. for typing work. Staff comprising an Assistant Director, an Assistant, two L.D.Cs and a fullfledged stenographer should suffice for a purchase section which gets about 250 to 275 indents in a year. Even from the analysis at Appendix 34 it will be clear that the strength of the section in the experiment was not quite adequate and that replies as well as coverage could have been better with a little more assistance. The norm of 250—275 indents, applicable to most sections is not, however, to be applied with rigid uniformity to all of them. In one section of the Projects Directorate, for instance, this number should be less. Corresponding adjustments on the higher side are possible in other sections some of which may be able to absorb as many as 300 indents a year. On an average for the entire organisation, however, the figure of 260 indents will provide a reasonable norm.

3.93. This pattern, however, cannot be applicable to sections dealing with rate and running contracts. In sections dealing with rate and running contracts the amount of clerical work that has to be done is much more than in the normal purchase sections for the following reasons—

- (a) the tender enquiry has to be issued by the section itself. This tender enquiry is very long, caters to all Direct Demanding Officers and incorporates different terms and conditions peculiar and particular to rate contracts;
- (b) consolidation of requirements in the case of running contracts is a particularly laborious job;
- (c) a large number of items may have to be included in one rate contract;
- (d) the comparative statement is also prepared in the section and is much longer than the comparative statement in ordinary purchase cases;
- (e) for many items parallel rate contracts have to be concluded. The drafting, issue and printing of rate contracts here is by itself a time consuming job.

3.94. Clearly the system envisaged for the ordinary purchase section will not work in sections responsible for rate and running contracts where more clerical strength is required. Here the strength should be one Assistant Director/Section Officer, 3 Assistants/U.D.Cs., 2 L.D.Cs and one stenotypist for the Assistant Director/Section Officer. A stenotypist instead of a stenographer is recommended because much of the work is that of scrutiny and compilation and of a clerical nature. The head of the section here will have rather less dictation to give than the head of an ordinary purchase section. Besides, the Deputy Director, who at present makes the purchase proposals for rate contracts, does have a stenographer attached to him.

3.95. The strength working in the Tender Enquiry Cell, that is, 1 Assistant Director, 2 Assistants/U.D.Cs, 2 L.D.Cs and half a stenographer (or one stenotypist) has been working satisfactorily and no change is required. The two technical assistants for the comparative statements have also suffered as shown by experience. The Contract Cell has not been fully tried out but its strength—1 Assistant Director, 2 Assistants/U.D.Cs, 2 L.D.Cs and half a stenographer (or one stenotypist) in addition to the men earmarked for comparative statements should suffice.

3.96. After fixing the strength of different kinds of sections as above some cushioning will still be required in a Directorate to meet situations in which a particular section at any particular time gets an unusually heavy load of work. It is necessary for the success of this system that it is not allowed to break down under the strain of too heavy a load of work that cannot be anticipated or because of factors like leave or illness. This point is of importance and with the Director being made more actively responsible for supervision and for the speedy disposal of work in his Directorate he should be given 2 Assistants/U.D.Cs and one L.D.C., which he can deploy in any section which he thinks needs extra help at any particular occasion.

3.97. The number of rate and running contracts sections calculated on the basis of the number of such contracts in each Directorate and on an estimate of the men-hours devoted by each section officer for this purpose will come to 17 as follows:—

<i>Directorate</i>	<i>Rate and Running Contract Sections</i>
Railway Stores	2
Oils, Paints and Chemicals	3
Works Programme	2
Engineering	3
Projects	1
Timber, Wool and Leather	1
Vehicles	2
Miscellaneous and Hardware	3
TOTAL	17

3.98. This estimate is slightly but only slightly liberal. In view, however, of the likely increase in the number of items to be brought on rate contract a little liberality and scope for absorption of marginal increase in work is necessary.

3.99. The number of indents in the entire D.G.S. & D. Headquarter's Organisation meant for ordinary purchase sections comes to approximately 20,000 in a year. Of these about 25 per cent deal with rate and running contracts leaving approximately 15,000 for the other purchase sections. A section should on an average be able to deal with about 260 indents and on this basis the number of sections required will be 58. If the Director is to be effective in his role as supervisor he should normally have 8 sections under him including rate and running contract sections but excluding the Tender Enquiry Section and the Contract Cell. This number can, at most, be increased by one for the sake of internal adjustments. The number of sections on the above reckoning will come to 93 and we feel that there is a clear case for the creation of another Directorate in addition to the present eight. Some of the Directorates which are at present over-worked can hand over some of their items to the new Directorate. Besides some rationalisation is also required in the allocation of items among the existing Directorates. One instance calling for rationalisation is furnished by the Railway Stores Directorate, which, in addition to procuring of certain items which are peculiar to the railways also procures the following stores which are not peculiar to the railways:—

- (i) cranes
- (ii) rivercraft, dredgers, etc.
- (iii) non-ferrous metals
- (iv) hand tools.

On the other hand the Works Programme Directorate procures mechanical signalling equipment as well as railway track materials which are required exclusively by the railways and should, properly speaking, be procured by the Railway Stores Directorate. Another instance is furnished by hardware items like steel, telegraph wire, barbed wire and non-ferrous metals which should be procured by the Miscellaneous and Hardware Directorate but are in fact procured by the Vehicles Directorate and the Railway Stores Directorate.

3.100. Besides rationalising allocation of items within the Headquarters organisation the question of transferring some items from Delhi to the Textiles Directorate in Bombay and *vice-versa* also needs to be considered. The two main reasons why the purchase of textiles has been centralised at Bombay are that the bulk of the textiles industry is located in the Bombay region and that consultations with the Textile Commissioner, whose office is located in Bombay are often required. On these criteria woollen fabric items should also be transferred to the Textiles Directorate at Bombay. On these same criteria, there seems little justification in allowing fabricated items of textiles like tentage and garments to be purchased centrally by the Bombay office.

3.101. Taking into consideration the need for this rationalisation as also for the creation of a new Directorate, we are suggesting the re-allocation of items as in Appendix 36. It may here be mentioned that some of the Directorates can be more appropriately named than they are at present and the new names, where necessary, have also been suggested in this Appendix.

3.102. The total number of indents that will thus be transferred to the new Directorate to be called the Mechanical Engineering Directorate (II) on the basis of the 1964 figures will be approximately 1,100. Most of these will be transferred from the Engineering and the Vehicles Directorates. The new Directorate will, apart from a Director, need one Deputy Director. The estimated number of purchase sections required will be 6 and this is included in the over all strength of 58 sections proposed for the Purchase Wing at the Headquarters. Besides these items internal adjustment on an *ad hoc* basis can be done to give relief to over-worked Directorates. The exact distribution of these 58 sections and the manner of recruitment and training of stenographic staff may be determined as recommended below.

Recommendations

3.103. In a nutshell our recommendations are as follows—

- (1) an ordinary purchase section should consist of one Assistant Director, 1 Stenographer, 1 Assistant and 2 Lower Division Clerks;
- (2) the strength of the Tender Enquiry Cell should be 1 Assistant Director, half a Stenographer (or 1 Stenotypist), 2 Assistants/ U.D.Cs. and 2 L.D.Cs. each;
- (3) the strength of the Contract Cell should be 1 Assistant Director, 4 Assistants (2 for comparative statements), 2 L.D.Cs. and 1 Stenotypist;
- (4) the strength of a rate and running contract section should be 1 Assistant Director/Section Officer, 1 Stenotypist, 3 Assistants/ U.D.Cs. and 2 L.D.Cs.;
- (5) Tender Enquiries and Comparative Statements in the case of rate and running contracts should be prepared in the rate and running contracts sections themselves;
- (6) the officer in charge of the purchase section should himself initiate all action regarding purchase proposals and should, as far as possible, deal with correspondence as it comes with the help of his stenographer;
- (7) work regarding finalisation should be done in the purchase sections provided that
 - (a) where necessary, the purchase sections may ask for the advice of the price finalisation unit before issuing amendments in price finalisation cases, and
 - (b) the current cases in the Finalisation Wing may continue to be dealt with there;
- (8) there should be 17 rate and running contract sections and 58 ordinary purchase sections;
- (9) an additional Directorate should be created bringing the total of purchase Directorates to nine. This will involve the creation of two additional posts—one of Director, and one of Deputy Director;
- (10) the allocation of items among different Directorates may be rationalized as in Appendix 36;

- (11) each Directorate should have staff consisting of 2 Assistants and 1 L.D.C. for deployment in any section that finds itself over-worked on any occasion;
- (12) the number of sections and their distribution can never be static as the number of indents varies from year to year. However, to carry out a reorganisation of the Purchase Wing and to distribute the 75 sections the O&M Unit should within a month and as a priority measure
 - (a) calculate the number of indents in 1965 item-wise in the three categories—rate contracts, running contracts and A/Ts;
 - (b) distribute the items among the 75 sections, and
 - (c) apportion sections among Directorates;
- (13) to recruit stenotypists full powers should be given to the Director General if the cadre authorities are unable to supply them. This will include powers of recruitment direct from the Employment Exchange but will be subject to the condition that the persons so employed will be retrenched once the cadre authority is able to supply the men;
- (14) if stenographers are not immediately available stenotypists should be engaged, one stenotypist against one stenographer, until stenographers become available;
- (15) if despite this stenotypists are not available, and in any case to train stenographers, an adequate number of L.D.Cs. in the Directorate who will become surplus as a result of these orders may be given training in stenography. One instructor may be engaged by the Director General and given suitable remuneration. He could be from the open market (and paid about Rs. 400 p.m. or so) or he could be a competent stenographer of the 1st grade in the Government of India in which case he should be given special pay of Rs. 100 p.m. It should be possible for him to train about 60 to 80 stenographers/stenotypists in a year. For this purpose an ex-cadre post may be created. The trainees have to give a bond agreeing to serve Government for five years;
- (16) the reorganisation on the lines suggested above should be phased and to begin with only two purchase sections per Directorate, i.e., 18 purchase sections in all should be brought on this officer-oriented system the limiting factor being the availability of stenotypists;
- (17) depending on the availability of stenographers/stenotypists the second phase should start six months after the start of the first phase. About a year and a half after the start of the first phase the entire Purchase Wing at the Headquarters should be covered by this system.

REGIONAL DIRECTORATES

3.104. The purchase sections in the Regional Directorates, in our opinion, could be organised on similar lines. There are, however, certain differences in the functioning of Regional Directorates which will have to be

taken into account. For one, no Rate and Running Contracts are entered into in the Regional Directorates except for some Rate Contracts in the Directorate of Supplies (Textiles), Bombay. There are no section officers in the Regional Directorates. All sections in the Regional Directorates are placed under the charge of non-gazetted superintendents in the scale Rs. 350—475 or what are known as "U.D.Cs. in charge" who get the normal pay of the U.D.C. with some charge allowance. The Assistant Director as in the Headquarters acts as a purchase officer and is not responsible for the routine functioning of the section. The reorganisation of the purchase section, besides taking into account the factors mentioned above, must also reckon with the fact that finalisation, which here is done in the purchase section, includes price finalisation also. Besides, no separate Contracts Cell should be necessary in the Regional Directorates because specialisation here does not exist to the extent that it does in the Headquarters. In a small office like Kanpur, moreover, considering the number of sections and the number of indents received per year, it may not be necessary to have even a separate Tender Enquiry Cell.

Recommendations

3.105. Taking these factors into consideration, we recommend that—

- (1) the purchase section in the Regional Directorates should consist of an Assistant Director, 1 Stenographer, 2 U.D.Cs. and 3 L.D.Cs.;
- (2) the Tender Enquiry Cell should consist of an Assistant Director, 3 U.D.Cs, and 3 L.D.Cs plus 2 U.D.Cs for comparative statements to function under the Assistant Director in charge of the Tender Enquiry Cell;
- (3) in the Directorate of Supplies (Textiles) at Bombay 1 Technical Assistant in the Directorate in addition to the normal strength of purchase sections may continue as at present;
- (4) some staff should be given to each Regional Directorate for deploying in sections that find themselves pressed by a particularly heavy load of work on any particular occasion. The extent of augmentation on this count in each Regional Office may be seen in the statement at Appendix 37.
- (5) there is no reason why there should be any distinction between the existing non-gazetted Superintendents and "U.D.Cs in charge". The two should also be brought on the same scale;
- (6) as sections will be directly under the charge of Assistant Director, there will be no need for functionaries like non-gazetted Superintendents or "U.D.Cs. in charge". Nevertheless these persons exist and have to be provided for. Besides, there are no promotion opportunities for U.D.Cs. other than these except to the very limited extent to which they can be absorbed as Junior Progress Officers. Total abolition, for all times to come, of the posts of superintendents and "U.D.Cs in charge", without providing any alternative means of promotion, will be justly resented by the clerks in these offices. Instead of these posts, therefore, a selection grade for U.D.Cs should be formed. The number of posts in the selection grade should be the same as the number of posts of non-gazetted superintendents and the

“U.D.Cs in charge”. This should be applicable not only to those who are engaged on purchase work but throughout the Regional Directorate. Regarding the scale of pay, this could be the existing scale of the non-gazetted superintendents, i.e., Rs. 350—475 or it could be Rs. 325—575; and

- (7) all U.D.Cs in the selection grade should be eligible for promotion to the posts of Assistant Director, Grade II and the recruitment rules should be amended accordingly.

PERSONAL IMPLICATIONS

3.106. The total staff that will be required as well as the surpluses and the deficiencies that will occur if these proposals are accepted, may be seen at Appendix 38 for the Headquarters Organisation and at Appendix 37 for Regional Directorates.

Recommendations

3.107. It is recommended that no downward revision in leave reserve should be made as a result of these proposals.

SECTION 10—MISCELLANEOUS

DIRECT PURCHASE POWER OF INDENTORS

3.108. Any demand of which the value exceeds Rs. 5,000 has to be procured through the Central Purchase Organisation. In the case of the Railways, Defence, Posts and Telegraphs and some other big indentors who have their own arrangements for the procurement of stores higher limits of direct purchase have been authorised. The powers delegated to the other departments for the direct purchase of stores not covered by rate/running contracts are subject to the restriction that the monetary limits apply for each article, class of similar articles or interconnected articles purchased at one time. In other words, if an indent contains two or more items which are classified as similar articles or inter-connected articles, the indenter will not be able to make purchases directly if the total value of the indent exceeds the monetary limit even if the value of the items individually is within that limit. The indentors naturally experience difficulty in procuring items of which the value is small as the suppliers of the Directorate General of Supplies and Disposals do not evince much interest in small demands and the indentors suffer inconvenience.

3.109. The proposition is then made that the delegation should be made for each article subject to a monetary limit the reasons adduced being that

- (i) a large number of small valued items are received by the Directorate General of Supplies and Disposals for procurement, e.g. bolts, nuts, rivets, paints, etc., which could easily be obtained by the indentors direct. If the time and energy spent in the coverage of these items is saved, it could be better utilised in procuring more important items where the Directorate General's contribution would be much greater;

- (ii) with the regional development of industry it should be possible for the indentors located in different parts of the country to obtain their small requirements from the firms located in their areas. This will also avoid unnecessary strain on the transport system of the country; and
- (iii) the speed with which the indentors will be able to meet their demands as a result of this delegation will more than offset the comparatively small difference in price that is paid if the purchase of these small items is made through the Directorate General.

3.110. Two arguments have been advanced against this proposition. The fear has been expressed that such a course will reduce the total quantum and value of the purchases made by the Central Purchase Organisation. The logic behind this is not quite clear to us for we see no harm in such a reduction. In any case an analysis made shows that such a step will reduce workload to a recognizable extent in some Directorates although it will not greatly diminish the total value of the purchases made by the Directorate General. Thus in a study made it was observed that—

- (a) in respect of paints 28 per cent of the items handled are less than Rs. 5,000 in individual value, and in terms of the value of purchases made, these items accounted for only 1 per cent of the total value;
- (b) in respect of rivets and bolts and nuts the number of items of individual value less than Rs. 5,000 was 63.5 per cent respectively while in terms of value they accounted for only 5.8 per cent and 5.2 per cent respectively of the total purchases effected.

The obvious conclusion is that the time and energy spent on these items is considerable, is disproportionate to their value and could be more usefully and effectively utilised for covering indents of greater value.

The second argument advanced is that indentors may find it difficult to procure on their own quality stores of odd sizes in small quantities while the Directorate General may be able to persuade firms with whom larger contracts are placed to manufacture the smaller items also. This argument, stronger than the first, loses force in view of the rapid development of the country's industry and in view of the fact that it is a rare case in which special manufacture of small quantities of small items is undertaken at the instance of the Directorate General. Such exceptional cases can always be taken care of.

Recommendations

3.111. (1) We find that, for the reasons explained in the foregoing narrative, it would, in the balance, be considerably more advantageous to allow some delegation to the indenter for each individual item also within the over-all delegation of Rs. 5,000 and would recommend that the monetary limit of this delegation should be fixed at Rs. 2,000. When applying this delegation the cost of an accessory or a fitting will be included in the cost of the item. Thus if the cost of an item is Rs. 1,900 and that of an accessory is Rs. 200, the total cost of the item will be reckoned to be

Rs. 2,100 and the item will have to be purchased through the Directorate General of Supplies & Disposals if the total value of the indent is above Rs. 5,000.

(2) The Directorate General (Supplies and Disposals) will not return an indent even if it falls within the powers of the indenter if adequate reasons are given explaining the difficulty in obtaining the item.

CENTRALISED AND DECENTRALISED ITEMS

3.112. For purposes of procurement items fall in two categories—

- (1) Centralised items,
- (2) Decentralised items.

Centralised items are those which are purchased only by the Directorate General at New Delhi (or in the case of jute by the Directorate in Calcutta, in the case of coir by the Directorate at Madras and in the case of textiles by a Directorate in Bombay) and for the purchase of which the regional directorates exercise no powers whatever. Items other than centralised items are decentralised items and the regional directorates operate for these upto the limits of their powers.

The categories of items that are brought on to the centralised list are—

- (i) items for which rate and running contracts are entered into;
- (ii) items for which capacity for manufacture is limited and demand is much in excess of capacity and for which procurement being difficult has to be controlled;
- (iii) developmental items;
- (iv) items for which the normal value of the individual indents received is much above the purchase powers of the Heads of Regional Offices.

3.113. We feel that as industry develops the Directorate General of Supplies and Disposals at headquarters should eventually handle only those items for which there are either rate/running contracts, long-term price agreements or which are developmental items. All the other items should, in the long run, be decentralised. This, however, can only be a long-term plan and cannot be put into operation yet as rate contracts have been concluded for only a few items and for the successful working of this long-term proposal it will be necessary to bring the maximum possible items on rate contract. Sorting this out is one of the functions proposed for the Planning and Development Directorate and will naturally take its own time. It is, however, possible to rationalise centralisation and decentralisation in the manner suggested in the paragraph below.

Recommendations

3.114. (1) There are certain items which should be taken out of the decentralised list and should, like textiles, be centralised, not at the headquarters but in the regions in which they are exclusively or almost exclusively manufactured or demanded. Thus for instance all firms manufacturing barbed wire are situated in the Calcutta region and the purchase of this item should be entrusted entirely to the Calcutta office. Similarly the purchase of hides and skins should be centralised either in Madras or Kanpur.

Each Director should prepare a list of such items in respect of his Directorate for which the sources of supplies are, in the main, situated in a particular region and specifically mention the regions to which these may be transferred. Such a measure will greatly facilitate post contract work, and, to some extent, even pre-contract work.

(2) Similarly the purchase of items which are solely demanded by a particular indenter in the whole of the country should be entrusted to the nearest regional office and each Director should prepare a similar list of such items also.

(3) Arrangements for the disposal of work on account of these items should be made on the lines as for the disposal of other items centralised in the regional offices.

(4) Additional staff will be required by the regional Directorates for this purpose but corresponding staff will be reduced in the rest of the organisation. Net additions, if any, will have to be calculated at the appropriate time, but these will, at most, be marginal.

POWER OF ATTORNEY

3.115. As there is no uniform procedure of obtaining the power of attorney in favour of the third party (banks) suppliers are not able to get their payments in time.

Recommendation

3.116. A standard form of attorney should be prepared by the Directorate General in consultation with the Ministry of Law.

MANUAL OF OFFICE PROCEDURE FOR SUPPLIES AND DISPOSALS

3.117. The second edition of this manual was printed in 1960 and contains procedures prevalent in May, 1958. Though a large number of changes have since taken place a new edition of the manual has not been printed. The size of the manual (592 printed pages) and the volume of instructions to be compiled in one place has proved a major difficulty in printing an up-to-date manual.

Recommendation

3.118. Separate consolidated instructions for the guidance of the various branches of the Directorate General should immediately be compiled and issued. Thus separate instructions should be issued on office procedures, on purchase procedures, inspection procedures, and disposal procedures. Also separate pamphlets of instructions should be issued on:

- (i) the maintenance of statistics;
- (ii) the preparation of the Administration Report;
- (iii) closing cases and destruction of record;
- (iv) the registration of firms;
- (v) arbitration, legal proceedings, and the settlement of claims;
- (vi) treatment of losses.

(2) As the work involved is of an urgent nature and calls for a great deal of effort to be put in, it should be entrusted to an experienced Deputy Director who has a sound knowledge of procedures etc. A time limit of one year should be fixed for the issue of all the booklets. The Deputy Director will work whole-time on this job for one year and should have this as a part time function thereafter. He should have the assistance of a whole-time steno-typist.

(3) A new manual should be issued every three years scrapping the old one and incorporating the latest instructions. Once the instructions and pamphlets are compiled, as suggested above, and kept upto-date the preparation of a new manual should not present much difficulty.

CHAPTER IV THE INSPECTION WING

ORGANISATION AND FUNCTIONS OF THE INSPECTION WING

4.1. The Inspection Wing of the Directorate General of Supplies & Disposals consists of—

- (a) the Headquarters Organisation (also by itself called the Inspection Wing); and
- (b) Regional Inspectorates including their Testing Laboratories.

4.2. The Inspection Wing at Headquarters consists of the following sections:—

- (i) *Inspection Section (or Sections)*—This section exercises technical and administrative control over the Regional Inspectorates.
- (ii) *Specification Section*—This section maintain complete sets of standard specifications of different kinds as well as technical literature on stores manufactured by firms in India and abroad for the guidance of the Inspection Wing.
- (iii) *Sample Room*—This section deals with the receipt, registration, maintenance and final disposal of various types of samples, such as samples submitted against invitations to tender, samples received from indentors, standard samples, development samples, etc.
- (iv) *Drawing Office*—This section maintains drawings, blue prints and photostat copies and, where necessary, issues photostat copies to the tenderers.

4.3. The Regional Inspectorates including the Testing Laboratories at Tatanagar and Burnpur are responsible on all matters to the Deputy Director General (Inspection) at Headquarters.

4.4. The main functions of the Inspection Wing at the headquarters are—

- (a) to keep administrative and technical control over the Regional Inspectorates—in all matters;
- (b) to assist the Supplies Wing in the checking of indents and the Scrutiny of tenders;
- (c) to prepare Schedules of Requirements, where necessary;
- (d) to prepare, maintain, revise and issue D.G.S. & D. Standard Specifications and Drawings;
- (e) to receive, check, report and seal samples received from trade, indentors and other parties;
- (f) to arrange for the inspection of firms' works/godowns for purposes of registration and also for ascertaining their capacity and ability to manufacture a particular type of store;

- (g) to arrange for the test and certification of firms' products on their behalf and to encourage the development of Indian industries;
- (h) to advise indentors on technical matters and on the suitability of particular stores for their requirements, consistent with economy and efficiency and also with a view to developing Indian Industries;
- (i) to render technical assistance to the Disposals Wing of the Directorate General of Supplies & Disposals and to liaise with the Development Wing of the Ministry of Commerce and Industry;
- (j) to assist the Indian Standards Institution in preparing Indian Standards;
- (k) to arrange and organise, through their Regional Directorates, the inspection of stores purchased through the Directorate General of Supplies & Disposals (except for certain special items pertaining to the Railways and the Defence for which they carry out inspections themselves); and
- (l) to arrange for the inspection of stores purchased direct by such Government Departments including Railways, quasi-public bodies, private parties in India and foreign governments as may desire to avail themselves of the facilities offered by the Inspection Wing.

THE REGIONAL INSPECTORATES

4.5. Regional Inspectorates undertake the inspection of materials purchased by the Directorate General of Supplies & Disposals and by other purchasing authorities that may desire to entrust to the Directorate General of Supplies & Disposals the inspection of stores ordered by them direct. They also undertake inspection for assessing capacity and for purpose of registration.

BASIC PROBLEMS

4.6. It will be seen that besides advisory functions the main functions of the Inspection Wing and the Regional Inspectorates are all directed or related to the inspection of stores. Stores cannot be supplied by the supplies until they have been passed by the Inspectorate. The consignee must wait for his goods and the supplier for his payment until the Inspector moves. In such a situation the two foremost needs naturally are to ensure accuracy and prevent delay. Having studied closely the procedures followed in the Inspectorates of the Directorate General of Supplies and Disposals and also of similar Inspectorates of the Defence organisation and on the basis of a scrutiny of 250 cases, we feel that both accuracy and despatch could be ensured by better office and inspection procedures and by a better system of supervision.

DELAYS

4.7. That delays are endemic was not only represented to us with some emphasis but has also been established by our case studies in one Inspectorate (the gist of which may be seen in the analysis at Appendix 39) which reveal that on an average—

- (i) 8 to 10 days are taken for papers to reach the technical officer concerned after their receipt in the Inspection Circle;

- (ii) in 52.3 per cent cases it takes more than a month after the receipt of the inspection call to complete cases relating to the inspection of stores;
- (iii) in 80.6 per cent cases it takes more than a month after the receipt of request to send reports on capacity/registration cases.

Delays are almost entirely attributable to—

- (1) defective office procedures;
- (2) inadequate inspection procedure;
- (3) inadequate supervision and control; and
- (4) delays in the National Test House.

OFFICE PROCEDURE

A. RECEIPT, DIARY AND DISTRIBUTION

4.8. The 8 to 10 days' time taken for the papers to reach the technical officer concerned after receipt in the Inspection Circle consists of—

- (i) 2 to 3 days' time taken in the receipt reaching the dealing hand; and
- (ii) the remaining 6 to 7 days' time taken by the dealing hand in tracing files and linking papers.

In so far as (i) above is concerned, the receipt travels through the following stages before it reaches the dealing hand—

- (1) receipt of dak by the Receipt Clerk;
- (2) sorting by the Head Clerk for distribution to the sections concerned;
- (3) franking of the dak by the daftry;
- (4) distribution of dak to the head clerks of various sections;
- (5) submission of important dak to the Director/Deputy Director and all other papers to the available Gazetted Officer in the respective groups for perusal;
- (6) return of the dak to the Head Clerks concerned after perusal;
- (7) distribution of dak by the Head clerks to the clerks concerned;
- (8) placing of the dak by the clerks in their diaries and sending them to the Receipt Clerks for diarising;
- (9) diarising by the Receipt Clerks;
- (10) return of the receipts duly diarised in the Clerk's diaries to the clerks concerned; and
- (11) placing of receipts by the clerks in the files where they are already open and on which previous references exists, and opening of fresh files on receipts, on which there are no previous papers.

(In some Inspection Circles receipts are diarised at two places once in the Central Registry and again in the Section).

Recommendations

4.9. (1) We consider it perfectly possible to reduce the number of stages through which receipts travel before reaching the dealing hand and to confine these to the following:—

- (i) receipt of dak by the Receipt Clerk;
- (ii) sorting out of receipts by the Receipt Clerk;
- (iii) franking of dak; and
- (iv) preparing challans in duplicate separately for each section in the following form:—

Date.....

Serial No.	No. and date of communication	From whom	Section concerned	Remarks
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No. of A/Ts./S. Os.....

(One copy of the challan goes to the Section with the receipt and the other is retained).

- (v) receipt by the head clerk of the section concerned;
- (vi) receipt by the dealing hand of all the receipts except important receipts like inspection calls which may have to be put up to the Deputy Director of Inspection.

(2) Those receipts for which separate registers are being maintained and which are being diarised once in the clerk's diary and again in the special register should be diarised at one place only i.e. the special register. Thus copies of contracts, amendments, etc. which constitute about 25 per cent of the total receipts received in the Inspection Circle, should be diarised only in the A/T Register. Similarly, Inspection calls should only be diarised in the Inspection Call Register.

B. FILING SYSTEM

4.10. The period of 6 to 7 days taken in tracing files and linking papers is long and is taken because files are not being properly kept and are therefore not easily traceable. On examination we found that the existing filing system left much to be desired. In a nutshell this system can be described as follows:—

- (i) for opening files on (a) capacity and registration cases and (b) A.Ts/N.D.Os receipts are first entered in registers called File Registers. In the case of A.Ts. these registers are maintained

store-wise by the sections concerned. For capacity and registration cases no such store-wise distinction is maintained. Receipts are allotted file numbers in the chronological order of entry in these registers;

- (ii) for indexing these files separate alphabetical registers are maintained. Depending upon the requirement one register each may be maintained for firms falling under one or more than one letter. Here again, files are indexed in the chronological order of their entry in the respective registers; and
- (iii) for watching movement of these files a record is kept on loose sheets by the dealing hands.

The main drawback with this system is that three different records are being maintained for opening files, indexing them and watching their movements. The process of maintaining the record of movement of files on loose sheets is particularly unsatisfactory. The maintenance of such a large number of registers is itself a problem and some of these are misplaced.

Recommendation

4.11. Multi-purpose ledgers combining in them these three functions, namely, allotting file numbers, indexing them and recording their movement may be maintained in the form(s) at Appendix 40.

C. DESPATCH OF COPY OF ACCEPTED TENDERS TO THE SUB-CIRCLE INSPECTION

4.12. At present copies of A/Ts, the stores against which are to be inspected by a sub-circle of an inspection circle, are sent only to the circle office which in turn forwards them to the sub-circle. Considerable time is wasted in this post office activity.

Recommendation

4.13. All A/Ts, which require inspection by sub-centres should be addressed directly by the purchase officer to the sub-centre concerned and not through the Inspection Circle. Copies of such A/Ts, may be endorsed to the Inspection Circle for watching progress in each case. As action to ensure this has to be taken in the purchase directorate an item has been included in the appropriate list of check-points.

D. NON-RECEIPT OF COPY OF A/T BY THE INSPECTION WING

4.14. Purchase Sections are required to send a copy of each contract to the inspection authority simultaneously with its issue to the contractors. However, there are occasions when, on putting up stores for inspection, the suppliers are informed by the Inspection Wing that the copies of the A/T are not available with them and that therefore they cannot undertake inspection. It is possible that in some cases the copy of the contract is lost in transit or is misplaced in the office of the Inspection Authority. However, instructions are already in existence that the Inspector can, in such an event, inspect stores if the firm produces its original copy of the contract. Even the Inspection Note can be issued on the strength of this original copy, provided all information required for the issue of the Inspection Note is available from the contractor's copy of the contract.

Recommendation

4.15. (1) The existing instructions need to be implemented. The present negative approach adopted mechanically and in ignorance of these instructions should be given up. The Deputy Director General (Inspection) should address all Directors of Inspection accordingly.

(2) Requests by an Inspection Circle to the Purchase Directorate for copies of contracts or amendments thereto should be made on printed forms as at Appendix 41.

E. ACTION ON RECEIPT OF COPY OF THE CONTRACT

4.16. The Inspector upon receiving the copy of the contract on the appropriate file has to study the description, specifications and other particulars of the stores and has to point out any discrepancy noticed by him or any inadequacy in the technical details furnished which will prevent him from carrying out the inspection satisfactorily. Clarifications on these points is then sought from Purchase. It is found that clarifications are often sought piece-meal.

Recommendation

4.7. A list of check-points as at Appendix 42 should be attached to the copy of the contract, by the section, and the inspecting officer responsible for inspection should be required to check all the particulars contained in this list and to sign it in token of having performed the necessary check.

GIVING UP INSPECTION

4.18. It was recommended in our interim report and it was decided by Government that the Directorate General of Supplies & Disposals could give up the inspection of stores in those cases in which the manufacturers could be relied upon to produce goods of the requisite quality. These orders envisaged an experimental period of two years for this scheme, the principle underlying which was that where the interests of Government as consumer remained in any case safe, inspection was needless. This decision of Government has not yet been implemented although one of the two years allotted for this experiment has already passed. The difficulty appears to be that the Directorate General of Supplies & Disposals is unable to decide which stores and firms should come under this exemption.

Recommendation

4.19. (1) In our interim report we had already illustrated our point by giving facts and figures about certain stores produced by certain firms. The relevant extract is at Appendix 43. The decision should be taken to exempt at least the stores given in this illustration straightway.

(2) The Deputy Director General (Inspection) should obtain information on similar lines for other stores from Directors of Inspection and also obtain their views. The decision on the stores to be included in the exempted list may be taken after receiving information and the views of the Directors and after taking into account the safeguards and conditions mentioned in our interim report and the directive of Government.

INSPECTION PROCEDURE

INSPECTION INSTRUCTIONS AND CRITERIA

4.20. We had stressed in our interim report the need for laying down uniform inspection instructions and criteria for the guidance of the inspecting officers. In the absence of such instructions inconsistencies creep into the practice of different inspectors even within the same circle.

Recommendations

4.21. 1) We reiterate this recommendation. The inspection instructions should give general technical instructions for groups of stores while the inspection criteria should prescribe every step of the procedure to be followed for each particular store. Samples of these inspection instructions and criteria may be seen at Appendix 44 and Appendix 45 respectively.

(2) One Deputy Director has been sanctioned in the headquarters of the Directorate General of Supplies and Disposals for this purpose. The procedure that he should follow should be to address letters to different inspection circles and get their views on the criteria followed by them in inspecting each type of store. On the basis of the replies received detailed instructions and criteria should be drafted by the Director of Inspection concerned with the store at the headquarters. The draft criteria should be finally approved by the Deputy Director General (Inspection) who may, if he considers it necessary, call a meeting of the Regional Directors of Inspection to consult them.

NORMAL RELAXED AND RIGID INSPECTION

4.22. Inspection is sought to be given up where suppliers are considered perfectly reliable. Reliability, however, has varying shades and degrees and while total exemption can be given for perfect reliability the principle could be extended by relaxing or tightening inspection according to the reliability of the firms and their stores. Norms for inspection will be indicated in the inspection criteria. These norms will naturally be applicable to a majority of the firms. However, the performance of some firms for different classes of stores may be such that these norms may need to be departed from. It will be desirable to tighten inspection in the case of those firms which exercise little quality control and put up stores for inspection, an unusually large proportion of which is below par. Similarly it is desirable to relax inspection for those firms whose arrangements for quality control and performance has been consistently better than normal.

Recommendations

4.23. (1) Immediate steps should be taken to decide whether inspection in respect of particular firms and particular stores should be normal or rigid or relaxed. Firms should accordingly be categorized in these three classes for different types of stores. The pre-requisites for taking this decision will be—

- (a) the prescription of the percentage of inspection for each type of store;
- (b) the scrutiny of the past performance and reputation of the firm for that type of store;
- (c) the scrutiny of the nature of the stores and methods of production to see whether the likelihood of the production of goods of inconsistent quality inheres in them;
- (d) the extent of the quality control exercised by the firm itself.

(2) The decision whether inspection should be normal or relaxed or rigid for any particular firm for any particular store should be taken by the regional Director of Inspection himself.

(3) The extent to which inspection is to be relaxed or tightened should be laid down by the Inspection Wing in the Inspection Criteria themselves, and should be followed uniformly in all inspectorates. In other words, the degree of relaxation or of rigidity will not be allowed to vary.

(4) Under no circumstances should the decision to relax the extent of inspection be taken on grounds of shortage of staff.

(5) It should be the policy of the Inspection Wing to encourage manufacturers to control quality in production and to pre-inspect stores before delivering them to the government inspectors for acceptance. To implement this policy manufacturers should be asked to produce copies of their inspection results and quality control tests when putting up stores for inspection. The production of these documents should be a factor to be taken into account when relaxing inspection.

It is not possible at this stage to assess what impact these recommendations, if implemented, will have on the workload and the staffing requirement of the inspectorates. We feel, however, that as industry progresses and becomes more conscious of quality control, relaxation in inspection resulting in reduced workload will become increasingly possible.

INSTRUCTIONS FOR TAKING AND SENDING SAMPLES FOR LABORATORY TESTS

4.24. No uniform procedure is at present being followed for taking out samples and sending them for laboratory tests. Some instructions were issued in 1930 but these are observed largely in the breach. In any case these instructions refer only to the bottling and packing of samples and the quantities that need to be sent. These instructions are quite inadequate and prescribe nothing to ensure reliable and adequate sampling or the security of samples.

Recommendations

4.25. (1) A set of fresh and comprehensive instructions on the lines indicated in Appendix 46 should be issued.

(2) The Deputy Director General (Inspection) should frame sampling instructions and tables for different categories of stores as envisaged in item No. 2 in the instructions referred to above.

INSPECTION NOTES

4.26. Our examination has revealed several unsatisfactory features in the preparation and issue of inspection notes. These are briefly enumerated below—

- (a) inspection notes, after the completion of inspection, are in actual practice being prepared and typed out by the firms. This practice, conceded to be objectionable and contrary to instructions, is continued on the ground that preparing and typing an inspection note is a time consuming process and that overworked inspectors tend to depend on the firms to type out their inspection notes for them. Besides being objectionable in principle, this practice leads to delay;

- (b) the layout of the form of the inspection note is defective and results in the excessive consumption of time and stationery;
- (c) typing out 9 copies of each inspection note is a time consuming process;
- (d) there is considerable delay in the issue of inspection notes even after inspection has been completed as the inspection notes are either prepared by the firms or handed over to the typing section for typing which cannot cope with this load of work;
- (e) consignees often do not return the receipted copies of the inspection note in time which delays final payment to the contractors.

It is quite clear that inspection notes should invariably be prepared by the inspection staff themselves. Handling of these notes by the firms is objectionable. Entrusting them to the typing section overburdens the latter and leads to delay. It is also clear that if the existing methods remain considerable augmentation of staff will be necessary, calling for a more elaborate system of control and only partially solving the problem of delay. In one particular circle, for instance, about 300 Inspection Notes are issued every day, not one of them being handled by the typing section. If this work were to be handled there, about 30 additional typists would be required in that circle alone. We do, however, consider it possible to so modify the present system as to enable the inspectors to prepare their own inspection notes without having to spend too much time.

Recommendations

4.27. (1) The existing form of the inspection note should be modified. The revised form proposed by us may be seen at Appendix 47. The proposed layout will secure better utilization of space and will considerably curtail the use of continuation sheets which at present are used in about 15 per cent cases.

(2) Instead of typing out 9 copies of the inspection note (9 copies can only be prepared by typing them out twice) the inspectors should be permitted to fill the inspection note in pencil by using a special type of carbon paper known commercially as "one time carbon paper". With the help of this carbon paper 9 clear copies can be taken out at one stroke. Although this carbon paper is supposed to be used only once actual testing has found it good for use twice. The cost of this carbon paper is Rs. 3.50 per 100 whereas the cost of the carbon paper being used now (with which only 4 to 5 clear copies can be taken) is Rs. 2.10 per 100. The inspection note in pencil should be accepted by all quarters concerned. An inspector normally does not issue more than one inspection note in a day and this should take him about 20 minutes to fill.

(3) The inspection note should be prepared by the inspecting officer on the day of the inspection itself and issued the next day or in any case within 48 hours of the completion of the inspection.

To facilitate this, instead of resorting to the delaying and cumbersome procedure of recording notes on files giving inspection results, the person actually inspecting the stores should record the results of the inspection in the Examiners Slip in the form at Appendix 48. The inspection note, to be signed by the Inspecting Officer/Assistant Inspecting Officer should be prepared therefrom.

ACCURACY OF INSPECTION

4.28. To ensure greater accuracy in inspection and to prevent rejected goods from being despatched fraudulently or by mistake the following recommendations are made.

Recommendations

4.29. (1) Assistants Inspecting Officer and Inspecting Officers who sign inspection notes and are responsible for the acceptance of stores which have been inspected by the examiners working under them should frequently carry out surprise checks of stores inspected by the examiners to satisfy themselves that the stores inspected are in conformity with the contract requirements.

(2) The Director may, and on random occasions should, order the taking out of control samples from the quantities accepted or rejected by the officers working under him and get them tested by another officer, if necessary in his own presence.

(3) The inspecting officers should put small identification marks on those deliveries/lots or portions thereof which are found below standard and are rejected.

VISUAL INSPECTION

4.30. Visual inspection is usually undertaken of imported material either already inspected abroad or accompanied by a 'warranty' from the manufacturers. On arrival in India, the stores are visually inspected by the Directorate of Inspection at the port of entry, which after verification and initial inspection, issues the inspection note, thus enabling the firm to claim the initial payment of 80% to 95%. In his visual inspection the inspector ensures that the packages are correct as per bill of lading and have not been broken in transit.

This visual inspection does not serve any purpose as the inspector does not open the packages and does not comment on the material contained in them. All that he does is to make suitable remarks in the inspection notes if the packages are broken. The continuance of this formality delays initial payment to the supplier.

Recommendations

4.31. (1) The system of visual inspection at the ports should be dispensed with completely.

(2) Suppliers should be authorised initial payment on the basis of:—

- (a) the inspection certificate issued by the inspecting authority abroad;
- (b) the landing certificate certifying, after clearance from customs, the receipt of stores in good condition at the port of entry; and
- (c) proof of despatch to the ultimate consignee.

4.32. Our case studies reveal considerable delay at all stages of inspection. Although we expect improved results from the revised procedure suggested by us, a major change in the direction of expedition will not come about unless precise time limits for the performance of different tasks are laid down and effective controls devised to secure adherence to them. It is our belief that with the revisions proposed in office and inspection procedures it should be possible for such time limits to be laid down successfully.

Recommendations

4.33. (1) The scrutiny of A/Ts., Supply Orders etc. by the inspecting officer must be completed within 7 days of the receipt of the document in the inspection circle and any clarifications required from the Purchase, etc., should also be sought within this period.

(2) A call for the inspection of stores must be attended to within 7 days of its receipt.

(3) Inspection notes must be prepared by the inspecting officer on the same day on which he has undertaken the inspection.

(4) Inspection Notes must be issued within 48 hours of the completion of inspection.

(5) For the enforcement of these time-limits, the Deputy Director of Inspection concerned should keep the necessary watch in the control form at Appendix 49.

(6) All processes connected with the inspection of stores should be completed within 10 days if the stores do not require the laboratory testing of samples and within 21 days if they do require analysis of samples. (The limit of 21 days could be exceeded in those few cases in which the laboratory tests by their very nature take longer).

(7) A monthly report should be submitted by each inspection circle to the Deputy Director General (Inspection) giving details of cases in which the norms prescribed in (6) above are exceeded. An explanation should be furnished for each case.

(8) For capacity reports, the firm's premises must be visited within 7 days of the receipt of request from the purchase branch if it is a local firm, and within 10 days if it is an outside firm. The capacity report should be issued within 48 hours of the inspection of the firm's premises.

(9) Requests from the Registration Branch regarding the inspection of firm's premises must be attended to within 10 days of their receipt in the case of a local firm and within 3 weeks in the case of an outside firm.

(10) The registration reports should be sent to the registration branch within 48 hours of the inspection of the firm's premises.

(11) All complaints by consignees about inspection work must be investigated within 3 weeks. These complaints are being entered in a separate register.

(12) A check to ensure adherence to the time limits prescribed in (8) to (11) above will be maintained by the periodical inspection referred to later.

**SUPERVISION
CHARTER OF DUTIES**

4.34. For the proper supervision of work at various levels it is necessary that the duties of the Deputy Director, the Inspecting Officer and Assistant Inspecting Officer should be laid down.

Recommendation

4.35. The duties of the various categories of inspecting officers may be laid down as in Appendix 50 and Appendix 51.

It is not necessary to lay down any detailed charter of duties for Directors of Inspection as they are in over-all charge of their circles. The Deputy Director General (Inspection) should, however, issue orders holding the Director of Inspection specially responsible for:—

- (a) the training of officers;
- (b) the listing of firms for normal, relaxed and rigid inspection;
- (c) the inspection of sub-centres under his charge at least once in 6 months; and
- (d) the inspection of the working of sections in his inspectorate at least once in a year.

INSPECTIONS

4.36. For the exercise of proper supervision which does seem to be lacking at present it is necessary to prescribe and adhere to a regular system of inspection. Of all limbs of the Directorate General of Supplies & Disposals, the Inspection Organisation is the one that needs to be inspected most constantly and rigorously by superior officers. We have no doubt that regular and systematic inspections will have a most wholesome effect on the working of this branch of the Directorate General of Supplies and Disposals.

Recommendation

4.37. (1) Each inspection circle should be thoroughly inspected by the Deputy Director General (Inspection) with the assistance of the O. & M. Unit of the Directorate General of Supplies & Disposals. The items to be looked into during the annual inspection should include those listed at Appendix 52. The O. & M. Unit should examine various items of work included in this Appendix and should then record their findings in the form at Appendix 53 for the use of the Deputy Director General (Inspection). All this information should be kept ready before the Deputy Director General (Inspection) actually goes for inspection.

(2) The Director should inspect his sub-centres and also the sections in his own directorate on the same lines.

(3) For effective supervision it is absolutely necessary that the Deputy Director should be able to pay a visit to the Inspecting Officers/Assistants Inspecting Officer at site at least once in 10 to 12 days. The number of Inspecting Officers and Assistants Inspecting Officer under each deputy director should be fixed accordingly. On this basis and taking into account that the Deputy Director cannot supervise the work of more than one officer in a day and the fact that some days may have to be earmarked for a percentage check of the stores already inspected the Deputy Director, as far as possible, should not have more than 8 Inspecting Officers/Assistants

Inspecting Officer working under him. The existing distribution may be seen at Appendix 54. Taking into account the distribution store-wise two more Deputy Directors should be sanctioned, one for Delhi and one for Bombay.

ADMINISTRATIVE DELEGATIONS

4.38. Some of the Director's time is at present being taken up by certain administrative matters which can easily be looked after by junior officers.

Recommendations

4.39. (1) The following items of work done by the Director should be delegated as indicated:—

- (a) casual leave applications of all examiners, Inspecting Officers, and Assistants Inspecting Officer should be sanctioned by the Deputy Director under whom they work;
- (b) the tour programmes of all Examiners, Inspecting Officers and Assistants Inspecting Officer should be sanctioned by the Deputy Directors under whom they work; and
- (c) (i) T.A. bills of non-gazetted staff should be passed by the Assistant Director (Administration) and
(ii) T.A. bills of Inspecting Officers/Assistants Inspecting Officer should be passed by a Deputy Director who should be declared as the controlling officer.

(2) The following items should be delegated to the Assistant Director (Administration):—

- (a) sanction of T.A. advances and claims of all the non-technical staff; and
- (b) sanction of medical reimbursement to the technical and non-technical, non-gazetted staff for the sub-circles.

The items of work listed at Appendix 55 and at present being disposed of at the level of Inspecting Officers and Deputy Directors should be disposed of by the Head Clerks.

MALPRACTICES BY CONTRACTORS

4.40. All cases of malpractices on the part of the contractors, or their agents, should be reported to the Director of Inspection. The latter should after his enquiry send a full report to the Director of Purchase, through the Deputy Director General (Inspection). In serious cases the report should include a penal recommendation after consulting the Standardised Code. Some types of malpractices which must be reported are—

- (a) all instances on the part of a contracting firm to deceive inspection or to fraudulently get passed stores which are manifestly not in accordance with the terms of the contract;
- (b) attempts to camouflage or conceal the existence of defects in a store or to mischievously contrive to make inferior stores appear as though they are of a superior quality;

- (c) deliberate or repeated manufacture of sub-standard stores with a view to supplying rejects to the civil market, particularly stores requiring the use of controlled, imported or scarce materials/components;
- (d) substitution of rejected or uninspected stores for inspected and accepted stores;
- (e) attempts at the fraudulent use of acceptance marks;
- (f) the improper use of government property or controlled materials/components, or materials/components issued in connection with a contract;
- (g) repeated submission of delivery notes without stores in the mentioned quantities being actually available; and
- (h) despatch to the consignee any stores on f.o.r. contracts which have not been inspected accepted and marked as such by the relevant inspector.

STANDING INSTRUCTIONS

4.41. The Standard Instructions included in the D.G.S.&D. Manual in so far as they pertain to the Inspection Wing are not complete and many of the instructions are out of date. From time to time the Deputy Director General (Inspection) has been issuing instructions on various matters. There is need for consolidating these instructions at one place.

Recommendation

4.42. We would, therefore, recommend that various standing orders relating to Inspection should be consolidated at one place and cyclostyled copies circulated to all Inspection Circles.

REPORTS AND RETURNS

4.43. In April, 1965, a study of the reports and returns concerning inspection work was conducted by the Inspection Wing of the Directorate General of Supplies & Disposals. As a result the number of returns was brought down from 10 to 7. Some modifications in the forms of these returns were made and one return was added bringing the total number of returns to 8. (Appendix 56). On an examination of these we found that, taking into account the need and the actual use made of these returns at the Headquarters, a little more rationalization was possible.

Recommendations

4.44. (1) *Statement showing Number and Value of Orders received, Value of Stores Inspected/Accepted, Fees Earned, Value of Machine Tools, Inspected towards Gradation*—This report needs simplification and may be replaced by the one at Annexure I to Appendix 56.

(2) *Statement showing the Inspection Fee/Testing Charges Earned and Amount Outstanding for Non-Departmental Orders*—This return is not considered necessary, in view of Part III of the proposed return at Annexure I.

(3) *Return on Review of Textile Load Position*—This return was introduced in 1945. At that time certain norms were fixed for the inspection staff. The idea behind this return, is to assess whether the staff actually in position on the textile inspection work is adequate, inadequate or excessive.

This return is not being utilized and therefore should be discontinued.

(4) *Statement of Working Strength on Different Groups of Stores, and*

(5) *Monthly Control Statement*—Item (4) is a monthly statement having two parts—'A' & 'B'. We feel that the return against part 'B' should more appropriately be bracketed with the Monthly Control Statement a revised version of which is at Annexure III to Appendix 56. As regards part 'A' (form at Annexure II to Appendix 56) it should be obtained quarterly instead of monthly.

(6) *Return on Investigation Cases received in the Metallurgical Inspectorate*—Certain columns in this return concerning the break-up of tests conducted are not necessary. A revised version of this return at Annexure IV to Appendix 56 may be adopted.

(7) *Return on Details of Inspection Staff*—This is a quarterly return. The idea behind this return is to ensure that the inspection staff is not kept posted in a particular station/circle beyond certain prescribed periods. On the basis of a study of the utilisation of this return at Headquarters, we recommend that its periodicity should be revised from quarterly to yearly. The columns in this return have also been revised and the revised version at Annexure V to Appendix 56 may be adopted.

(8) *Statement of Work other than Inspection done in the Inspectorate*—No change is proposed either in the periodicity or form of this return.

CHAPTER V

THE NATIONAL TEST HOUSE

ORGANISATION AND FUNCTIONS

5.1. The National Test House, Alipore was founded in 1912 with the idea originally of testing the goods produced by the Indian industries for the Railways. In the First World War the Test House was utilized for testing munitions and its absorption in 1922 in the Indian Stores Department laid the foundation of its subsequent expansion which has taken the Test House from its modest beginning to its present status of a national institute.

5.2. The main function of the National Test House is to test materials to standard specifications. Here the services of the Test House are available to any one for the payment of the scheduled fees. The Test House is also specifically responsible for testing samples of stores purchased by the D.G.S.&D. under whose overall administrative control it at present functions. Besides, it carries out investigations on the development of testing methods and on the behaviour of engineering materials. The Test House also tests welders employed in the fabrication of structures, constructions and repairs to welded boilers and pressure vessels under the Certification and Testing of Welders Scheme. It offers facilities for training to persons sponsored by technical institutions, public bodies and Government Departments.

The primary purpose of the Test House remains testing according to specifications and in the fulfilment of this purpose the Test House has gained the recognition of various government departments, industries, construction, projects, etc. For every sample tested a detailed test certificate containing the complete results of the test is issued. This enables the consumer to obtain quality goods and industry to purchase better materials. This also assists in the settlement of disputes. The Test House works in close collaboration with the Indian Standards Institution.

5.3. For the discharge of its functions the Test House is at present divided into five main divisions—

- (1) Physical (including Engineering)
- (2) Non-destructive Testing
- (3) Chemical (General)
- (4) Chemical (Paint)
- (5) Electrical

Each of these Divisions is further sub-divided into a number of laboratories. A Division is headed by a Deputy Director and a Laboratory by an Assistant Director who in turn has under him Scientific Officers and Scientific Assistants.

A branch of the National Test House has also been opened at Bombay. Samples of Defence stores purchased through the D.G.S.&D. are generally tested by the Defence laboratories and not by the National Test House.

APPROACH OF THE STUDY TEAM

5.4. To make a total evaluation of the National Test House is beyond our purview. Our main purpose was to enquire into the organisation and procedures of the DGS&D with a view to eliminating delays and reducing opportunity for corruption. Although the National Test House does come under the administrative control of the D.G.S.&D. only a small part of its work is, in fact, related to D.G.S.&D. Thus only 15% of the samples tested by it pertain to the D.G.S.&D. We have considered it fit to confine ourselves to matters concerning administrative procedure and supervision and although some of our recommendations on these matters may have the effect of raising the level of competence and accuracy in testing we have not considered ourselves competent to go into any substantive questions having a technical import.

The aspects that have thus drawn our attention in the examination of the National Test House are—

- (1) delays
- (2) security
- (3) integrity
- (4) accuracy
- (5) organisation and personnel.

DELAYS

5.5. In the past delays in the testing of samples have proved a major problem as is testified to by representations from industry as well as by record. The situation had become quite alarming but was brought under control by the personal initiative of the Director General and the Director, N.T.H. who, with a sustained drive, brought down the arrears from 7765 on 1-4-1964 to 3391 on 1-10-65. While this is a heartening achievement the situation is still far from perfect as considerable delays extending to several weeks and, at times, months continue to occur in a large majority of cases. The previous backlog is undoubtedly a factor preventing the Test House from achieving the otherwise possible ideal of issuing test certificates within 10 days of the receipt of simple samples and within 21 days of the receipt of more complicated samples, leaving in the balance the comparatively small category of items which by their very nature take longer to test. Of the two basic problems affecting the Test House and responsible for delay, staffing is one and the absence of an adequate and prescribed system governing procedures of and supervision over testing is the other. There has latterly been some improvement in staffing although, as brought out later, a reconsideration of some aspects of personnel policy is still necessary. The second problem by its persistent presence forces itself into the foreground. We feel that there has been too much dependence on the personal initiative of the head of the Test House and not enough attention paid to devising and laying down a system of control and supervision which could secure results whoever the top man may be.

5.6. In considering the procedures in existence we notice the following—

(a) *absence of prescription of time-limits*—At present no time-limits have been laid down within which various samples should be tested.

(b) *absence of instructions regarding progressing and supervision*—No clear written instructions have been laid down regarding the time that should be taken for the various stages of a test or for disposing of cases after testing has been done. Thus in almost 50% of the cases studied we found that it took the office between 7 to 26 days to despatch test certificates to the parties after the approval of the draft test certificate by the competent authority.

Recommendations

5.7. Our recommendations are as follows—

- (i) test certificates in respect of simple types of samples must be sent within 10 days of the receipt of samples in the Test House. This period provides one day for travel to the laboratory, 5-6 days for testing, 3-4 days for preparing, approving and issuing the test certificate. A list of the items covered in this category is at Appendix 57;
- (ii) test certificates of more complicated samples must be sent within 21 days of the receipt of samples in the Test House. A list of these items is at Appendix 58;
- (iii) time norms for testing should be prescribed by the Director for each type of sample in both the lists referred to above. These norms will be prescribed by him after scrutinising the nature of the test, the period it, in fact, takes to conclude and the opinions of the Deputy and Assistant Directors concerned regarding the period it should take. These norms will then regulate the period of testing and will also give a more accurate idea of the workload of each Assistant;
- (iv) for the remaining items i.e. other than those referred to in (i) and (ii) above, the tests, by their very nature, will take more than 21 days. No blanket time limit can be prescribed for these. Time norms for these also should be prescribed individually by the Director in the same manner as in (iii) above;
- (v) the lists referred to above should be kept up-to-date (1) adding new items coming to the NTH (2) transferring, as a result of experience and with the approval of the Director, an item from one list to another. It will be the responsibility of the Joint Director (proposed later in this chapter) to ensure, once a year, that these lists are brought up-to-date, and are available with each officer concerned;
- (vi) each Assistant Director in charge of a laboratory should prepare a weekly programme in advance for each Assistant working under him. The programme will be entered both in a folder kept by the Assistant Director and in the Assistant's note book. While preparing the programme, the time-limits laid down should be taken into account. The completion of the programme should be carefully watched by the Assistant Director;
- (vii) the draft test certificate should be put up by the Assistant within 72 hours of the completion of the tests;
- (viii) the draft test certificate should be approved on the same day it is put up;

- (ix) within 24 hours of the receipt of the file in the section after the approval of the draft test certificate the final test certificate must issue to the parties concerned. The clerk concerned should be responsible for ensuring this and in cases of delays reasons should be explained on the file;
- (x) a monthly statement should be prepared by each Assistant Director for his laboratory as in Appendix 59, and put up to the Deputy Director/Joint Director/Director;
- (xi) to watch the performance of the Assistants, to ensure adherence to the time-limits prescribed above and to ensure the issue of test certificates within 24 hours after the approval of the draft test certificate the form of the laboratory card may be revised. The form of the revised card is at Appendix 60. The new card will be in two parts—the first part will go to the Scientific Assistant and the second part will be retained by the Assistant Director to watch the progress; and
- (xii) the progress cards pertaining to each Scientific Assistant should be maintained by the Assistant Director in separate folders. This will help him watch the performance of each Scientific Assistant working under him. The Deputy Director in charge of a group of laboratories should periodically and in any case once a month inspect these folders to see if there have been any delays. A similar review should also occasionally be done by the Director.

SUPERVISION

5.8. We also consider it necessary that instructions should be laid down regarding supervision of the work of Scientific Assistants and Assistants Director. We are not suggesting that the work at present is not being supervised. The work is certainly being supervised but in the absence of a prescribed system, supervision is at present too dependent on personal initiative and personal contact which, although excellent features in themselves, require fortification by a prescribed, regulated system.

Recommendations

5.9. Our recommendations here are as follows—

- (i) the factual test results arrived at by the Scientific Assistants must be rechecked and verified, at least on critical points, by the Assistant Director who should append his signature on the Scientific Assistant's Laboratory Book in token of having made counter-checks of critical tests which he should specify;
- (ii) the Assistant Director after checking the test analysis should give his own verdict in the light of the test results;
- (iii) the Deputy Director should pick up 5 per cent of the samples already tested and either himself check a few tests made for those samples or get them checked by another Assistant. An appropriate entry should thereupon be made by him in the Assistant's Note Book; and
- (iv) the head of the establishment (the Director or in case of regional laboratories the Deputy Director) may call at his own initiative any sample for a recheck.

STORAGE OF SAMPLES

Recommendations

5.10. We feel that samples should be stacked separately in the following categories, to be clearly marked, to facilitate visual check:—

- (a) samples received and pending test;
- (b) samples partly tested and pending further test;
- (c) samples undergoing shelf-life test;
- (d) samples tested and retained for the expiry of the objection period;
- (e) samples for destruction;
- (f) samples for return to party;
- (g) samples for auction.

Recommendations for the Bombay Test House

5.11. (a) The recommendations made in paragraphs 5.7. and 5.9. will also *mutatis mutandis* be applicable to the Branch Test House at Bombay which we find is heavily in arrears. Its arrears stood at 700 samples on 1-5-65. The disposal of this laboratory is 200 samples per month and as the intake is more than 350 samples arrears are on the increase. Workload is bound to increase in due course and it is all the more necessary that its functioning is made as efficient as possible with proper checks and supervision.

(b) The Bombay Branch should, besides being visited frequently, be inspected thoroughly once in six months by the Director or the Joint Director proposed.

Decentralization

5.12. The workload of the National Test House has registered a phenomenal increase as will be clear from the table below:—

Year					No. of	No. of	Value of	Staff
					samples tested	tests and analysis carried out	work done	strength
					Nos.	Nos.	Rs.	
1955-56	..	..	..	..	18,912	1,44,053	7,51,658	298
1958-59	..	..	..	..	22,966	3,20,963	10,35,900	376
1963-64	..	..	..	..	40,225	46,01,988	15,73,745	462

With the rapid industrialisation of different areas and of increasing reliance of industry on the National Test House this load of work on the National Test House will increase further. It will become difficult for one institute to cope with all this work expeditiously. As a result a Branch Test House at Bombay has already been established. The need for establishing a testing laboratory at Kanpur has also been accepted. In view of the rapid industrialisation in or near Delhi and near Madras there is need for establishing laboratories in Delhi and Madras also.

Recommendations

5.13. (a) The establishment of full-fledged laboratories consumes time and money and we recommend that till such time as it is possible to set up full-fledged laboratories at or near Madras and Delhi small nucleus testing centres should be set up at these places. These centres will to begin with concentrate on testing stores largely manufactured in these areas especially textiles and chemicals, the idea being to do the maximum possible testing with the minimum expenditure on equipment. The estimates prepared for such a centre in Kanpur show its non-recurring expenditure at less than Rs. 30,000/- and its recurring expenditure at about Rs. 30,000/- annually. Estimates are likely to vary depending on the type of stores to be analysed and on the kind of equipment required for the laboratory. It does seem reasonable, however, to assume that costs will not be very much more than those mentioned above, that these nucleus centres will be able to cater substantially to the needs of local industry.

(b) (i) Decentralisation is possible in another direction also. It should be possible for the D.G.S.&D. to use the Defence laboratories wherever possible for testing supply samples thereby reducing the workload on the NTH and the time taken in travel to Calcutta and back. The Branch Test House at Bombay, for instance, does not have facilities for testing all types of stores. The Defence laboratory at Bombay could be used for D.G.S.&D. supply samples and these need not be sent all the way to Calcutta. Similarly, the Defence laboratory at Kanpur is well-equipped having arrangements for testing chemicals, paints, petroleum products, drugs, antibiotics, X-rays, optics etc. There may also be spare capacity in Defence laboratories at Delhi, Madras and Ludhiana. We have been informed by the D.R.D.G. that they would be prepared to consider taking up this work on behalf of the D.G.S.&D. provided the concurrence of the Ministry of Defence was available and formalities like the payment of fees worked out.

(ii) Fees will naturally have to be paid. Defence, too, pay fees for the testing of their supply samples in the D.G.S.&D. laboratories. The rates at which fees will be paid by the D.G.S.&D. will be the same as those charged by the D.G.S.&D. from Defence, the item not covered by this list being charged for according to the schedule of fees prescribed by the N.T.H.

(iii) Detailed arrangements and procedures (selection of the laboratories, selection of the items, assessment of the probable workload etc.) should be worked out by a committee consisting of a representative of the Department of Supply, a representative of the D.R.D.G., the Director O&M in the D.G.S.&D., an officer of the D.G.S.&D. (Inspection Wing) and the Director of the N.T.H.

DELEGATION OF POWERS

5.14. We feel that the Director, N.T.H. does not have adequate administrative and financial powers to be able to discharge his obligations with speed and efficiency. The existing powers and the delegations proposed are given in the statement at Appendix 61.

ORGANISATION AND PERSONNEL

5.15. *Assistants Director*—The Test House has in the past experienced great difficulty in recruiting and retaining staff especially at the level of

Scientific Assistants. The scale of pay offered to Junior Scientific Assistants only a short while ago Rs. 210—425 was so unattractive that at one time more than 50 posts were unfilled, 5 in the category of Junior Assistants and 42 in the category of Senior Assistants. The junior scale is being gradually absorbed and all Scientific Assistants brought to the scale of Rs. 325—15—475/EB—20—575. In addition, some posts of Scientific Officers in the scale of 350—900 have also been created. This has certainly improved the situation but we feel that the matter continues to need constructive consideration and forethought if the flow of personnel into this organisation and their retention is to be ensured. Both the private sector and the National laboratories pay corresponding officers higher emoluments. It is advisable, therefore, to taken certain steps now to remove features which may cause frustration in the future. We would like here to point out that Assistants Director have, by and large, remote chances of promotion as Deputy Director. Besides, these chances are unevenly distributed in different divisions. For example, in the Electrical Division the two senior-most Assistants Director will retire at about the same time as the Deputy Director in the years 1983 and 1984. In other words, they will have to work for another 16 to 17 years without expecting any promotion. Similarly, the senior-most Assistant Director working in the Non-destructive Testing Division will get promotion as Deputy Director when he has only three years left to retire. Chances of promotion are considerably better in the Chemical Division. In the Physical Division the existing Deputy Director being junior in age to most of the Assistants Directors the latter have little chance of promotion to the rank of Deputy Director. Quite naturally the inequities in this situation will in course of time lead to frustration and the Assistants Director will be constantly on the look out for jobs elsewhere. Having recently and after considerable exertion solved the problem of staffing at the level of Scientific Assistant the National Test House may soon find itself afflicted with the even more difficult problem of shortage of staff at the level of Assistant Director. It is necessary to devise measures now to prevent a serious eruption of this problem in the near future.

Recommendation

5.16. We feel that the problem can to an extent be solved by having a combined scale of Rs. 400—1250 for Assistants Director and Deputy Directors and accordingly recommend the introduction of such a scale. This rationalisation will also rectify, to some extent, the existing anomalies in the prospects of promotion of Assistants Director working in different divisions. Further, Scientific Officers promoted to the post of Assistant Director will in most cases already be drawing almost the maximum of the Assistant Director's grade of pay. In fact, on verification we find that in most cases Scientific Officers getting promotion to the grade of Assistant Director will reach the maximum of the Assistant Director's grade very soon with many years still to go. With the running scale of Rs. 400—1250 these officers will not reach the summit of their prospects so early and will have something to look forward to. This should help combat feelings of discontent and apathy that may otherwise arise.

5.17. *Director*—The question of increasing the scale of pay of the Director, National Test House has also been under the consideration of Government for some time. In 1961, Professor Thacker of the Council of Scientific & Industrial Research recommended that the National Test House

be treated as a scientific institution without being classified as a National Research Laboratory. Government decided that the Director, National Test House should be treated as the head of a small scientific organisation—a part of the decision saying that the matter would be reviewed when the Branch Test House at Bombay and other Branch Test Houses started functioning.

The scales of pay applicable to heads of different classes of scientific institutions are as follows:—

- (i) Heads of major scientific organisations or research institutions—Rs. 2,250.
- (ii) Heads of medium size organisations or institutions, and additional heads of those mentioned in (i)—Rs. 2,000.
- (iii) & (iv) Heads of small organisations—Rs. 1800—100—2000 and Rs. 1600—100—1800.

Of the two scales of pay applicable to the heads of small scientific organisations it was decided to give the lower scale to the Director, N.T.H.

Since this decision was taken there has been considerable expansion in the working of the Test House. The Branch Test House at Bombay has also since been set up. While the work in the National Test House is not comparable to work done in the National laboratories it must be admitted that the Director, National Test House has certain responsibilities which are scarcely lower than those of a Director of a National Laboratory. He has to keep himself abreast of the latest developments in technological and testing techniques. He is a member of various science committees and sub-committees at the national and international levels. He attends international seminars. His administrative responsibilities are greater than those of the Directors of some National laboratories. The Director of the Central Drug Laboratory, for instance, which has a strength of 115 including 6 Class I and 9 Class II officers is paid in the scale of Rs. 1600—2000. So is the Director of the Central Food Laboratory which has strength of only 32 with 4 Class I and 2 Class II officers. Compared to these the Director of the National Test House has a total staff of 526 with 33 Class I Officers. With the establishment of a Branch Test House at Bombay these responsibilities have become larger. In determining the pay and status of the Head of the National Test House it is well to remember that it is the most important agency testing materials and guaranteeing their quality, that it is often the final arbiter in disputes and that in its wide ranging operations it is expected to hold the scales even between department and department, between Government and firm, between firm and firm and between individual and individual.

Recommendation

5.18. The head of the National Test House should definitely enjoy the status of the head of a medium scientific organisation and should be given the pay scale applicable to heads of medium scientific organisations. We would like to clarify, however, that this recommendation does not, except where specifically indicated, extend to the remaining staff of the National Test House.

THE NEED FOR A JOINT DIRECTOR

5.19. A proposal for the creation of a post of Joint Director in the Test House has been under the consideration of Government for more than two years. We were informed that the matter was pending review of staff by the Staff Inspection Unit. While normally we would not have commented on this need when it was to be assessed by the Staff Inspection Unit we feel that there are special circumstances warranting consideration of this issue even if the opinion of the Staff Inspection Unit is not available.

5.20. The activities of the National Test House, as already pointed out, have expanded greatly during the last few years as will be obvious from the figures given in paragraph 5.12. With this order of expansion in the workload, with the setting up of the Branch Test House at Bombay which is supposed to be supervised directly by the Director, N.T.H., and with the representation of the Director, N.T.H. on a large number of ISI committees and seminars the work and duties devolving on him have acquired a size which, if he is expected to do full justice to the technical aspect of his work, must prevent him from devoting enough time to administrative and routine chores.

Recommendation

5.21. To attend to the latter it is necessary to have a post of Joint Director in the Test House. The scale of pay under the consideration of the Government of India is Rs. 1100—1400. It may be mentioned here that the Pay Commission in its report had recommended for the joint heads of medium scientific organisations the scale of Rs. 1300—1600 which scale should also be applicable to the Joint Director of the National Test House. The Joint Director will relieve the Director of the items of work mentioned in Appendix 62. (This list need not be rigidly adhered to by the Director). There will be an adequate load of work for both Director and Joint Director.

CONFIDENTIAL REPORTS

5.22. The existing forms of confidential reports for technical officers employed in the National Test House are the same as those used for non-technical gazetted officers and are not specially designed to give an indication of their technical aptitudes or the work done which at least at lower levels should be capable of measurement especially if our recommendations on procedure and supervision are accepted.

Recommendation

5.23. We suggest that for technical officers (gazetted) and technical officers (non-gazetted) revised forms of confidential reports as at Appendices 63 and 64 respectively may be adopted.

CONTROL OVER THE TEST HOUSE

5.24. The extension of the control of the D.G.S.&D. to the National Test House cannot be traced to any principle. Only a small part of the work of the Test House relates to supply samples and perhaps even for these the Test House deserves to have an independent status. The point need not be laboured as a decision already exists to transfer control of the Test House to the Department of Supply and Technical Development.

Recommendation

5.25. This decision should be implemented straightway.

CHAPTER VI THE RECOVERY OF DEPARTMENTAL CHARGES

6.1. The D.G.S.&D. charges certain fees from the commercial departments, of the Central Government, State Governments, Defence Services, quasi-public bodies and overseas indentors for undertaking procurement on their behalf, for the inspection of stores and for the disposal of surpluses. For the inspection of stores the fee charged from the Railways and other commercial departments is 0.5% of the value of the stores inspected.

6.2. The recovery of departmental charges in cases where procurement is made by the D.G.S.&D. is almost automatic, the Pay & Accounts Officer recovering the fees simultaneously with the recovery of the cost of stores supplied. Similarly there is no trouble in deducting the fees when surpluses are disposed of. However, great difficulty is experienced in making recoveries of the departmental charges where orders are placed by the departments direct and inspection is entrusted to the Inspection Wing of the D.G.S.&D.

6.3. According to the existing procedure, against a particular order placed direct by a department, inspection in respect of which is entrusted to the D.G.S.&D., the stores may be offered by the supplier for inspection in one lot or in instalments. Again, the supplies may have to be despatched to a number of consignees. Thus against one particular lot offered for inspection, the supplies may be meant for a number of consignees. Against each instalment offered for inspection, a bill is raised for each consignee. In other words, even for one instalment, there may have to be a number of bills. For one order, in which there may be a number of instalments, the number of bills that may have to be prepared can be very large. The DGS&D prepares 5 copies of each bill for the recovery of these charges. 3 copies are sent to the consignee for his acceptance of the fees. The remaining 2 copies are kept by the DGS&D. Of his 3 copies the consignee returns 2 copies to the DGS&D, duly accepting the charges and indicating the head of account to which the debit may be raised against him by the Pay & Accounts Officer of the DGS&D. The third copy of the bill is retained by the consignee for his own record. On receipt of this acceptance the bill is entered in a register called the Realisation Register. The acceptances are then sent to the Pay & Accounts Officer who raises the debit against the consignee through the consignee's Accounts Officer. He retains one copy of the bill with him and sends the other to the consignee's Accounts Officer.

6.4. The staff employed to look after the work of non-departmental orders including the recovery of departmental charges on such orders in the Inspection Circles is, at present, as under:—

							Head Clerk	U.D.C.	L.D.C.
Calcutta	..	..	..	..	..	..	—	17	17
Tatanagar	..	..	..	..	..	..	1	9	16
Burnpur	..	..	..	..	..	..	—	2	3
Bombay	..	..	..	..	..	..	1	2	5
Northern India	..	..	..	..	..	..	—	1	2
Madras	..	..	..	..	..	..	—	5	4
Kanpur	..	..	..	..	..	..	(A/C & Non-Departmental)	Nil (No separate arrangement)	
							2	36	47

Of this staff, a total of 50 are engaged exclusively on work relating to the recovery of departmental charges for inspection. Besides the manpower engaged in the DGS&D for this work there must be sizable staffs posted with the consignees and with the Pay and Accounts Officers of the DGS&D and the consignees for the work of adjustment of accounts. Despite this large scale employment thousands of bills involving large sums are pending. For instance, inspection fees to the extent of Rs. 32.40 lakhs was pending against government departments up to the end of July, 1962. Out of that, Rs. 30.21 lakhs pertained to the Railways, of which only Rs. 5.03 lakhs had been recovered up to the end of January, 1964, leaving a balance of Rs. 25.18 lakhs outstanding against the Railways.

6.5. It is estimated (and the estimate is reinforced by a sample study of 38 cases) that in more than 50% cases the fees to be recovered does not exceed Rs. 10 in each individual case. This amount is much less than the actual expense incurred in the recovery of departmental charges in one case. Clearly the existing arrangements are not only not functioning satisfactorily but are expensive.

Recommendations

6.6. (1) The DGS&D should not be entrusted with the inspection of stores if the value of the contract is less than Rs. 500.

(2) No departmental charges should be levied if they are less than Rs. 10 in the case of one contract.

(3) The departmental charges to be levied should be reduced from the present rate of 0.5% to 1/3rd%. (The reason for this recommendation is that the fee earned from inspection on an average come to more than 1½ times the expenditure. In fact, in 1963-64, the fees earned—Rs. 176.68 lakhs was more than double the expenditure, Rs. 81.13 lakhs).

(4) In the case of orders received from the parties other than the railways, advance deposits where the departmental charges exceed Rs. 10 in each case, should be made by the party with the Pay and Accounts Officer of the DGS&D under intimation to the Inspection Circle of the DGS&D, which is entrusted with the inspection of stores against that order. Against such an order, the D.G.S.&D. should render an account to the consignee only after the supplies against that order have been completed. There should be no separate bill raised against each instalment inspected. The account should be sent, in duplicate, to the consignee, who should, after verification send it to his Accounts Officer for necessary adjustment against the advance already paid.

(5) In the case of the Railways the Director of Inspection should render a monthly account in respect of each contract separately for each consignee to one nominated Accounts Officer for each Railway Administration, instead of following the present procedure of raising bills with the Accounts Officers of the various consignees even though belonging to the same Railway Administration. The nominated Railway Accounts Officer on receipt of the account should make the payment to the Accounts Officer of the DGS&D within the same month or in the following month. Any departmental action that may be necessary on the part of the Railway Accounts Officer for getting the debits adjusted by the Accounts Officers of the various consignees should not hold up payment to the DGS&D. Two copies of this account may be sent to the Railway Accounts Officer and one copy of the Pay and Accounts Officer

to watch its payment. The account rendered in respect of each contract for individual consignees separately should give all the necessary details in the form at Appendix 65. This step will result in (a) speedier and smoother adjustment of accounts and (b) reduction of a safe 50% of the staff engaged on this work in the DGS&D. This recommendation is being made for immediate implementation as a short term measure.

(6) As for the long-term arrangement, the Railways should pay to the DGS&D a bulk amount towards the departmental charges which should be worked out after taking into account:

- (a) the average value of the stores inspected against non-departmental orders for the last 3 years on which inspection fee is leviable (the average value of goods for which the inspection fee is less than Rs. 10/- will be deducted from the average value of the total goods);
- (b) from the figure reached in (a), the value of the stores, the inspection of which is/has been transferred to the Railways, should be deducted;
- (c) the departmental charges on the balance amount should be worked out at the rate of 1/3rd per cent.

This bulk payment should be made to the DGS&D by the Railways who should then distribute this amount amongst the various Railway Administrations on a proportionate basis.

It can be objected that this procedure will not give a correct picture to the Railways about the division of this amount among the Capital and Revenue Accounts and that this division will be done on a not wholly realistic basis. We consider this objection minor in the context of the great reduction in staff and the smooth and speedy adjustment of accounts that will be brought about by this step. It will be possible to reduce 90% of the staff currently engaged on this work. Sizeable reductions will also be possible in the staffs of the consignees and the Pay and Accounts Officers concerned.

CHAPTER VII

THE PROGRESS WING

ORGANISATION AND FUNCTIONS

7.1. To ensure that the Directorate General, Supplies and Disposals delivers the goods by the scheduled dates a Progress Wing has been set up the primary functions of which are—

- (i) to watch coverage of indents and to follow up contracts so that supplies are made according to the delivery dates stipulated;
- (ii) to progress supplies of stores through field officers who visit firms holding contracts from the Directorate General, ascertain the causes of delay in supplies and render assistance to the firms wherever necessary; and
- (iii) to assist firms in the early procurement of iron and steel, particularly where the delivery is dependent on the receipt of these raw materials.

The Manual of Office Procedure of Supplies, Inspection and Disposals prescribed the close progressing of every demand from the date of its receipt right up to the completion of the contract. To quote the Manual "The work of progressing will be in two distinct stages viz. :—

- (1) *Initial or pre-A.T. stage*—Responsibility for watching progress of action on an indent from the date of its receipt in Supplies Section upto the stage of placing the Acceptance of Tender/ Supply Order against all the items of the indent or their disposal otherwise, for example cancellation, cross-mandating etc., will be that of the Supplies Section concerned. The Progress Wing will, however, assist them in discharging this function by bringing to their notice cases of delay in issue of enquiry and decision on tenders through monthly statements. The Progress Wing will also arrange meetings between DDG and the Directors of Supplies concerned, in order to review the position of indents outstanding over six months old with a view to analyse causes of delays and advise ways and means to accelerate coverage. Similar procedure will also be followed in the Regional Offices.
- (2) *The subsequent or post Acceptance of Tender Stage*—Deliveries against the Acceptance of Tender or Supply Orders will be watched by Progress Wing at Headquarters and Regional Offices."

7.2. The Progress Wing in the past was not organised in sufficient strength to discharge these functions affectively. Prior to March 1964 it had one Director who was assisted by other staff. Because of the limited man-power available at the Progress Wing was, in actual practice, engaged mainly in the collection of statistical information and was doing detailed progressing only of certain selected items relating to Defence, Border Roads or Railways. The Chinese invasion in 1962 revealed the inadequacy of this organisation and after some experimentation it was strengthened in

March 1964 with the posting of two more Directors (one from the Directorate of Co-ordination and one from the Purchase Wing) and some staff. In the new set-up the work was divided Director-wise as follows:—

- (a) progress work relating to Defence indents,
- (b) progress work relating to Railway indents,
- (c) progress work relating to indents other than Defence and Railways.

Certain changes were also made in the method of recording information.

As a result of these changes noticeable success was achieved and the number of indents and contracts pending for supply was brought down from 36,000 on 1st August 1964 to 26,000 on 1st August 1965. However, there still is scope for improvement.

THE PRE-CONTRACT STAGE

7.3. As mentioned earlier progressing is done both at the pre-contract and at the post-contract stages. On receipt, one copy of the indent is passed on by the Central Indent Section to the Progress Wing. Indent-wise, Directorate-wise registers in the form at Appendix 66 have been opened in the Progress Wing and the particulars of the indent are entered there. Progressing is then done at each stage represented by the different columns of the registers. Progress at each stage is watched by

- (a) personal contact,
- (b) the preparation of various periodical statements of outstandings which ultimately are consolidated and furnished to the Director General.

7.4. It seems to us that pre-A/T chasing by the Progress Wing is not necessary. The object of pre-A/T progressing is to ensure the timely coverage of indent. This is incontrovertibly the responsibility of the Purchase Section and the Purchase Directorate, and there is no reason why there should be any dispersal of this responsibility. It is important to ensure the timely coverage of indents and the approach here should be to see that the Purchase Directorates function with the requisite speed and efficiency without having to be prompted at each stage by another wing in the same organisation. We have at the appropriate places made recommendations simplifying the procedures and methods of work and prescribing internal controls, some as frequent as daily controls, to ensure the timely coverage of the indents. These recommendations seek to eliminate delay both in the Purchase Directorate and the Inspection Wing (where indents particulars are checked). With the acceptance of these recommendations we feel that the problem of covering indents in time will not arise to any serious extent. Otherwise too it is a principle of doubtful merit on which one large wing is created in an office with a mandate to chase another wing of the same office. For this and the other reasons mentioned above pre-A/T progressing by the Progress Wing is unnecessary.

Recommendations

7.5. The Progress Wing should give up progressing at the pre-contract stage except when the monthly statements indicate delay in the coverage of indents figures of which, should be maintained in the Statistical Directorate as suggested in the paragraph on "The Maintenance of Statistical Data in the Headquarters".

THE MAINTENANCE OF STATISTICAL DATA IN THE HEADQUARTERS

7.6. As mentioned above the Progress Wing is maintaining registers in the form at Appendix 66. With the help of these registers it is compiling a large number of statements. With the cessation of pre-A/T progressing the information at present obtained in columns No. 7 to 11 of the register will no longer be necessary. It will be necessary, however, to continue to maintain figures of coverage of indents to keep an over-all watch on these. Properly analysed information, however, for post A/T progressing should be the major part of the statistical data kept. During the course of the study the Director General expressed the opinion that this information could be kept with the help of data processing machines that were already available in the Statistical Directorate of the D.G.S. & D. These machines were found to be under-worked and the Statistical Directorate has agreed to maintain the necessary information with the help of these machines provided certain staff is sanctioned for the purpose. As the data processing machines can take on more work we consider that they should be utilised for maintaining information and compiling statements at present maintained and prepared manually in the Progress Directorate.

Recommendations

7.7. (1) The maintenance of the register in the form at Appendix 66 should be dispensed with.

(2) All information should be kept and all statements prepared in the Statistical Directorate with the help of the data processing machines available in the D.G.S. & D. for which the scheme outlined in Appendix 67 may be introduced. No work on this count need be done in the Progress Wing.

PERSONNEL IMPLICATIONS

7.8. The abolition of pre-contract progressing and the mechanical maintenance of statistical data in the Statistical Directorate will necessitate considerable reduction in staff in the Progressing Wing in the Headquarters and some augmentation of staff in the Statistical Wing. Details of these may be seen at Appendix 68.

POST CONTRACT PROGRESSING

TYPES OF CONTRACTS WHICH SHOULD BE PROGRESSED

7.9. Although the Manual lays down that all contracts should be progressed our investigations reveal that, in actual practice, the field staff progress only those contracts which are placed by their own regional office or for which specific requests are received from the contracting office. Non-compliance with the letter of the instructions of the Manual is understandable for compliance would increase tremendously the volume of work and would necessitate at certain places the provision of more than double the staff at present engaged in field work. On merits too it should not be necessary to progress every contract. If all contracts are not to be progressed it will be necessary to lay down the criteria to distinguish contracts which require progressing from those which do not. For this purpose the list given in the Manual for special progressing can be adopted with some small modifications.

Recommendations

7.10. (1) Progressing should be required only in the case of—

- (i) contracts placed by the Regional Office concerned on the firms located within its own jurisdiction,
- (ii) supplies against rate and running contracts,
- (iii) Operational/Urgent contracts,
- (iv) contracts where assistance of raw materials is required,
- (v) contracts against Works Programme indents,
- (vi) contracts for critical items of requirements of Defence, Railways and of the Posts and Telegraph Department,
- (vii) contracts in which price preference has been allowed for earlier delivery,
- (viii) contracts for developmental items, and
- (ix) any other item which the purchase office feels requires progressing.

(2) It will be the responsibility of the purchase officer to indicate specifically the need for progressing contracts falling under (iii) to (ix) in recommendation (1) above. He should for this purpose mark the words "Progressing Required" at the top left hand corner of the copy of the contract meant for the Progress Officer. Besides, the endorsement forwarding this copy of the contract should also clearly indicate—

- (i) whether the contract requires monthly progressing, or is Operational/Urgent requiring fortnightly progressing or whether it is for critical items requiring daily progressing;
- (ii) the periodicity of the progress reports to the Purchase Officer by the Purchase Wing;
- (iii) whether stage progressing is required.

DESPATCH OF CONTRACTS FROM HEADQUARTERS TO REGIONAL OFFICE FOR PROGRESSING

7.11. At present copies of the contracts are despatched by the Purchase Directorates at Headquarters directly to the regional office responsible for their progressing. Our investigations reveal that quite often these copies are never despatched or are wrongly endorsed.

Recommendations

7.12. (1) The Assistant Director (Progress) at the Headquarters who receives two copies for every contract should be made responsible for sending one to the regional office concerned. He should for this purpose collect these contracts in bundles, get shuttle sheets prepared firm-wise in triplicate in the form at Appendix 69 and send the copies of the contracts bi-weekly with a covering demi-official letter to the regional office along with two copies of the shuttle sheets.

(2) In the case of contracts in which progressing is not required initially but in which the purchase officer later wants to know the supply position *ad hoc* references can be made by the purchase officer. A copy of the contract should invariably accompany such a reference. If for any reason a copy of the contract is not readily available the following particulars should be furnished to the regional office:—

- (a) Name of firm
- (b) Contract No. and date
- (c) Indentor/Consignee
- (d) Brief description of stores
- (e) Date of delivery:
 - (i) Original
 - (ii) Last extended
- (f) No. of items outstanding.

SCRUTINY IN THE REGIONAL OFFICE AND MAINTENANCE OF PROGRESS RECORDS

7.13. In the regional offices the Acceptances of Tender are received by a clerk who sorts them out in the following manner:—

- (i) Acceptances of tender from Headquarters are sorted out Directorate-wise and put in separate folders meant for each Directorate;
- (ii) contracts from other regional offices are sorted out region-wise and put in separate bundles.

We found during the course of our study that copies of contracts were not seen at the dak stage by any Progress Officer and therefore were not attended to promptly in many cases.

Recommendations

7.14. (1) Copies of all contracts should be seen by the Assistant Director/Deputy Director (Progress) in the regional office who should give necessary instructions to the field staff, This should be done at the dak stage before the clerk sorts out the contracts in separate folders and bundles.

(2) On receipt of a copy of the contract issued from his own regional office, necessary entries should be made by the clerk concerned in the Central Progress Register. Thereafter there should be no differentiation between the contracts placed by the purchase branch of that regional office and those received from the Headquarters and other regional offices. All these should be entered in a A/T register in which the record of all contracts placed on a particular firm should be maintained. The contracts should then go into folders in which they are arranged according to the date of delivery month-wise.

(3) In the beginning of every month the Junior Progress Officer concerned should prepare firm-wise lists in the form at Appendix 70 listing each contract placed on a particular firm for which the delivery period is expiring during that particular month and hand over these to the Junior Field Officers concerned. In the case of contracts from the Headquarters and other regional offices he should give a copy of the shuttle sheet

(Appendix 69) to the Junior Field Officer. In the case of extension of the delivery period the contract should be placed in the folder for the month in which the extended delivery period is to expire.

(4) The Assistant Director/Deputy Director (Progress) should see whether the contract contains any pre-conditions e.g. assistance of raw material, position of imported components etc. If it does not he should give necessary instructions how and when to commence progressing. It should be his responsibility to ensure that all pre-conditions are fulfilled. In case he finds any difficulty he should contact the Directorate General (S&D) or the Government agencies concerned himself to ensure the supply of raw materials, components etc. in time.

FIELD PROGRESSING

7.15. Field progressing is the essence of progress activity. It consists of visits by field officers to firms within their jurisdiction—

- (i) to expedite supplies,
- (ii) to render them all possible assistance if they are meeting with any genuine difficulty especially with any agency of the Government,
- (iii) to advise them, where necessary, to apply for extension in the delivery period, and
- (iv) to report the supply position to the purchase office.

The Junior Field Officer is required to visit 2-3 firms every day and for all rate and running contracts on firms within his jurisdiction has to see that monthly drawal reports are forwarded in time. The work of the Junior Field Officer if done meticulously can yield substantial results in quickening the pace of supplies. At present the periodicity of progressing of different categories of items has not been prescribed. Roughly speaking every ordinary case of progress should require one visit a month to the firm. Urgent/Operational indents should require progressing every fortnight and vital/critical items should be progressed daily. Firms may be visited in rotation so that no contract requiring progressing is left out. The existing norm which expects each Junior Field Officer to visit 2-3 firms in a day is reasonable and should be able to secure adherence to the frequency of progressing suggested above. However, the staff sanctioned at present does not permit compliance even with this norm. Stringency in sanctioning staff for this work is false economy.

Recommendations

7.16. (1) The following frequency should be prescribed for different categories of indents—

- (a) daily progressing for vital/critical items,
- (b) fortnightly progressing for urgent/operational indents,
- (c) once a month for other indents requiring progressing.

(2) The Junior Field Officer must visit all the firms assigned to him in rotation at least once a month so that no contract on any firm requiring progressing is left out. Any firm not visited during a month for any particular reason must be contacted during the next month. The record of these visits should be properly maintained in the Junior Field Officer's diary which has been suitably revised.

(3) The present yard-stick for a Junior Field Officer—visits to 2-3 firms a day—should be retained. This yard-stick should be read in conjunction with the contracts requiring progressing. For purposes of sanctioning staff this norm may be fixed at the higher figure of 3 firms a day except in the Calcutta region, where, on account of the placement of a disproportionately large number of contracts, the norm should be fixed at 2.5. On this basis a Junior Field Officer will be able to visit 60 firms a month in Calcutta and 70 firms a month elsewhere. The number of Junior Field Officers required in the different regions will be 41 as against 34 existing now. The detailed breakup may be seen at Appendix 71.

SUPERVISION

7.17. The daily diaries of the Junior Field Officers are rarely checked and signed by their superiors. Besides, the daily diary as maintained at present does not give enough information and needs to be made more comprehensive. There is possibility of introducing more method in the organisation and control of the work of the Junior Field Officer.

Recommendations

7.18. (1) The form of the daily diary should be revised as at Appendix 72.

(2) The Junior Field Officer should prepare his weekly programme in the form at Appendix 73 in advance on the last working day of the week for the following week. This programme should be prepared and signed by the Assistant Director/Deputy Director (Progress) in the Junior Field Officer's diary itself.

(3) The Assistant Director/Deputy Director (Progress) should scrutinise the Junior Field Officer's diary once a week to see if he has done the job assigned to him. Any instructions that he wishes to give should be given in the "Remarks" column of the diary.

7.19. With the abolition of pre-A/T progressing and the maintenance of statistical data with the help of machines we have estimated that one Director among other staff will become surplus in the Progress Wing. Two Directors have been retained. Ordinarily, for supervision, control and progressing at the Headquarters one Director should suffice. However, a very large number of meetings take place at the Headquarters and for attending these presence in the Progress Wing of two officers of the level at least of Director is necessary. It may here be noted that the largest number of firms are in the Calcutta region and the maximum number of contracts requiring special progressing are placed there. Among the regions Calcutta also has the largest number of officers of the level of Assistant Director/Deputy Director. Liaison with the Iron and Steel Controller and the preparation of production schedules are special items of work in Calcutta for which special staff has been exclusively earmarked. For exercising proper supervisory control and for giving impetus to progressing a Director for this work is required in Calcutta.

Recommendation :

7.20. In the chapter on "Organisation" we have recommended that the Deputy Director General in Calcutta should be shifted to Delhi and be given charge of progress among other items. In his place one of the two Directors that will be available even after the reduction of staff referred to in para 7.19 should be posted in Calcutta to look after progress work. As clarified in the chapter on "Organisation" this Director may also be entrusted with "shipping" and "Disposals" to give relief to the existing Director of Supplies and Disposals there.

CHAPTER VIII

THE DISPOSAL OF SURPLUS STORES

INTRODUCTORY

8.1. The responsibility for the disposal of all except specified stores above a certain value declared surplus by the departments of the Central Government other than the Railways is centralised and vested in the Disposals Wing of the Directorate General of Supplies and Disposals, the services of which, at their option, are also available to the State Governments. It is compulsory for all departments (except Railways) of the Government of India to report their surplus stores valued at over Rs. 5,000 to the Directorate General. Stores valued at Rs. 5,000 or below are disposed of by the departments/State Governments themselves.

GENERAL PROCEDURE

8.2. The surpluses are reported to the Directorate General (Supplies and Disposals) (Disposals Wing) on a prescribed form known as Surplus Report form. The Surplus Reports on receipt in the Disposals Wing are scrutinised to verify whether all the particulars have been filled in correctly. They are then examined by a Screening Board consisting of the Director of Disposals, the Deputy Director (Coordination), the Assistant Financial Adviser and in the case of Defence surpluses the Chief Liaison Officer (Defence) to decide—

- (i) whether the disposal is to be arranged by the Headquarters Office at New Delhi or by one of the regional offices; and
- (ii) what the mode of disposal should be i.e. whether it should be by auction or by tender or by issue to priority indentors.

After the views of the Screening Board have been recorded the Surplus Report is put up for the approval of the Deputy Director General, Director General or the Ministry depending upon the book value of the stores declared surplus.

8.3. Stores are physically inspected to examine their condition if their value is more than Rs. 50,000. Surplus stores are disposed of by one of the following methods:—

- (i) by the circulation of Surplus Reports to the likely indentors who, if interested, place indents on the Directorate General. The stores are then transferred to the indenting department or allocated to other priority indentors;
- (ii) by sale by one or other of the accepted methods *viz.* advertised tenders, auction ϕ or negotiation.

SURPLUS REPORTS

RECEIPT AND DIARISING

8.4. When a surplus report is received in the Central Registry (Disposals Wing) it is entered in three different registers *viz.* the Diary Register, the Screening Board Register and the Block Series Register having identical columns (Appendix 74). This is sheer triplication of work.

Recommendation

8.5. The purpose of all these registers will be adequately served if only the Screening Board register is maintained properly.

SCRUTINY

8.6. The scrutiny of the Surplus Report is done on the report itself and no indication is given to show that the various items have been checked.

Recommendations

8.7. (1) A list of check points has accordingly been prepared (Appendix 75). In case the Surplus Report is incomplete immediate reference should be made by the Central Registry (Disposals Wing) to the declarer.

(2) In some cases only minor clarifications are required. In such cases it is not necessary to withhold the submission of the Surplus Report to the Screening Board. It should be left to the Assistant Director (Central Registry) to decide whether an incomplete report should be referred to the Screening Board or not. If he feels that it should be referred to the Screening Board he should record his reasons on the list of check points and get the approval of the Director of Disposals. This will cut down delay.

MODE OF DISPOSAL

8.8. The Assistant Director (Disposals) in charge of the Central Registry puts up the Surplus Report for decision on the mode of disposal to the Screening Board along with a form (Appendix 76) duly filled in which repeats the particulars already given in the Surplus Report. As one copy of the Surplus Report is given to all the members this repetition can be avoided.

Recommendation

8.9. The purpose of this form can be achieved by having a small covering note with the following details:—

Surplus Report No. _____ placed below may be disposed of by:—

Inspection

Auction

Tender

Issue to Priority Indentors (and in case they do not accept disposal by auction/tender)

May be X-mandated to Director of Supplies and Disposals Bombay/ Madras/Calcutta/Kanpur.

This note should be prepared in duplicate and after the decision of the competent authority has been obtained the original along with the Surplus Report should be passed on by the Central Registry Section straightway to the Section/Region concerned. The duplicate of the covering note should be kept in the Central Registry Section file along with the copy of the Surplus Report.

TRANSFER TO REGIONAL OFFICES

8.10. The Surplus Reports which are to be transferred to the regional offices for disposal are forwarded along with form No. DGS&D-182 (Appendix 77). The columns in this form correspond to the columns in the Surplus Report.

Recommendations

8.11. (1) This duplication can be avoided if the Surplus Report is sent under a simple printed letter in the following form:—

“D.G.S.&D. Surplus Report No. dated is transferred for disposal/action as decided by the Screening Board and indicated in the attached note”.

(2) A copy of the forwarding letter should be endorsed to the declarer so that he may know which regional office will deal with the Surplus Report. This procedure will reduce the volume of work in the Central Registry (Disposals) as most of the letters received by them are only required to be forwarded to the Commodity Section/Region.

INSPECTION OF SURPLUS STORES

8.12. After a decision has been taken that the stores are to be inspected against a particular Surplus Report, the office prepares three copies of the Inspection form in form DGS&D—190 (Appendix 78) and hands over two copies to the Field Officer along with a copy of the Surplus Report and keeps one as office copy. It also fills in all the columns at the top and three columns of the statement. The field officer, after he has visited the Depot holding the surplus stocks, has to give his report on the following aspects:—

- (i) condition and serviceability;
- (ii) whether the stores will be useful to priorities;
- (iii) whether the stores are fit for tender;
- (iv) whether the stores are fit to be auctioned;
- (v) assessed market value.

The Field Officer's report is meant to be confidential. In actual practice, his report is sent to the section which takes about 10 days to put it up, after docketing it, for the orders of the higher officers.

Recommendation

8.13. The Field Officer, after inspection, should send his report in the existing form not to the section but, under closed cover, to the Deputy Director concerned so that it remains confidential.

BACK REFERENCES

8.14. It has been observed that when Surplus Reports are received by the regional offices they make back references to the stock holders asking them to confirm the availability of all items with their present position, location etc. On receipt of this confirmation further action is initiated by the office concerned.

Recommendation

8.15. This step appears to be unnecessary and should be given up.

INDENTS

8.16. Indents on their receipt are entered in the Central Diary as well as in the Indent registers. This duplication of entries can be avoided.

Recommendation

8.17. Indents should straightway be entered in the Indent register.

REPORTS AND RETURNS

8.18. The number of returns submitted by different regional offices to the Headquarters varies. However, 37 returns are submitted by one of the regional offices. Their break-up is as follows:—

Daily	Weekly	Fortnightly	Monthly	Quarterly	Half-yearly	Annual	Periodical	Total
1	1	3	19	6	2	3	2	= 37

We find that a number of these returns are unnecessary and do not serve any useful purpose while some others need rationalisation.

Recommendations

8.19. (1) The following statements and returns should be given up forthwith:—

- (a) statement of monthly auction programme advertised through the Directorate of Audio Visual Publicity;
- (b) statement of Surplus Reports received directly;
- (c) statement showing details of sales to the classified customers in form 'E';
- (d) 'D' form statement with sub-head-wise lists of documents accounted for during the month under report;
- (e) monthly statement showing auction sales conducted without fixing reserve/guiding prices;

(2) The following returns should be grouped together into one monthly return as devised (Appendix 79)—

- (a) the daily control chart prepared by each section. The figures are consolidated and fortnightly as well as monthly control chart is sent to Director (Disposal);

- (b) Post sales publicity;
- (c) D.G.'s report for notice board;
- (d) D.G.'s report to Secretary;
- (e) actuals and targets;
- (f) position of outstanding Surplus Reports with their break-up in ABCD form;
- (g) position of outstanding Surplus Reports with age-wise break-up (detailed list of outstandings);
- (h) progress reports;
- (i) summary for the Cabinet;
- (j) statement in respect of progress of review/finalisation of old cases;
- (k) progress report on finalisation of risk re-sale cases;
- (l) outstanding Defence Stores-branch-wise—
 - (i) Vehicles Class (I) to (V).
 - (ii) Vehicles Class (VI) to (VII).
 - (iii) Other than vehicles.

CHAPTER IX

THE SHIPPING ORGANISATION

ORGANISATION AND FUNCTIONS

9.1. At the ports of Bombay, Calcutta and Madras shipping branches have been attached to the Regional Directorates of Supplies and Disposals for the clearance and despatch of stores on behalf of Government Departments (excepting the Ministries of Defence, Railways and Food and Agriculture) and on behalf of public undertakings as well as for the export of stores overseas. Besides the setting up of shipping sections, the D.G.S.&D. have also appointed professional clearing agents for the actual, physical clearance and despatch of cargoes from the docks.

9.2. Because of differences in workload and staffing strength the organisation of the shipping branches in different ports differs in details, but broadly each branch has groups to attend to—

- (1) work relating to clearance of imported cargo and shipment of cargoes to be exported;
- (2) work relating to bills and accounts;
- (3) work relating to compilation and documentation;
- (4) work relating to general and policy matters;
- (5) field work and storage.

OUTLINE OF PROCEDURE

9.3. The procedures and functions of a shipping branch which have to be tied up with the working of the clearing agents and have to be attuned to shipping and customs laws and procedures have been laid down with clarity and comprehensiveness in the D.G.S.&D. Shipping Manual.

A bald statement of the work done and the procedures followed may here be made. Information is received in the shipping branch from the purchase agencies/consignees that certain cargoes are arriving by a certain ship. The bill of lading (sent by the shipper) is received along with this information. An official of the shipping branch then visits the shipping agency to check the manifest and to locate in it items of government cargo. A list along with the shipping documents is handed over to the clearing agent. The clearing agent physically locates the cargo and clears it from the customs and the ports and despatches it to the consignees or to the D.G.S.&D. transit depot. The shipping branch chases the clearing agent, wherever necessary, to secure expeditious clearance. After clearance the clearing agent submits his bills for clearance, port dues and other charges which are checked by the Shipping Branch and passed on to the Pay and Accounts Office for payment.

9.4. With the limitations imposed by shipping and customs laws and practice no major change in the procedures followed by the Shipping Organisation of the D.G.S.&D. seems possible. We do find, however, that

break-downs occur in some of the steps in the chain described above leading to delays and defaults in the clearance of cargoes. We also find that much delay occurs in the scrutiny of demurrage cases and of various kinds of bills. On both counts Government suffers losses that are disproportionately heavy. We consider that a better control mechanism within the shipping branch, some element of mechanisation, and additional staff, where necessary, should help in curtailing loss and reducing delays to a large extent.

DELAY AND DEFAULT IN THE CLEARANCE OF CARGOES FROM THE POSTS

9.5. Often, for any one of the following reasons—

- (a) late receipt of import documents by the clearance agents;
- (b) the amendment of the steamer's manifest for cargo from non-Government to Government category;
- (c) incomplete shipping documents;
- (d) lack of funds in the consignee's customs duty account;

it becomes impossible to clear government cargo within the free days. As space at the docks is very limited this failure of the clearing agents (due to no fault of theirs or of the shipping branch) leads to the removal of the cargo to the port's warehouse for uncleared goods without any notice to the title holders, in this case the shipping branches. All uncleared cargo whether government or non-government is dumped together in the warehouse without any distinction. Government cargo, 70 per cent of which consists of small packages, that finds its way to this warehouse thus becomes difficult to locate later. Failure or even delay in tracing results in hampering, sometimes severely, the programmes of the departments for whom consignments are meant. Besides, excessive port and demurrage charges are incurred. The total loss to the nation can be considerable although it does not always lend itself to measurement. The situation in the Bombay port has assumed serious proportions where out of 80,000 packages declared untraceable 2,000 are government's.

The situation could be retrieved to some extent if the manifests of the ships were invariably scrutinised where shipping advices were meagre or incomplete and if all Government cargoes were spotted at the dock on arrival. This work is expected of the dock staff, but the strength of the staff at Bombay is so meagre that it can attend to this work only very partially.

Recommendations

9.6. (1) It should be ensured that the D.G.S. & D. passes on the shipping documents to the clearing agents for processing on the same day on which they receive it. This can be tied up with the visit of the clearing agent's representative who comes to the office of the D.G.S. & D. daily for delivering bills. The register should be signed by the clearing agent every day.

(2) The duties of the Dock Inspector should be laid down as at Appendix 80.

(3) It will be necessary at some places to augment the existing field staff available with the Dock Inspectors to do this work. This additional requirement should be assessed by the Staff Inspection Unit and until such time as the Staff Inspection Unit can assess this requirement, a staff of 5 Lower Division Clerks should be sanctioned for the Bombay Port for this purpose. This staff will be attached to the Dock Inspector and will be found by internal adjustment from the surplus that will be available from the Bills Section of the Shipping Branch if our recommendation regarding mechanisation is accepted.

(4) The scales of pay of Dock Inspectors are not uniform. The Dock Inspector in Calcutta is in the scale Rs. 210—320 while the Dock Inspector in Bombay is in the scale Rs. 325—475. All Dock Inspectors should be brought on the same scale which should be the scale given to the Dock Inspector in Bombay. Considering the arduous and responsible nature of this job the scale recommended is by no means too high.

DELAYS IN PASSING BILLS

9.7. The examination of the Shipping Organisation at the ports has revealed great delays in passing bills. These are discussed below—

(a) *Handling Charges Bills*—There are inordinate delays in passing the handling charges bills of the clearing agents as is indicated by the following statement of the outstandings (on the 31st January 1965):

Port	No. of Bills outstanding	Amount	Average monthly intake
		Rs.	
Bombay	3321	5,77,487-03	1092
Calcutta	2512	4,70,000-00	282
Madras	1165	3,45,884-07	852

Obviously clearing agents' bills are sometimes delayed in the shipping branch for months. From the shipping branch they go to the Pay and Accounts Officer who also takes about 2 to 3 weeks to issue the cheques. No clearing agent can afford such delays in the payment of his dues and at one of the ports the clearing agents offered a discount of 1 per cent if their bills were passed within a month, which clearly indicates that they must be providing a considerable cushion in their rates to cover them against such delays. It may be added that the average monthly amount of the bills presented on this account before the Calcutta branch during the twelve months period September 1964—August 1965 was about Rs. 3 lakhs 1 per cent of which would be Rs. 3,000. The Directors at the ports have attributed this delay to shortage of staff.

(b) *Demurrage Cases*—There is similarly considerable delay in the scrutiny of demurrage cases to find out whether demurrage has been caused by any fault of the clearing agents. In one port office 4,000 bills worth

Rs. 60 lakhs are pending scrutiny which is bound to take some years to complete when it may become difficult to recover demurrage charges from the clearing agent even if he is found guilty of delay. The difficulty may be enhanced by inability to get hold of the relevant documents at that time. Where demurrage charges have first been paid by the clearing agents and not reimbursed to them within a reasonable period they will naturally include a cushion in their rates.

(c) *Stevedoring Freight Bills*—There are delays also in the payment of stevedoring and freight bills.

Recommendations

9.8. We feel that the state of accounts and bills can be brought completely within control by the prescription of realistic time limits, of a control mechanism to ensure adherence to those time limits and by the introduction of some degree of mechanisation. Our recommendations are as follows—

- (1) the handling charges bills of the clearing agents should be passed on for payment to the Pay and Accounts Officer by the Shipping Branch within 7 days of their receipt. For this purpose, one nominated clerk should receive bills daily from the clearing agents at a fixed time. The bills should be put up by the dealing clerk to the A.D. (Shipping) within 48 hours of their receipt and the A.D. (Shipping) must pass them for payment within another 48 hours. The bill registers should be seen by the A.D. (Shipping) every day. Bills over 7 days old should be shown to the Director with reasons for delay;
- (2) the bills should then be transmitted to the Pay & Accounts Office once a day through a special messenger. These bills should be delivered to a nominated officer in the Pay & Accounts Office;
- (3) the Pay & Accounts Office must issue the cheques in respect of these bills in 7 days if they are in order. In respect of bills where there are any lacunae or discrepancies the bills should be returned within three days to the Director;
- (4) stevedoring and freight bills should be paid within a period of two working days after they are preferred. All bills over 2 days old should be brought to the notice of the Director;
- (5) to facilitate scrutiny of demurrage bills reasons should be given under a specific column. We suggest the adoption of the form, at Appendix 81;
- (6) demurrage charges bills within the powers of the Director should be passed within 7 days of their receipt if they are in order. If any clarification has to be sought arrangements should be made for the clearing agents to collect the bills through one of their nominated representatives who should visit the office of the Director of Supplies and Disposals daily at an appointed time. This will cut down correspondence;
- (7) demurrage bills which require the sanction of the Headquarters Office at New Delhi should be sent to the Deputy Director (I&S) at Headquarters who should himself, without marking.

them to the section, scrutinize them and put them up for the orders of the competent authority. (In the Headquarters Office, scrutiny is confined to seeing whether the liability is that of Government or of the clearing agent);

- (8) the Pay and Accounts Officer should ensure that these bills are passed by him and cheques issued within 7 days of their receipt. These bills should also be received in the Pay and Accounts Office by the nominated officer (the Assistant Pay and Accounts Officer concerned);
- (9) the checking of these bills requires considerable calculations which are at present being done manually. Manual checking takes a great deal of time and both time and labour can be substantially saved by installing a calculating machine (which costs Rs. 6,000 to 7,000) in the bills section of each Shipping Branch. A time study was made of 210 entries, the calculations of which took one person $2\frac{1}{2}$ days when done manually and 1 hour 10 minutes when done mechanically. This, of course, may not be an absolutely accurate index of the proportion of time and labour that will in fact be saved if a calculating machine is installed. The installation of the calculating machine, for instance, will save proportionately less time and labour of those engaged on demurrage cases than of those engaged on other bills. In the bills section in Bombay, against a sanctioned strength of 12, 14 clerks are actually working (2 additional hands have been deployed by internal adjustment). We estimate that if a calculating machine is installed, the section should be able to manage with 7 persons, 3 out of the 4 engaged in demurrage cases and 4 out of the 10 engaged on other bills. In other words, with the installation of the machine, it should be possible to do the entire work in the bills section with 50 per cent of the existing staff. This reduction will also be applicable to other offices. One machine should more than suffice and with this machine there should be no excuse at all for not adhering to the time limits suggested above;
- (10) to keep control and to ensure adherence to the time limits suggested above, the Director should receive a monthly report from the Shipping Branch in the form at Appendix 82.

FORMS AND RETURNS

9.9. The Import and Shipping Branch at the Headquarters at present receives the following monthly returns from the regional Shipping Branches—

- (1) berthing report of ships calling at the major Indian ports;
- (2) tonnage report;
- (3) report of import and export cargoes in transit storage;
- (4) X—forms;
- (5) statement of demurrage charges finalised;
- (6) statement showing the number of cases of demurrage charges pending and their disposal;

- (7) statement showing the number of cases of non-finalised bills of entry;
- (8) statement of payment of clearing agency bills and stevedoring and freight bills.

Recommendation

9.10. The first four returns are cumbersome and infructuous. We found, in fact, that no use was made of them in the Headquarters. These returns should be totally dispensed with. Regarding the other four returns, these are not useless but we recommend that one single control statement as at Appendix 83 should substitute for all these four returns. The useful elements in these four returns have been incorporated in this control statement.

CHAPTER X

COMPLAINTS AND PUBLIC RELATIONS

INTRODUCTORY

10.1. While we do expect that the adoption of the steps recommended by us in the foregoing chapters will bring about a considerable improvement in the functioning of the Directorate General of Supplies and Disposals and will enhance its reputation both for integrity and for expedition in the despatch of business, we would be deluding ourselves if we believed that mistakes and delays, deliberate or otherwise, will henceforth not occur in the Directorate General. We do not believe that any proposal for reform can achieve such perfection and in an organisation like the Directorate General of Supplies and Disposals where the volume of business is huge and involves large sums of money, where the exercise of discretion tempts and where delays over minor items cannot only irritate but have financial repercussions, valid ground will ever be present for voicing complaints. It is not merely that loopholes will be found in the system: human beings will err. A conscious and continuous effort to redress complaints and to keep those who deal with the Directorate General of Supplies and Disposals informed on matters on which they need and can legitimately expect to be informed will always be necessary. The need for a Complaints and Public Relations Organisation in this context has already been realised and such an organisation was set up in the Directorate General in June, 1964.

10.2. Prior to June 1964, no clearcut procedure for dealing with complaints on a centralised basis had been laid down, nor were public relations properly organised. Representatives of firms could freely meet officers of and above the level of Deputy Director in connection with their contracts. Such contacts, it was felt by the Santhanam Committee, were not always irreproachable. The Santhanam Committee, had, therefore, recommended that the officers of the Directorate General of Supplies and Disposals should be strictly forbidden to meet tenderers or representatives of firms and suitable arrangements should be made to control and regulate the entry of persons having dealings with the Directorate General. They recommended the appointment of a Public Relations Officer to give information. They also recommended that the Director General of Supplies and Disposals and the Heads of Regional Offices should make arrangements to meet representatives of trade organisations to ascertain their difficulties and to take steps to remove them. Specific hours, they suggested, should be set apart on specific days for these officers to meet these people.

10.3. To give effect to the recommendations of the Santhanam Committee, the Directorate of Complaints and Public Relations was set up in June 1964. This Directorate consists of a wholetime Director of Complaints assisted by a Public Relations Officer of the rank of Section Officer. The office staff of this Directorate consists of 2 Assistants, 2 Upper Division Clerks and 4 Lower Division Clerks.

FUNCTIONING OF THE DIRECTORATE OF COMPLAINTS

10.4. The functions of the Director of Complaints and of the Public Relations Officer have not been specifically laid down. But the manner and scope of their functioning is outlined in the succeeding paragraphs.

10.5. The procedure followed for dealing with complaints and public grievances is as follows—

- (a) representatives from the trade can call on the Public Relations Officer between 10 a.m. and 12 noon and 2 p.m. to 4 p.m. on all working days for making any query or registering any grievance especially about any delay in any action to be taken by the Directorate General. They are required to fill in a "Position Slip" [commonly known as Public Relations Office (PRO) Slip] giving the full particulars of the query/complaint made by them. The representatives are then given a date on which they can call to ascertain the position of their cases (7 days for an ordinary case of delay, and one month for a case of finalisation). These slips are recorded in separate registers maintained for each Directorate and after allotting them serial numbers they are passed on to the Directors concerned for urgent disposal under intimation to the Public Relations Officer by the target date. The information furnished by the Directorates is entered in the registers for being passed on to the firm's representatives when they call on the appointed dates. Replies received from the various Directorates are scrutinised by the Director of Complaints to ensure that they are not evasive, vague or indefinite. In order to ensure that replies are given to the representatives on the given date and that no P.R.O. slips become overdue from any Directorate, a register is maintained indicating the movement of the P.R.O. slips due/overdue in each Directorate and the same is put up to the Director General every morning;
- (b) all slips are received in the Directorate concerned by the Personal Assistant to the Director who maintains the necessary record of these slips and then forwards these to the sections concerned. It is the responsibility of the Assistant Director/Section Officer to give the necessary position and then send it to the Public Relations Officer directly without routing it through the Personal Assistant. To complete his own record, the Personal Assistant gets the position from the Section Officer/Assistant Director. The manner in which the Personal Assistants and Section Officers maintain their record, however, differs with different Directorates and there is no uniformity;
- (c) trade representatives are free to bring cases of persistent delay and/or inaction to the personal notice of the Director of Complaints. Other classified complaints relating to wrong decisions, irregularities, technical queries/references, procedural difficulties, etc., are also received by the Director of Complaints direct. All such complaints are registered in a separate register. Depending on the nature and urgency of the complaint efforts are made by the Director to find an immediate solution as far as possible either by looking into the case personally or by discussion with the Director concerned;

- (d) a large number of complaints is also received by post and these are dealt with directly by the Director of Complaints in the same manner as mentioned at (b) above. Normally a reply is sent out to the complainant within about two weeks;
- (e) complaints/representations received through the Minister and the Ministry as well as those addressed personally to the Director General are attended to on a priority basis by the Director of Complaints himself. As a rule these complaints are disposed of within a week of their receipt in the Directorate General;
- (f) complaints received in respect of regional offices are also personally investigated by the Director of Complaints and if a complaint is of a serious nature it is brought to the notice of the Director General;
- (g) complaints involving corruption or suspicion of lack of integrity are immediately passed on to the Vigilance Officer if they *prima facie* require his attention;
- (h) shortcomings and common lapses discovered by the Director of Complaints/Director General are analysed and suggestions for remedial action are made from time to time.

THE UTILITY OF THE DIRECTORATE

10.6. The establishment of the Directorate of Complaints and Public Relations has been an unqualified success. There are, in the main, three criteria for gauging the measure of success achieved by such an organisation—first the number and genuineness of the complaints made; second, the effectiveness with which they have been dealt with and last, the effectiveness with which maladies have, as a result, been located.

10.7. To take up the first two criteria, a glance may be had at the statement at Appendix 84 which shows the number of complaints received from the Minister, the Secretary, the Ministry of Industry and Supply and the Director General during the period April, 1965 to June, 1965, complaints which, under the procedure prescribed were to be dealt with by the Director himself. This statement speaks for itself and for the utility of such a Directorate for it shows that a great majority of these complaints (853 out of 931) were wholly or partially valid and therefore wholly or partially accepted, the findings being obviously prompt.

10.8. Promptness is also testified to by the results of our case studies on P.R.O. Slips, the hub on which the system revolves, which show that—

- (a) in 8 per cent cases the replies received were evasive;
- (b) in 14 per cent cases the filling of the Position Slips was not justified as action had already been taken by the Directorate General;
- (c) in 13 per cent cases the slips were passed on to the purchase sections after more than 2 days;
- (d) in 6 per cent cases, replies were received late; and
- (e) in 4 per cent cases, the replies were not received at all even after 4 weeks.

10.9. The centralisation of complaints has helped discover maladies the existence or the full extent of which was never realised. Thus 20,000 cases pending finalisation in the Directorate General were brought to light—and a majority of these to conclusion—as a result of complaints received, although the statistics kept, obviously incorrectly, gave this number at less than 3,000. When dealing with these cases it was noticed that certain procedure e.g. those regarding the issue of import recommendation certificates, quota certificates, release of security deposits, etc. were cumbersome and measures were taken to simplify some of them. The result of all these efforts will be clear from the statement below—

Nature of Outstanding Cases	As existed on	
	1-6-1964	1-7-1965
Finalisation cases	14,654	5,786
Import Recommendation Certificates	149	80
Receipts	62,147	21,833
Amendments	3,044	1,183

The third criterion must also thus be deemed to be satisfied.

10.10. A great measure of the success of this organisation can be ascribed to the extent of the responsibility that the Director of Complaints is made to exercise directly. A broad idea of this responsibility can be gained from the narration describing the functioning of the Directorate. The load of work entailed by certain items will be more specifically clear from the following elucidation:

- (i) on an average, about 40 P.R.O. Slips are scrutinised every day by the Director of Complaints on their receipt back from the Purchase Sections. About 15 of these he handles himself;
- (ii) on an average, 10 persons see the Director of Complaints every day to register serious complaints of delay. Each person takes about 15 to 20 minutes and some of them may bring to his notice a large number of cases. Such cases are invariably investigated by the Director himself;
- (iii) besides these items and those for which, as described earlier, he undertakes direct responsibility the Director also attends to the following items of work—
 - (a) correspondence with the Pay and Accounts Officer for the disposal of complaints regarding the incorrect rejection of claims of firms;
 - (b) discussions with the Purchase Directorates/Inspection Wing/Indenting Officers arising during the course of investigation;
 - (c) correspondence with the Inspection Wing/consignees arising out of complaints about the rejection of stores;
 - (d) correspondence with the Regional Directors regarding complaints relating to their offices.

10.11. The preceding narrative furnishes sufficient justification for the retention of the Director of Complaints working whole-time and the Public Relations Officer along with his entire existing setup. Indeed the functions and the staff of the Public Relations Officer could be expanded both to meet the needs of the representatives of trade more comprehensively and to meet some of the needs of the indenting departments to which no attention has been paid so far.

Recommendations

10.12. (1) The functions of the Director of Complaints and of the Public Relations Officer should be specifically laid down as in Appendix 85 and Appendix 86 respectively.

(2) For the function listed at item number 16 in Appendix 86 the Public Relations Officer will need additional assistance. A note on the procedure followed at present and that proposed is at Appendix 19. Additional assistance to the extent of 1 Assistant and 2 lower division clerks will be required. The setup of the Directorate of Complaints and Public Relations will then be as in Appendix 87.

PROCEDURE FOR DEALING WITH COMPLAINTS

10.13. While the procedure for dealing with complaints has obviously paid considerable dividends, we feel that it is possible to streamline it further to eliminate duplication of work and consequent delay and to exercise a better check on its functioning.

Recommendations

10.14. (1) Position Slips should invariably be sent by Public Relations Officer/Director of Complaints to the Director concerned within 24 hours. This should be checked daily from the register by the Public Relations Officer, who should sign it in token of having checked it.

(2) Purchase Directorates should be instructed to avoid evasive replies like 'under consideration'. If any such reply is received, the Director of Complaints should take up the matter with the Director of Purchase concerned at his own level so that this is avoided in future. In all such cases where the decision/action is likely to take some time, the section concerned should intimate to the Public Relations Officer the likely date by which action will be completed. The Public Relations Officer will then ask the firm's representative to come and collect the information thereafter.

(3) At present there is no systematic arrangement for reminding the purchase directorates for returning the position slips which are referred back to them by the Public Relations Officer as the reply furnished by them in the first instance was vague or unsatisfactory. It is recommended, therefore, that the Public Relations Officer should maintain a Brought Forward Register date-wise to remind the purchase sections of such outstanding position slips. Two days before the due dates of such slips the purchase directorate should be reminded by the Public Relations Officer.

(4) The representatives of the firms should be educated to file slips only after they have been informed by their principals about delay instead of approaching the Public Relations Officer in a routine manner to know the position of the letters written to the Director General, Supplies and Disposals, by their principals.

(5) It is necessary that only accredited representatives of firms should see the Public Relations Officer and the Director (Complaints). These officers should satisfy themselves that the persons who contact them are, in fact, the accredited representatives of the firms.

(6) As mentioned earlier, all position slips are filed with the Public Relations Officer who gives a serial number to each slip and intimates the number to the visitors for use on the return visit. Thereafter, these slips pass through the following stages before they reach the section concerned:—

- (i) entries in the register maintained by the Public Relations Officer Cell;
- (ii) entries in peon book for passing on the slips to the Personal Assistant to the Director;
- (iii) entries in the register maintained by Personal Assistants to the Director;
- (iv) passing on of slips by the Personal Assistant to Section concerned;
- (v) entries in the section's register;
- (vi) entries in the peon book for returning slips with position to the Public Relations Officers' cell.

From the above it is evident that the record of position slips is being maintained at 3 different places—the Public Relations Officer's cell, the personal sections of the Directors and the purchase sections concerned. To save this infructuous labour of entering the same at three places it is recommended that the Public Relations Officer's Cell should diarise section-wise the position slips in triplicate (as shown in the form at Appendix 88). The original should be maintained by the Public Relations Officer Cell, the second copy by the purchase section and the third by the personal section. After diarising the slip section-wise the Public Relations Officer's cell will send the other two copies along with the position slips to the personal section of the Director concerned and get the signature of his Personal Assistant in token of its receipt on the original copy. The Personal Assistant will hand over the duplicate copy along with slips to the purchase section and get the signature of the officer concerned on the third copy. The third copy will be maintained by the Personal Assistant for progressing position slips.

(7) These diary sheets should be kept datewise in the folders for each Directorate in the Public Relations Officer cell. Similarly, Personal Assistants and sections should maintain their own record separately. At the end of each month these folders should be bound in a volume.

(8) These volumes will replace the present registers maintained by the Public Relations Officer cell.

If the above proposals are adopted the number of places where the Public Relations Officer slips are now being entered will be reduced from 6 to 2, i.e.:—

- (i) the diary sheets in the Public Relations Officer cell;
- (ii) the section's peon-book returning the slips with the position to the Public Relations Officer.

Moreover, at present it is not indicated in the record of the Public Relations Officer when the information is given to the firm. The necessary column has now been added in the proposed diary sheet.

REGIONAL OFFICES

10.15. For 5 of the regional offices, the post of head-clerk has been sanctioned for functioning as a Public Relations Officer. The procedure for dealing with complaints followed in the headquarters has not yet been started in these Directorates.

Recommendations

10.16. (1) A Public Relations Officer should be sanctioned for every regional office, purchase as well as inspection.

(2) The regional Public Relations Officer should work directly under the control of the regional Director. However functional guidance will be given by the Director of Complaints and the Public Relations Officer at the headquarters who should also visit the regional offices once in 6 months to inspect the functioning of the Public Relations Offices. Confidential reports, however, will be recorded only by the regional Directors and not by the Director of Complaints.

(3) While selecting head-clerks for this work only those persons who have some knowledge of the working of the Directorate General of Supplies and Disposals should be selected.

(4) The procedure for dealing with complaints followed by the Public Relations Officer in the regional offices should be the same as that followed by the Public Relations Officer in the headquarters.

CHAPTER XI

DELEGATION OF POWERS

11.1. There can never be any finality about delegation of powers to and within an organisation like the Directorate General (S&D). Expansion in its work-load, changes in structures and in the price index justify rethinking on the subject from time to time. We are concerned here with the need to delegate purchase, administrative and financial powers to levels that we consider can competently exercise them. The delegations worked out include delegations from Government to the Director General (S&D) as well as delegations within the Directorate General, Supplies and Disposals. Our recommendations have been guided by the following general principles:

A—PURCHASE DELEGATIONS

- (1) the value of purchases made through DGS&D has been increasing heavily during the last few years as evidenced by the following statement:

<i>Year</i>	<i>Value of orders placed (in Crores of Rupees)</i>
1959-60	182.94
1960-61	222.40
1961-62	259.13
1962-63	405.15
1963-64	553.04
1964-65	456.26

In the Fourth Plan purchases will record an even larger increase. It will be necessary to offset the increase in work load on the higher echelons by adequate delegations;

- (2) the trend of prices is inflationary. If the powers of purchase officers are not proportionately increased, the balance of work-load with the officers at various levels will be disturbed;
- (3) there are some inconsistencies in the existing delegations which need to be rationalized;
- (4) unduly wide gaps between the powers enjoyed by the officers at various levels, for which there is no ostensible reason, should be narrowed to the extent reasonable;
- (5) there should be a greater measure of trust especially in the higher levels i.e. Director and above. Delegations can be made as a consequence without ignoring canons of prudence.

B—ADMINISTRATIVE AND FINANCIAL POWERS

All matters, especially routine matters, should be decided at the lowest level that can, consistently with the requirements of efficient functioning, be trusted with such decisions.

11.2. The purchase delegations proposed may be seen at Appendix 89. The administrative and financial delegations along with the broad sheets elaborating them may be seen at Appendices 90 and 91.

In making these recommendations we have kept in view letter dated the 24th December, 1964 from the Ministry of Home Affairs conveying the conclusion of the Committee of Secretaries that delegations should be made to the attached offices to such a degree that only the really unavoidable functions and powers are retained in the Ministries.

CHAPTER XII ORGANISATION

THE EXISTING SET-UP

12.1. The existing set-up of the Directorate General of Supplies and Disposals may be seen in the chart at Appendix 92. It will be clear from this chart that the following 12 authorities report directly to the Director General:—

- (1) Additional Director General (Railways).
- (2) Deputy Director General (Defence).
- (3) Deputy Director General (General).
- (4) Deputy Director General (Inspection).
- (5) Deputy Director General (S&D), Calcutta.
- (6) Director of Complaints.
- (7) O.S.D.
- (8) Control Officer (Finalisation).
- (9) Director of Administration.
- (10) Director of Supplies & Disposals, Madras.
- (11) O.S.D. (Litigation).
- (12) Director of National Test House, Calcutta.

If a Planning and Development Division and an O&M Division are set up as recommended in our interim report and the National Test House taken out of his purview the number of authorities reporting to the Director General will increase to 13. It is difficult for one officer to directly supervise 13 senior officers (including a regional director) besides doing purchase work, exercising supervision not only in the headquarters but also over the regions, and attending various kinds of meetings and to liaison work. This situation often bogs him down to detailed work of a kind that could be attended to at a slightly lower level and prevents him from devoting enough time and attention to problems of overall surveillance, evaluation and reform. There is on the face of it a clear need to give the Director General more assistance at the higher level to make his own task more manageable and also to secure better coordination of and control over the different constituents of the organisation. Before making recommendations on this aspect, however, certain other matters affecting the overall set-up may be discussed.

PLANNING AND DEVELOPMENT DIVISION

12.2. The need for setting up a Planning and Development Division was emphasised in our interim report and accepted in principle. It is not necessary for us to repeat the arguments for creating such a division. Since the submission of our interim report imports have been severely curtailed and the need for such a division to help develop import substitution has become more pronounced. Besides certain items not initially listed can

also be entrusted to this Division. In the matter of development the emphasis will be on items of mechanical engineering for which purposes the services of the Directors of Civil Armaments should also be availed of. The division will need to be headed by an officer of the rank of Additional Director General. The emphasis in staffing this division must be on calibre and staff at the lower level should be given at the minimum necessary.

Recommendations

12.3. (1) A Planning and Development Division should be set up to perform the functions listed at Appendix 93.

(2) This Division should consist of an Additional Director General and 2 Directors, each assisted by an Assistant Director. One Director will be responsible for items like planning, bulking, standardising, rationalising, etc., while the other Director will be responsible for development, cost analysis, import substitution etc. The first Director may be assisted by three Technical Assistants while the second Director may be assisted by two Technical Assistants. Each Director will have one stenographer while the two Assistants Director will share one stenographer. There will be a common section, consisting of one L.D.C. for receipt, diary and despatch and two L.D.Cs. for typing, supervised by one of the two Assistants Director. Besides these two Directors, the Directors in charge of Civil Armaments can also be consulted by this division and for this purpose this division as well as the Directors of Civil Armaments should be placed under the Additional Director General. In a nutshell the additional staff required will be—

Additional Director General	...	...	...	...	1
Directors	...	...	...	...	2
Assistants Director	...	...	...	...	2
Technical Assistants	...	...	...	...	5
Personal Assistant	...	...	...	...	1
Stenographers	...	...	...	...	3
L.D.Cs.	...	...	...	...	3

ORGANISATION AND METHODS, COORDINATION AND THE OFFICER ON SPECIAL DUTY

12.4. We had recommended in our interim report that the cell for O&M work should be strengthened, given additional staff and headed by an officer of the rank of Director, and that the existing post of Deputy Director should be abolished. The Empowered Committee when considering this recommendation felt that while there would be no objection to strengthening the cell as proposed it was necessary to see what the overall need of the Directorate General was for staff at the level of Director. At that stage the overall need had not been studied by us. We have since examined the matter and we find that there is full justification for retaining wholetime the posts of the Director Complaints and the Director Administration. The Directorate of Coordination has been without a Director ever since he was shifted to the Progress Wing and needs to be supervised by a Director instead of an Additional Director General as at present. The

existing organisation and functions of the Directorate of Coordination are given at Appendix 94. Much of the work of this Directorate is related to that of O&M and the Director O&M could also be entrusted with the Directorate of Coordination. Registration and sales tax could be appropriately taken away in that case and entrusted to another officer. It will however be necessary to retain the post of Deputy Director O&M originally sought to be abolished by us. Two assistants in the O&M Cell at present engaged in work relating to recording, indexing, weeding, pension cases, late attendance, overtime, security, etc. should be transferred to the Directorate of Administration where they properly belong.

As for the O.S.D. he is doing the following items of work—

- (1) the convention of the study team;
- (2) re-organisation, rationalisation and simplification of procedures;
- (3) the Import and Shipping Section including the cross-mandation of indents and the allocation of foreign exchange;
- (4) the convention of certain working groups for coordinating matters pertaining to import substitution and to take steps to increase the capacity of items in short-supply;
- (5) work relating to the Public Accounts Committee including audit objections, queries and requisitions.

The work of the study team has come to an end. In any case this as well as the work of reorganisation on which this officer is engaged belongs properly to O&M. This has formed the bulk of his work. Work relating to import and shipping, the working groups and audit objections which forms about 30 per cent of his work can be distributed among other officers and the post of O.S.D. abolished.

Recommendations

12.5. In a nutshell our recommendations are—

- (1) an O&M Division should be set up headed by an officer of a rank equivalent to that of Deputy Secretary. The set-up of this Division should be as in Appendix 95. Two of the existing assistants/U.D.Cs. doing work relating to administration should be transferred to the Directorate of Administration. The additional posts required for this purpose will be—

Officer of the rank of Director/Deputy Secretary	...	1
Section Officers/Junior Analysts	... ..	2
Assistants/U.D.Cs.	... ..	4
Stenographers	... ..	2

- (2) the existing Directorate of Coordination excluding the Registration Branch and the Sales Tax Section should be transferred to the O&M Division;
- (3) work relating to registration and sales tax may be transferred to the D.D.G.(G) referred to in paragraph 12.7 following.

- (4) the post of O.S.D. should be abolished and the work distributed as follows—
- | | | |
|--|---|------------------------------------|
| (a) (i) the follow-up of the study team's report, | } | O&M Division |
| (ii) re-organisation, rationalisation and simplification of procedures, | | |
| (b) Import and Shipping Branch including allocation of foreign exchange | | D.D.G.(G) |
| (c) working groups and import substitution | | Planning and Development Division. |
| (d) work relating to the Public Accounts Committee including audit objections, queries and requisitions. | | Directorate of Administration. |

FINALISATION

12.6. It has already been recommended that the function of finalisation except that of price finalisation should be performed by the purchase sections. The existing price finalisation unit may therefore be retained and the rest of the organisation wound up. The following staff will thus become surplus—

Director	...	...	...	...	...	1
Deputy Director	...	...	...	...	...	1
Assistants Director	...	...	...	...	...	2
Accounts Clerks	...	...	...	...	...	5
Assistants/U.D.Cs.	...	...	...	...	...	27
Stenographers	...	...	...	...	...	2
L.D.Cs.	...	...	...	...	...	24

D.D.G.(S&D) CALCUTTA

12.7. After the Chinese invasion a Deputy Director General was posted in Calcutta as both purchase and progress work underwent a sudden increase. Apart from exercising his own powers for ordinary purchase work this officer was given enhanced powers regarding the purchase of jute. The workload in this region does not justify the retention of a wholetime officer of this status there. Work in the Calcutta office has of late shown a downward trend. During the period April to October 1965, 785 indents

were placed on the Calcutta office as compared to 976 and 1085 during the corresponding periods in 1964 and 1963 respectively. If the proposal, at present under the consideration of government, to have long term arrangements for the purchase of jute goods matures workload in the Calcutta region will register an even sharper decline. Calcutta does throw up a great deal of progress work but detailed field work of that kind is more suitably handled by an officer of the rank of Director rather than of Deputy Director General.

In this context a suggestion was made to us that supervision, control and coordination in the regions could best be secured by appointing a D.D.G. in each of the three main regions to supervise the work of all offices in his region—supplies, progress, civil armaments and inspection. For securing supervision and control this is an attractive proposal. We are however unable to recommend it primarily because such an arrangement will place both purchase and inspection under the control of one person at the operational level which can be objected to in principle. Indeed, the view has been expressed that the inspection of stores should be entrusted to an agency totally independent of the D.G.S.&D. While this is not practicable it would be an error to go to the other extreme and place inspection and purchase under the same officer in the field. A secondary reason is that a D.D.G. will not have enough work if he is posted in addition to the various Directors in the region, and will have too much of it if he supplants one of the Directors.

As posting Deputy Directors General in the field is not feasible the only practicable proposition left, to give adequate assistance to the Director General is to strengthen the organisation at the Headquarters at the higher supervisory level. We have already recommended the placing of the Planning and Development Division and the Directors of Civil Armaments under the Additional Director General. In lieu of a D.D.G. in Calcutta a D.D.G. should be posted in the Headquarters organisation to be given charge of all progress work in the headquarters as well as in the regions, the regional offices of supplies and disposals except the Textiles Directorate at Bombay, the price finalisation unit, the Registration Branch, the Sales Tax Section, the Directorate of Disposals and the Import and Shipping Branch (including the allocation of foreign exchange). This D.D.G. should be called D.D.G. (General) and with his presence in the headquarters it should be possible to dispense there with one of the two Directors (Progress) who could be posted to Calcutta. The existing D.D.G. (General) should be renamed D.D.G. (Engineering). These recommendations are recapitulated in the paragraph following.

Recommendations

12.8. (1) The post of the D.D.G. (S&D), Calcutta should be shifted to the Headquarters organisation at Delhi.

(2) One post of Director (Progress) should be shifted from Delhi to Calcutta who in addition to progress work should be entrusted with the Shipping and Disposal Branches there.

(3) The revised set up of the organisation should be as shown in the chart at Appendix 96.

PERSONNEL IMPLICATIONS

12.9. The net additions and reductions as a result of the proposals in this chapter will be as follows:—

<i>Category</i>	<i>Additions + Reductions —</i>
Additional Director General	+ 1
Directors etc.	+ 1
Assistants Director/Section Officers	+ 2
Technical Assistants	+ 5
Assistants/U.D.Cs.	— 23
Personal Assistants	+ 1
Stenographers	+ 2
Accounts Clerks	— 5
L.D.Cs.	— 22

12.10. The net result on the staff position emerging from all our proposals, in this as well as in the earlier chapters, is given at Appendix 97.

Amar Nath Vidyalankar	Chairman
K. R. Shenai	Member
P. K. Kathpalia	Member
S. Malhotra	Convenor

NEW DELHI,
November 21, 1965.

**PART II
SUMMARY
OF
RECOMMENDATIONS**

(111—112)

SUMMARY OF RECOMMENDATIONS

Sl. No.	Recommendation	Paragraph of the report
1	2	3

CHAPTER II—Registration

- | | | |
|---|---|-----|
| 1 | Uniform criteria for assessing the requirements of equipment and testing for different categories of stores should be laid down by Deputy Director General (I) to make registration more objective. For this purpose an additional post of Dy. Director (I) may be created for a period of one year | 2-3 |
| 2 | (1) Application form for registration should be accompanied by a questionnaire to serve as a list of check points for the applicant.
(2) The revised form of application for registration as at Appendix 6 should be adopted | 2-5 |
| 3 | The revised Control Chart for registration cases as at Appendix 7 should be adopted and submitted to DD (Reg.) every week .. | 2-7 |

CHAPTER III—Purchase

SECTION 2—The Pre-contract Stage

- | | | |
|---|--|------|
| 4 | To help the indentors avoid the usual errors and omissions a check list in the form at Appendix 9 should be printed on the top of the indent form. | 3-12 |
| 5 | The indent delivery period in the case of an indent sent late after signing should be re-fixed without reference to the indentor, by extending it to the extent of delay in transmission. A note to that effect should be printed on the indent form | 3-12 |
| 6 | A catalogue containing specifications of various items of stores should be prepared by the proposed Planning & Development Division for circulation to the indenting officers. It should be reviewed from time to time by that Division | 3-12 |

1	2	3
7 The present instructions that the indents should be addressed to the specific post box numbers given for Defence, Railway and Civil indents should be clearly indicated on the indent forms		3-14
8 Where the indent particulars can be checked by the Inspection Wing without making any reference to the indenting officer, the indents should be sent back to the Central Indent Section within 48 hours. A daily report on pending cases should be submitted by each officer to the Director of Inspection		3-17
9 In cases in which back references on indents have to be made to indentors, a time limit—normally three weeks—should be given, for a reply. In some cases longer time may be given if Inspection Wing consider it necessary. If no reply is received within this period, the indent should be treated as cancelled. The forwarding letter to the indentor which should have a standardised form, should clearly make a mention to that effect		3-17
10 A revised pamphlet (at Appendix 11) containing instructions for the guidance of the indenting departments has been prepared and may be adopted. Changes recommended in this report, after their acceptance, should be incorporated in the pamphlet		3-19
11 To provide sufficient time for submitting offers ten days extra period should be automatically added to the time-limits at present prescribed in cases of advertised tender enquiries published in the Indian Trade Journal, or in cases where firms have to obtain drawings/specifications from outside authorities. The existing instructions should be amended accordingly		3-22
12 A small-priced tender bulletin, to which all registered suppliers can be expected to contribute, should be issued weekly by the Directorate General (Supplies & Disposals). This bulletin should also publish decisions taken on tenders as well as any other information of use to the suppliers or indentors		3-24
13 Trade lists should be immediately reviewed and brought up-to-date by each purchase section. They should be reviewed annually by the Assistant Director		3-26
14 Where a firm is considered technically and financially capable of manufacturing a store, it should not be asked to submit a sample at the stage of tendering. Samples, where necessary, should be asked for only after the contract has been placed but before the firm undertakes bulk manufacture		3-28

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SECTION 3—*The Contract stage*

- 15 (a) Each Director should draw up a list of check points for each category of stores with the help of which the purchase officer should conduct his scrutiny of the tender.
- (b) A purchase officer, before making a reference either to the indenter to consult him on any issue or to a firm seeking any clarification, should invariably state on the file that he has covered all points and that no other issue for reference remains.
- (c) The modified Indent Route Card at Appendix 12 should be adopted 3-30
- 16 To make the delivery dates in the contracts requiring issue of quota certificates more realistic time schedules similar to the one at Appendix 13 should be prepared by the Deputy Director (Steel), Calcutta, revised by him every year, and made available with every purchase officer concerned for consultation before finalising the contract .. 3-33
- 17 (a) All cases where acceptance of tenders has not been issued within 48 hours after the decision on tenders has been taken or where the formal acceptance has been delayed beyond 5 days after issue of the advance acceptance, should be brought to the notice of the Director, who should investigate the reasons for such delays. (b) This information should be incorporated as in the revised monthly control chart (Appendix 23) which should be adopted .. 3-35
- 18 (a) Detailed instructions should be issued to the purchase sections regarding the particulars which should be furnished to enable the Imports and Shipping Section to cross-mandate the indents. These particulars should be furnished in respect of items mentioned in Appendix 14.
- (b) The Import & Shipping Section should be given 48 hours to cross-mandate the indent after its receipt. The Deputy Director (Imports and Shipping) should get a daily report about pending indents for cross-mandation .. 3-37
- 19 To avoid omissions in the contracts which require the issue of amendment letters later a list of check points (Appendix 15) should be introduced for the scrutiny of draft contracts. Both the Assistant and the Assistant Director should append their initials against items in this list in token of having verified them 3-40

SECTION 4—*The Post Contract Stage*

- 20 (a) Import Recommendation Certificates should accompany the contracts. Where they cannot, they should be issued within 48 hours thereafter. (b) This time limit should be strictly enforced and adherence to it secured through the revised control chart at Appendix 23 .. 3·43
- 21 (a) Where no lists of goods are attached, applications for the issue of the import licences against Import Recommendation Certificates should be submitted by the firms direct to the licensing authorities.
- (b) Where lists of goods are attached and require attestation, the applications should be submitted to the Liaison Officer in the D.G.S. & D. rather than to the purchase section. The Liaison Officer should then collect the relevant purchase file and within 24 hours of the receipt of the application pass it on to the Chief Controller of Imports & Exports for necessary action.
- (c) All import licences requiring re-validation, amendments, corrections, etc., should also be sent to the Liaison Officer who should then take expeditious action for getting the comments of the purchase section concerned. He should also be responsible for watching the expeditious disposal of such applications.
- (d) To enable the Liaison Officer to take action where the issue of import licences has been delayed the contractor should be asked to give particulars of his application submitted to the C.C.I. & E. in a slip in the form at Appendix 16. This slip should be attached to the covering letter with which the import recommendation certificate is sent. The firms should return these slips, duly filled in, within 15 days, failing which a reminder should be sent to them. There should be a standard printed reminder card.
- (e) The amended form of the covering letter with which the import recommendation certificate is sent. should be adopted as at Appendix 17 .. 3·48
- 22 With a view to having adequate classified information to serve as a 'guide-book', a store-wise/directorate-wise register should be maintained by the Material Estimating Section alphabetically showing the details of calculations and quantity of raw materials required/issued in respect of each specific store with a reasonable allowance for wastage .. 3·50

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23	Quota certificates for the release of raw materials should accompany the A/T. To facilitate this, as soon as the A/T with the relevant steel clause is ready to be issued, intimation should be given by the purchase section to the Material Estimating Section with full particulars of the Acceptance of Tender so as to have the quota certificate typed out in terms of the contract for issue with the Acceptance of Tender	3-50
24	As a check on delay in the physical delivery of steel attributable to the contractor, the Steel Cell should— (a) see that the suppliers place an indent with the Iron & Steel Controller within 15 days of the receipt of the Quota Certificate; (b) see that the supplier deposits the cost of raw materials with the producer within 15 days of the offer of the producer; (c) chase the delaying party; (d) keep control in the form at Appendix 18	3-52
25	A time-limit of 7 days should be laid down for the issue of all amendment letters unless they require a reference to the indenting officer or some other authority, in which case the amendment letter should be issued within 7 days of their reply	3-54
26	For extension of delivery period, the suppliers should be instructed to seek extension for a specific period from the date of issue of the amendment letter, rather than for an extension upto a specified date as is being done now, so that even if there is some delay in the issue of the amendment letter, the supplier gets the required time	3-54
<i>SECTION 5—Rate Contracts</i>		
27	Whenever parallel rate contracts are concluded specified Direct Demanding Officers should be earmarked for each Rate Contract holder, the distribution being made according to the firm's capacity and the users' requirements ..	3-57
28	There should be no general categories of Direct Demanding Officers. Only one officer should be declared as a Direct Demanding Officer in one office. The list of Direct Demanding Officers should be properly prepared in the form indicated in para 3-59 and kept up-to-date. These lists should be reviewed at the time of the renewal/conclusion of fresh rate contracts and exact designations given	3-59

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SECTION 6—Payments		
29	Work relating to the finalisation of cases should be transferred from the Finalisation Wing to the purchase sections except that relating to price finalisation	3·71
30	In price finalisation cases, the actual amendment letters finalising the cases should be issued by the purchase sections which may refer the cases to the price finalisation unit for advice	3·71
31	To ensure that there is no delay in finalising cases in the purchase sections, the responsibility for watching their disposal should be that of the Director. An external check should be had through the Progress Wing, who should prepare lists of contracts where supplies have been completed during the previous month separately for each purchase section and supply them to the Purchase Director for keeping a watch over the finalisation of these cases. After the expiry of one month the Progress Wing should take up with the Purchase Director all cases which have not been finalised. All cases where finalisation is delayed beyond 6 weeks should be brought to the notice of the Deputy Director General and the Director General by the Director/Purchase Wing ..	3·71
32	All cases should normally be finalised within 6 weeks of the completion of supplies	3·71
33	Instructions should be issued immediately by the Chief Pay & Accounts Officer to all his officers not to return bills of the contractors on the plea that they have not received their copies of the contracts or the amendment letters. They should instead take up the matter with the purchase officers telegraphically and ask them to send the copies duly authenticated	3·74
34	Where the paying authority feels that an amendment to the contract is absolutely necessary to enable him to make the payment the Central Purchase Organisation should not withhold the issue of such an amendment even though they hold the opposite view. This should be issued in cases where there is no dispute about the substance of the matter and the disagreement with the paying authority is only on form i.e. the legal necessity of issuing a letter of amendment	3·76

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35	In all cases where security deposit is to be paid by a supplier a copy of the blank form of the 'No Demand Certificate' should be sent to him along with the contract. Immediately on completion of supplies and after obtaining full payment in respect of the contract the supplier should forward this 'No Demand Certificate' duly filled in to the purchase officer requesting him for the refund of the security deposit and this should be made clear on the reverse of the 'No Demand Certificate'	3·78
36	The refund of the security deposit must be authorised by the purchase officer within ten days of the receipt of the request complete in all respects. A separate register should be maintained for all such requests which should be reviewed by the Assistant Director of Supplies once a week	3·78
<i>SECTION 7—Control and Returns</i>		
37	An abstract as at Appendix 22 should be prepared at the end of every day in the indent register and signed by the Assistant Director in charge of the Tender Enquiry Cell and the Director in token of having checked it	3·82
38	The information in the control form (Appendix 23) should be furnished to the Director every day by the sections in his Directorate on the various items as given in the paragraph 3·82(2). The Deputy Director General should see this chart for the Directorates under his control once a month ..	3·82
39	Certain statements and returns should be discontinued or merged (of Appendices 24—31)	3·84
<i>SECTION 8—Terms and conditions governing contracts entered into by the D.G.S. & D.</i>		
40	Modifications to the general terms and conditions of supply contracts should be carried out as indicated below:— ..	3·86
	(a) clause 4(ii) of the General Conditions of Contract regarding consignees' right of rejection should be modified to provide for arbitration in case the rejection by the consignee is contested by the supplier	3·86 I
	(b) Clause 6 of the General Conditions of Contract should be amended as indicated in para 3·86 II	3·86 II
	(c) clause 9(ii) of the General Conditions of Contract should be amplified to provide for reasons of rejection to be communicated to the contractor	3·86 III

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- (d) clause 14 of the General Conditions of Contract regarding delivery should be modified to provide for the automatic extension of delivery period in case inspection is delayed for no fault of the supplier. The contract delivery clause should be suitably amended 3·86IV
- (e) the delivery clause in the case of fabrication contracts which are subject to assistance of raw materials by the D.G.S. & D. should be revised to provide for the automatic extension of delivery period in case the delivery of raw materials is delayed for no fault of the contractor .. 3·86 V
- (f) the last paragraph of clause 11 of the D.G.S. & D.—101C accompanying the tender inquiry should be amended 3·86 V
- (g) clause 19 of the General Conditions of Contract regarding payments under the contract should be amended to provide for making final payments to the supplier in case the consignee fails to despatch the receipted copy of the inspection note within 90 days 3·86 VI
- (h) Sales Tax should be paid at the rate it is actually levied provided the supplies have been made in time and there is no fault on the part of the contractor 3·86 VIII
- (i) Where the rate of excise duty is fixed per unit of store, production of ARI form along with the bill should not be necessary. The rate of excise duty should be given in the contract itself on the basis of which the supplier should claim it as a part of the contract price. However, in cases in which the rate of excise duty is percentage ad valorem and is not the same as specified in the contract, submission of ARI form with the bill should be insisted upon. The supplier should also be reimbursed excise duty in the case of upward revision 3·86 VIII
- (j) Customs duty actually paid should, on the basis of the documents produced, be reimbursed to the supplier. The customs duty clause in the tender enquiry should be revised accordingly 3·86 IX
- (k) In the case of rate and long term contracts if an increase occurs in the price of raw materials, such increase should be allowed automatically upon the expiry of the period be specified by mutual consultation, after the date on which such increase occurs. This period should be specified in the contract and should be worked out in each individual case after taking into account the manufacturing process, the time taken to manufacture the store and to consume the raw materials 3·86 X

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(l) In the following categories of sales, the fall clause should not apply :		
(i) sale or disposal of any stock or goods under orders of a court of law.		
(ii) sale of goods, as original equipment which is always made on the prices lower than the prices charged for normal replacement.		
(iii) Sale of goods, such as drugs, which have expiry dates		3-86 XI

SECTION 9—*Organisation*

41	An ordinary purchase section should consist of one Assistant Director, A Stenographer, 1 Assistant and 2 Lower Division Clerks	3-103.
42	The strength of the Tender Enquiry Cell should be 1 Assistant Director, half a Stenographer (or 1 Stenotypist), 2 Assistants/U.D.Cs. and 2 L.D.Cs. each	3-103.
43	The strength of the Contract Cell should be 1 Assistant Director, 4 Assistants (2 for comparative statements), 2 L.D.Cs. and 1 Stenotypist	3-103.
44	The strength of a rate and running contract section should be 1 Assistant Director/Section Officer, 1 Stenotypist, 3 Assistants/U.D.Cs. and 2 L.D.Cs.	3-103.
45	Tender Enquiries and Comparative Statements in the case of rate and running contracts should be prepared by the rate and running contracts sections themselves	3-103.
46	The officer in charge of the purchase section should himself initiate all action regarding purchase proposals and should, as far as possible, deal with correspondence as it comes with the help of his stenographer	3-103.
47	Work regarding finalisation should be done in the purchase sections provided that	
	(a) where necessary, the purchase sections may ask for the advice of the price finalisation unit before issuing amendments in price finalisation cases, and	
	(b) the current cases in the Finalisation Wing may continue to be dealt with there..	3-103.
48	There should be 17 rate and running contract sections and 58 ordinary purchase sections	3-103.

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49 An additional Directorate should be created bringing the total of Purchase Directorates to nine. This will involve the creation of two additional posts—one of Director, one of Deputy Director		3·103
50 The allocation of items among different Directorates may be rationalized as in Appendix 36		3·103
51 Each Directorate should have staff consisting of 2 Assistants and 1 L.D.C. for deployment in any section that finds itself over-worked on any occasion		3·103
52 The number of sections and their distribution can never be static as the number of indents varies from year to year. However, to carry out a reorganisation of the Purchase Wing and to distribute the 75 sections the O & M Unit should within a month and as a priority measure		
(a) calculate the number of indents in 1965 item-wise in the three categories—rate contracts, running contracts and A/Ts,		
(b) distribute the items among the 75 sections, and		
(c) apportion sections among Directorates		3·103
53 To recruit stenotypists full powers should be given to the Director General if the cadre authorities are unable to supply them. This will include powers of recruitment direct from the Employment Exchange but will be subject to the condition that the persons so employed will be retrenched once the cadre authority is able to supply the men		3·103
54 If stenographers are not immediately available stenotypists should be engaged, one stenotypist against one stenographer, until stenographers become available		3·103
55 If despite this stenotypists are not available, and in any case to train stenographers, an adequate number of LDCs in the Directorate who will become surplus as a result of these orders may be given training in stenography. One instructor may be engaged by the Director General and given suitable remuneration. He should be from the open market (and paid about Rs. 400 P.M. or so) or he could be a competent stenographer of the 1st grade in the Government of India in which case he should be given special pay of Rs. 100 p.m. It should be possible for him to train about 60 to 80 Stenographers/stenotypists in a year. For this purpose an ex-cadre post may be created. The trainees will have to give a bond agreeing to serve Government for five years		3·103

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56	The reorganisation on the lines suggested above should be phased and to begin with only two purchases sections per Directorate i.e. 18 purchase sections in all should be brought on this officer-oriented system the limiting factor being the availability of stenotypists/stenographers ..	3-103
57	Depending on the availability of stenographers/stenotypists the second phase should start six months after the start of the first phase. About a year and a half after the start of the first phase the entire Purchase Wing at the Headquarters should be covered by this system ..	3-103
58	The purchase section in the Regional Directorates should consist of an Assistant Director, 1 stenographer, 2 UDCs and 3 LDCs	3-105
59	The tender Enquiry Cell should consist of an Assistant Director, 3 U.D.Cs and 3 L.D.Cs plus 2 U.D.Cs for comparative statements to function under the Assistant Director in charge of the Tender Enquiry Cell	3-105
60	In the Directorate of Supplies (Textiles) at Bombay, 1 Technical Assistant in the Directorate in addition to the normal strength of Purchase Sections may continue as at present	3-105
61	Some staff should be given to each Regional Directorate for deploying in sections that find themselves pressed by a particularly heavy load of work on any particular occasion. The extent of augmentation on this account in each Regional Office may be seen in the statement at Appendix 37	3-105
62	There is no reason why there should be any distinction between the existing non-gazetted Superintendents and "UDCs in charge". The two should also be brought on the same scale	3-105
63	As sections will be directly under the charge of Assistant Director there will be no need for functionaries like non-gazetted Superintendents or "UDCs in charge". Nevertheless these persons exist and have to be provided for. Besides, there are no promotion opportunities for UDCs other than these except to the very limited extent to which they can be absorbed as Junior Progress Officers. Total abolition, for all times to come, of the posts of superintendents and "UDCs in charge", without providing any alternative means of promotion, will be justly resented by the clerks in these offices. Instead of these	

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posts, therefore, a selection grade for UDCs should be formed. The number of posts in the selection grade should be the same as the number of posts of non-gazetted superintendents and the "UDCs in charge". This should be applicable not only to those who are engaged on purchase work but throughout the Regional Directorates. Regarding the scale of pay, this could be the existing scale of the non-gazetted superintendents i.e. Rs. 350—475 or it could be the scale of J. P. Os. i.e. Rs. 325—575		3-105
64 All UDCs in the selection grade should be eligible for promotion to the posts of Assistant Director Grade II and the recruitment rules should be amended accordingly		3-105
65 It is recommended that no downward revision in leave reserve should be made as a result of these proposals		3-107
SECTION 10— <i>Miscellaneous</i>		
66 Within the over-all direct purchase power of Rs. 5,000 the indentors should be delegated powers of direct purchase for each individual item not exceeding Rs. 2,000 in value. In applying this delegation, the cost of an accessory or a fitting should be included in the cost of the item		3-111
67 The Directorate General (Supplies & Disposals) will not return an indent even if it falls within the powers of the indentor, if adequate reasons are given explaining the difficulty in obtaining the item		3-111
68 There are certain items e.g., barbed wire, hides and skins which should be taken out of the decentralised list and should, like textiles, be centralised, not at the headquarters but in the regions in which they are exclusively or almost exclusively manufactured or demanded. To facilitate this each Director should prepare a list of such items in respect of his Directorate for which the sources of supplies are, in the main, situated in a particular region and specifically mention the regions to which these may be transferred		3-114
69 Purchase of items which are solely demanded by a particular indentor in the whole of the country should be entrusted to the nearest regional office and each Director should prepare a similar list of such items		3-114
70 Arrangements for the disposal of work on account of these items should be made on the same lines as for the disposal of other items centralised in the regional offices		3-114

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71 Additional staff required by the Regional Directorates for this purpose after re-adjustment within the organisation will be marginal and should be calculated at the appropriate time		3-114
72 A standard form of attorney should be prepared by the Directorate General (S & D) in consultation with the Ministry of Law to avoid delays in payment to suppliers ..		3-116
73 Separate consolidated instructions for the guidance of various branches of the Directorate General should immediately be compiled and issued on subjects as office procedures, purchase procedures, inspection procedures, and disposal procedures. Also separate pamphlets of instructions should be issued on :—		
(i) the maintenance of statistics;		
(ii) the preparation of the Administration Report;		
(iii) closing cases and destruction of record;		
(iv) the registration of firms;		
(v) arbitration, legal proceedings, and the settlement of claims;		
(vi) treatment of losses		3-118
74 This work should be entrusted to an experienced Deputy Director who has a sound knowledge of procedures, etc. A time limit of one year should be fixed for the issue of all the booklets. The Deputy Director should work whole-time on this job for one year and should have this as a part time function thereafter. He should have the assistance of a whole-time stenotypist		118
75 A new manual should be issued every three years scrapping the old one and incorporating the latest instructions. Once the instructions and pamphlets are compiled as suggested above and kept up-to-date the preparation of the new manual should not present much difficulty ..		3-118
CHAPTER IV—The Inspection Wing		
76 (a) The existing system of transmission of receipts to the dealing hands should be rationalised thereby confining their movement to the necessary minimum		4-9
(b) The dak should be diarised at the initial stage of its receipt in the challan diary, a copy of which should be sent to the section along with the dak		4-9

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77 The receipts for which separate registers, namely, inspection call register and A/T registers, are maintained should be diarised in those registers only		4.9
78 Multipurpose ledgers in the form(s) at Appendix 40 should replace the existing system of maintenance of a large number of registers separately (i) for opening files, (ii) for watching their movement and (iii) for indexing them ..		4.11
79 ATs requiring inspection by sub-centres should be addressed directly to them by the purchase officers and only copies thereof should be endorsed to the Inspection Circles for watching progress in each case		4.13.
80 Orders reiterating the existing instructions should be issued by the D.D.G.(I) to all inspection Circles that inspection should not be held up simply on the plea of non-availability of the copy of contract with them but should be conducted with reference to the contractors' original copy of the contract		
81 Requests for copies of contracts or amendments thereto should be made by an Inspection Circle to the Purchase Directorate on printed forms as at Appendix 41		4.15.
82 The check-list at Appendix 42 should be introduced for use by the Inspecting Officer for checking whether the Contract contains the technical details required for carrying out the inspection satisfactorily. After scrutiny, the Inspecting Officer should sign the check-list in token of his having performed the necessary check		4.17
83 Stores listed in Appendix 43, which are produced by certain firms of repute should be exempted from inspection. The feasibility of adding more stores to the "exempted" list, subject to the safeguards and conditions mentioned in the interim report and the directive of Government should be considered by D.D.G.I. in consultation with Directors of Inspection		4.19.
84 Uniform inspection instructions and criteria should be laid down for the guidance of the inspecting officers on the pattern indicated in Appendices 44 and 45		4.21
85 For action on Serial No. 84, the procedure to be followed by the Deputy Director in the Headquarters sanctioned for the purpose should be to get the views of the different inspection circles on the criteria followed by them, and in the light thereof have appropriate instructions and criteria drawn up by the Directors of Inspections at Headquarters and then have them approved by the Deputy Director General (Inspection)		4.21

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86	Immediate steps should be taken to decide whether inspection in respect of particular firms and particular stores should be normal or rigid or relaxed. Firms should accordingly be categorised in these three classes ..	4-23
87	The decision whether inspection should be normal or relaxed or rigid for any particular firm for any particular store should be taken by the regional Director of Inspection himself	4-23
88	The extent to which inspection is to be relaxed or tightened should be laid down by the Inspection Wing in the Inspection Criteria themselves and should be followed uniformly in all inspectorates	4-23
89	Under no circumstances should the decision to relax the extent of inspection be taken on grounds of shortage of staff	4-23
90	It should be the policy of the Inspection Wing to encourage manufacturers to control quality in production and to pre-inspect stores before delivering them to the government Inspectors for acceptance. To implement this policy manufacturers should be asked to produce copies of their inspection results and quality control tests when putting up stores for inspection. The production of these documents should be a factor to be taken into account when relaxing inspection	4-23
91	For taking out samples and sending them for laboratory tests a set of fresh and comprehensive instructions on the lines indicated in Appendix 46 should be issued	4-25
92	The Deputy Director General (Inspection) should frame sampling instructions and tables for different categories of stores as envisaged in item No. 2 of Appendix 46	4-25
93	To secure better utilisation of space and to curtail the use of continuation sheets the revised form of inspection note at Appendix 47 should be adopted	4-27
94	Instead of typing it, the inspectors should be permitted to fill in the inspection note in pencil which should be accepted by all concerned. To facilitate making out of 9 copies of the note at one stroke, special type of carbon paper called "one time carbon paper" should be used	4-27
95	To avoid delays in the preparation and issue of inspection Notes the results of inspection should be recorded at the time of inspection in the Examiner's Slip in the form at Appendix 48 instead of recording them later on the notes on files	4-27

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96	AIOs and IOs should frequently carry out surprise checks of stores inspected by the examiners to satisfy themselves that the stores inspected are in conformity with the contract requirements	4-29
97	The Director may, and on random occasions should, order the taking out of control samples from the quantities accepted or rejected by the officers working under him and get them tested by another officer, if necessary in his own presence	4-29
98	The inspecting officers should put small identification marks on those deliveries/lots or portions thereof which are found below standard and are rejected	4-29
99	The system of visual inspection at the ports should be dispensed with and the suppliers should be authorised initial payment on the basis of inspection certificate (issued by the inspecting authority abroad), the landing certificate, and the proof of despatch to the ultimate consignee	4-31
100	The scrutiny of A/Ts, Supply Orders etc. by the inspecting officer must be completed within 7 days of the receipt of the document in the inspection circle and any clarifications required from Purchase or others should also be sought within this period	4-33
101	A call for the inspection of stores must be attended to within 7 days of its receipt	4-33
102	Inspection notes must be prepared by the inspecting officers on the same day on which they have undertaken the inspection	4-33
103	Inspection Notes must be issued within 48 hours of the completion of inspection	4-33
104	For the enforcement of these time-limits, the Deputy Director of Inspection concerned should keep the necessary watch in the control form at Appendix 49	4-33
105	All processes connected with the inspection of stores should be completed within 10 days if the stores do not require the laboratory testing of samples and within 21 days if they do require analysis of samples barring those few cases in which the laboratory tests by their very nature take a longer time for analysis	4-33
106	A monthly report should be submitted by each inspection circle to the Deputy Director General (Inspection) giving details of cases in which the norms prescribed in Serial No. 105 above are exceeded. An explanation should be furnished for each case	4-33

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107	For capacity reports, the firm's premises must be visited within 7 days of the receipt of request from the purchase branch if it is a local firm, and within 10 days if it is an outside firm. The capacity report should be issued within 48 hours of the inspection of the firm's premises . . .	4-33
108	Requests from the Registration Branch regarding the inspection of firm's premises must be attended to within 10 days of their receipt in the case of a local firm and within 3 weeks in the case of an outside firm	4-33
109	The registration reports should be sent to the registration branch within 48 hours of the inspection of the firm's premises	4-33
110	All complaints by consignees about inspection work must be investigated within 3 weeks	4-33
111	A check to ensure adherence to the time limits prescribed in S. Nos. 107-110 above should be maintained by periodical inspections by the Deputy Director General (Inspection).	4-33
112	The duties of various categories of inspecting officers should be laid down as indicated in Appendix 50 and Appendix 51.	4-35
113	Apart from being in overall charge of the Circle, the Director of Inspection should be made specially responsible for— (a) the training of officers; (b) the listing of firms for normal, relaxed and rigid inspection; (c) the inspection of sub-centres under his charge at least once in six months; and (d) the inspection of the working of sections in the inspectorate at least once in a year	4-35
114	Each Inspection Circle should be thoroughly inspected annually by the Deputy Director General (Inspection) with the assistance of the O & M Unit of the D.G.S. & D. Forms of inspection and lists of points at Appendices 52 & 53 should be utilised for the purpose	4-37
115	On the above lines, each Director should inspect the sections in his Directorate and the sub-centres under his charge.	4-37
116	For effective supervision, a Deputy Director (Inspection) should not have more than 8 Inspecting Officers/Assistant Inspecting Officers working under him. On this basis two more posts of Deputy Directors should be sanctioned, one for Delhi and one for Bombay	4-37

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117	The following items of work done by the Director should be delegated as indicated:	
	(a) casual leave applications of all Examiners, Assistant Inspecting Officers, and Inspecting Officers should be sanctioned by the Deputy Director under whom they work;	
	(b) the tour programmes of all Examiners, Assistant Inspecting Officers, and Inspecting Officers should be sanctioned by the Deputy Director under whom they work; and	
	(c) (i) T.A. bills of non-gazetted staff should be passed by the Assistant Director (Administration); and	
	(ii) T.A. bills of Inspecting Officers/Assistant Inspecting Officers should be passed by the Deputy Director who should be declared as the Controlling Officer	4·39
118	The following items should be delegated to the Assistant Director (Administration)—	
	(a) sanction of T.A. advances and claims of all the non-technical staff; and	
	(b) sanction of medical reimbursement to the technical and non-technical non-gazetted staff for the sub-circles	4·39
119	Routine items of work listed at Appendix 55 and, at present, being disposed of at the level of Inspecting Officers and Deputy Directors should be disposed of by Head Clerks.	4·39
120	Various Standing Orders relating to inspection should be consolidated and circulated to all Inspection Circles	4·42
121	The Reports and Returns now submitted by the Inspection Wing should be rationalised (Appendix 56)	4·44
CHAPTER V—The National Test House		
122	Test certificates in respect of simple types of samples (listed in Appendix 57) should be sent within 10 days of the receipt of samples in the Test House	5·7
123	Test certificates of more complicated samples (listed in Appendix 58) should be sent within 21 days of the receipt of samples in the Test House	5·7
124	Time norms for actual testing should be prescribed by the Director for each type of sample in both the lists referred to above	5·7

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125	For the remaining items, for which the tests by their very nature will take more than 21 days, time norms should be prescribed individually in the same manner	5·7
126	The lists referred to above should be kept up-to-date. It should be the responsibility of the Joint Director to have it done once a year	5·7
127	Each Assistant Director in charge of a laboratory should prepare a weekly programme in advance for each Assistant working under him. The completion of the programme should be carefully watched by the Assistant Director	5·7
128	The draft test certificate should be put up by the Assistant within 72 hours of the completion of the tests	5·7
129	The draft test certificate should be approved on the same day it is put up	5·7
130	Within 24 hours of the receipt of file in the section after approval of the draft test certificate the final test certificate must issue to the parties concerned. The clerk concerned should be responsible for ensuring this and in cases of delay reasons should be explained on the file	5·7
131	A monthly statement should be prepared by each Assistant Director for his laboratory as in Appendix 59 and put up to the Deputy Director/Joint Director/Director	5·7
132	To watch the performance of the Assistants, to ensure adherence to the time-limits prescribed above and to secure the issue of test certificates within 24 hours after the approval of the draft test certificate, the revised form of the laboratory card at Appendix 60 should be used	5·7
133	The progress cards pertaining to each Scientific Assistant should be maintained by the Assistant Director in separate folders for watching the performance of each Scientific Assistant working under him. The Deputy Director in charge of a group of laboratories should periodically, and in any case once a month, inspect these folders to see if there have been any delays. A similar review should also occasionally be done by the Director	5·7
134	The Assistant Director should re-check the factual tests results arrived at by the Scientific Assistants, at least on critical points, and sign the Scientific Assistant's Laboratory Book in token thereof. 5% of the samples already tested should be checked either by the Deputy Director himself, or he should have them tested by another Assistant. The Director should call at his own initiative any sample for a re-check	5·9

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135	The procedures and time-limits proposed for the National Test House against S. Nos. 122-134 should also <i>mutatis mutandis</i> apply to the Bombay Test House	5·11
136	The Bombay Test House should, besides being visited frequently, be inspected thoroughly once in six months by the Director/Joint Director	5·11
137	Till such time as it is possible to set up full-fledged laboratories at or near Madras and Delhi, small nucleus testing centres should be set up at these places to cater to the needs of local industry	5·13
138	(a) Whenever possible, the D.G.S. & D. should use the Defence laboratories at various places for testing supply samples, thereby reducing the work-load on the National Test House and the time taken in travel to Calcutta and back	5·13
	(b) Inspection fees for testing supply samples at the defence laboratories should be according to the schedule of fees prescribed by the National Test House	5·13
	(c) Detailed arrangements and procedures should be worked out by a committee consisting of a representative of the Department of Supply, a representative of the D.R. D.G., the Director O & M in the D.G.S. & D., and officer of the D.G.S. & D. (Inspection Wing) and the Director of the National Test House	5·13
139	To enable the Director, National Test House, to discharge his obligations with speed and efficiency, he should be delegated enhanced powers as indicated in Appendix 61	5·14
140	The existing bottlenecks in the promotional prospects of Assistant Directors, which may, if not prevented, result in shortage of staff at this level should be removed by having a combined scale of Rs. 400—1250 for Assistant Directors and Deputy Directors	5·16
141	Guided by the present duties and responsibilities of the Director, National Test House, he should be accorded the status of the head of a medium scientific organisation and should be given the pay scale applicable to medium scientific organisations	5·18
142	To make the charge of the Director more manageable, a post of Joint Director (scale Rs. 1300—1600) should be created and the distribution of work between the two should be on the lines as in Appendix 62	5·21
143	The revised form of confidential reports at Appendices 63 and 64 for Gazetted and Non-Gazetted technical officers respectively should be adopted	5·23

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144	The decision that already exists to transfer control of the Test House to the Deptt. of Supply and Technical Development should be implemented straightway	5-25

CHAPTER VI—Departmental Charges

145	In the case of Non-Departmental Orders—	
	(a) inspection of stores should not be entrusted to the D.G.S. & D. if the value of an individual order is less than Rs. 500.	
	(b) departmental charges less than Rs. 10 in respect of any one contract should not be levied.	
	(c) rate of levy of departmental charges should be reduced from $\frac{1}{2}$ per cent to $\frac{1}{3}$ per cent ;	
	(d) the system of advance deposit of departmental charges by parties other than the Railways should be introduced. D.G.S. & D. should render account, in duplicate, against such deposits after the supplies against that deposit have been completed, and not for each instalment inspected.	
	(e) as regards the Railways, as a short term measure, one Accounts Officer for each Railway Administration should be nominated to whom the Director of Inspection should render monthly accounts in the form at Appendix 65 in respect of each contract separately for each consignee. The nominated Railway Accounts Officer should make payments to the D.G.S. & D. within the same month or in the month following, and should not withhold payment pending further adjustment of debits between the accounts offices of the consignees concerned.	
	(f) As for the long-term arrangement, the Railways should pay to the D.G.S. & D. a bulk amount towards the departmental charges based on a three year average of the values of stores inspected against their non-departmental orders. The Railways should then distribute this amount amongst the various Railway Administrations on a proportionate basis	6-6

CHAPTER VII—The Progress Wing

146	The Progress Wing should give up progressing at the pre-contract stage except when the monthly statements indicate delay in the coverage of indents figures of which should be maintained in the Statistical Directorate. Pre-contract progressing should be the responsibility of the Purchase Director	7-5
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147	The progress registers now maintained by the Progress Directorate should be dispensed with and all information necessary should be kept in the Statistical Directorate with the help of data processing machines available in the D.G.S. & D. The Statistical Directorate should also be responsible for preparing the required statements. The scheme as outlined in Appendix 67 should be adopted ..	7.7
148	Progressing should be done only in the case of :— (i) contracts placed by the Regional Office concerned on the firms located within its own jurisdiction, (ii) supplies against Rate and Running Contracts, (iii) Operational/Urgent contracts, (iv) contracts where assistance of raw materials is required, (v) contracts against Works Programme indents, (vi) contracts for critical items of requirements of Defence, Railways and of the Posts and Telegraph Department, (vii) contracts in which price preference has been allowed for earlier delivery, (viii) contracts for developmental items, and (ix) any other item which the purchase office feels requires progressing	7.10
149	It should be the responsibility of the purchase officer to indicate specifically the need for progressing of contracts. For this purpose, he should mark the words "Progressing Required" at the top left hand corner of the copy of the contract meant for the Progress Officer. Besides this, the endorsement forwarding this copy of the contract should also clearly indicate : (i) whether the contract requires monthly progressing or is Operational/Urgent requiring fortnightly progressing or whether it is for critical items requiring daily progressing ; (ii) the periodicity of the progress reports to the purchase Officer by the Progress Wing ; (iii) whether stage progressing is required	7.10
150	The Assistant Director (Progress) at the Headquarters who receives two copies for every contract should be made responsible for sending one to the concerned regional office. He should for this purpose collect these contracts in bundles, get shuttle sheets prepared firm-wise in triplicate and send the copies of the contracts bi-weekly with a covering demi-official letter to the regional office along with two copies of the shuttle sheets	7.12

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151 In the case of contracts in which progressing is not required initially but in which the purchase officer later wants to know the supply position, he should send a copy of the contract with his reference. If for any reason, a copy of the contract is not readily available, its particulars should be furnished to the regional office		7-12
152 The Assistant Director/Deputy Director in the regional office should see all contracts received at the dak stage and issue necessary instructions to the field staff for the progressing		7-14
153 In the case of contracts issued by the regional office itself, necessary entries should be made in the Central Progress registers. In addition all the contracts whether issued by the regional office itself or received from Headquarters organisation or other regional offices should be entered in the A/T register in which the record of contracts placed on a particular firm should be maintained. The contracts should then be placed in the folders in which they are arranged according to the date of delivery month-wise		7-14
154 In the beginning of every month, the Junior Progress Officer concerned should prepare firm-wise lists, listing each contract placed on a particular firm in which the delivery period is expiring during that particular month and hand over these to the Junior Field Officers concerned. In the case of contracts from Headquarters organisation and other regional offices, he should give a copy of the shuttle sheet to the Junior Field Officer along with a copy of the contract. In the case of extension of the delivery period, the contract should be placed in the folder for the month in which the extended delivery period is to expire		7-14
155 The Assistant Director/Deputy Director should be responsible for scrutinising the contracts to see if there are any pre-conditions e.g. assistance of raw materials, position of imported components, etc., and to ensure that all these pre-conditions are fulfilled. If there are no pre-conditions, he should give necessary instructions as to how and when the progressing should be commenced		7-14
156 The following frequency should be prescribed for different categories of indents— (a) daily progressing for vital and critical items (b) fortnightly progressing for Urgent/Operational indents, (c) once a month for other indents requiring progressing		7-16

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157 The Junior Field Officer must visit all the firms assigned to him in rotation at least once a month so that no contract on any firm requiring progressing is left out. The record of these visits should be properly maintained in the Junior Field Officers' diary in the revised form as at Appendix 72		7-16
158 A Junior Field Officer should be entrusted with progressing of contracts with about 70 firms except in Calcutta where the number should be 60 on account of a disproportionately large number of contracts. On this basis, the Progress Wing should be sanctioned 41 Junior Field Officers as against 34 at present. The detailed break-up of the number of Junior Field Officers required at different places is indicated in Appendix 71		7-16
159 The Junior Field Officer should prepare his weekly programme in the form at Appendix 73 in advance on the last working day of the week for the following week which should be approved and signed by the Assistant Director/Deputy Director (Progress) in the Junior Field Officer's diary itself. This diary should be scrutinised by the Assistant Director/Deputy Director (Progress) once a week to see if he has done the job assigned to him. Any instructions that the Assistant Director, Deputy Director wishes to give should be given in the "Remarks" column of the diary		7-18
160 One of the 2 Directors of Progress should be shifted to Calcutta to look after the progress work. This Director may also be entrusted with the responsibility for Shipping and Disposal work		7-19

CHAPTER VIII—The Disposal of Surplus Stores

161 At present a surplus report, when received, is entered in three different registers viz., the Diary Register, the Screening Board Register and the Block Series Register having identical columns. The purpose of these registers will adequately be served if only the Screening Board Register is maintained properly		8-5
162 A Surplus Report, on receipt, should be checked in accordance with the check points as contained in Appendix 75. In case it is incomplete, immediate reference should be made to the declarer		8-7

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163	In cases where minor clarifications are required, the Assistant Director (Central Registry) should decide whether an incomplete Surplus Report should be referred to the Screening Board or not. If he feels that it should be referred to the Screening Board, he should record his reasons on the list of check points and get the approval of the Director of Disposals	8·7
164	<p>The present form for submitting the Surplus Report as at Appendix 76 should be replaced by a covering note with the following details :</p> <p>“Surplus Report No.....placed below may be disposed of by :</p> <p style="margin-left: 40px;"><u>Inspection</u></p> <p style="margin-left: 40px;"><u>Auction</u></p> <p style="margin-left: 40px;"><u>Tender</u></p> <p>Issue to Priority Indentors (and in case they do not accept, disposal by auction/tender),</p> <p>May be x-mandated to Director of Supplies and Disposals, Bombay/Madras/Calcutta/Kanpur.</p> <p>The note should be prepared in duplicate and after the decision of the competent authority has been obtained, the original along with the Surplus Report should be passed on to Section/Region concerned and the duplicate should be retained in the Central Registry Section</p>	8·9
165	<p>For Cross-mandation of Surplus Reports to Regional Offices form No. DGS&D—182 at Appendix 77 should be replaced by a simple printed letter in the following form:</p> <p>“DGS&D Surplus Report No....</p> <p style="margin-left: 40px;">dated.....is transferred for disposal action as decided by the Screening Board and indicated in the attached note”. A copy of the forwarding letter should be endorsed to the declarer</p>	8·11
166	The Field Officer, after inspection should send his report not to the Section but, under closed cover, to the Deputy Director concerned	8·13
167	The practice of making back references to the declarer by the Regional Offices when a Surplus Report is received from headquarters should be avoided	8·15

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168	Indents should straightway be entered in the Indent Register instead of first diarising them in the Central diary and then entering them in Indent Register	8·17
169	The statements and returns submitted by the Disposal Organisation at Headquarters and the Regions should be reduced by discontinuing them or by combining a number of returns in one simplified proforma as indicated in paragraph 8·19	8·19

CHAPTER IX—The Shipping Organisation

170	For timely clearance of cargoes from the ports, the shipping documents should be passed on the day of their receipt to the clearing agents through their representative, who visits D.G.S. & D. 's office daily for delivering bills	9·6
171	The duties of the Dock Inspector should be laid down as at Appendix 80	9·6
172	To assist the Dock Inspectors in the effective performance of these functions, additional field staff to be assessed by S.I.U. should be provided. As an interim measure, at the Bombay Port, 5 L.D.Cs. should be provided for the purpose by internal adjustment from the surplus resulting from recommendation No. 174 (ix)	9·6
173	There should be a uniform scale of pay (Rs. 325—475) for all the Dock Inspectors	9·6
174	<p>For the speedy and effective functioning of the Shipping Organisation of the D.G.S. & D. the following time limits, controls and degree of mechanisation should be introduced :</p> <p>(i) the handling charges bills of the clearing agents should be passed on for payment to the Pay and Accounts Office by the Shippigg Branch within 7 days of their receipt. For this purpose, one nominated clerk should receive bills daily from the clearing agents at a fixed time. The bills should be put up by the dealing clerk to the Assistant Director (Shipping) within 48 hours of their receipt and the Assistant Director (Shipping) must pass them for payment within another 48 hours. The bill registers should be seen by the Assistant Director (Shipping) every day. Bills over 7 days old should be shown to the Director with reasons for delay.</p>	

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- (ii) The bills should then be transmitted to the Pay and Accounts Officer once a day through a special messenger. These bills should be delivered to a nominated officer in the Pay and Accounts Office.
- (iii) The Pay and Accounts Office must issue the cheque in respect of these bills in 7 days if they are in order. In respect of bills where there are any lacunae or discrepancies the bills should be returned within three days to the Director.
- (iv) Stevedoring and freight bills should be paid within a period of two working days after they are preferred. All bills over 2 days old should be brought to the notice of the Director.
- (v) To facilitate scrutiny of demurrage bills, reasons should be given under a specific column in the form at Appendix 81.
- (vi) Demurrage charges bills within the powers of the Director should be passed within 7 days of their receipt if they are in order. If any clarification has to be sought, arrangements should be made for the clearing agents to collect the bills through one of their nominated representatives who should visit the office of the Director of Supplies and Disposals daily at an appointed time.
- (vii) Demurrage bills which require the sanction of the Headquarters office at New Delhi should be sent to the Deputy Director (Imports and Shipping) at Headquarters who should himself, without marking them to the section, scrutinise them and put them up for the orders of the competent authority.
- (viii) The Pay & Accounts Officer should ensure that these bills are passed by him and cheques issued within 7 days of their receipt. These bills should also be received in the Pay & Accounts Office by the nominated officer (the Assistant Pay and Accounts Officer concerned).
- (ix) Instead of manual checking, as at present, calculating machines should be installed for the checking of demurrage bills thereby saving manpower. This should result in a saving of 7 out of the 14 persons engaged on this job at Bombay, five out of whom can be utilised for the work mentioned against S. No. 172.
- (x) To keep control and to ensure adherence to the time limits suggested above, the Director should receive a monthly report from the Shipping Branch in the form at Appendix 82 ..

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- 175 Out of 8 returns being obtained monthly by the Import & Shipping Branch at Headquarters from the Regional Shipping Sections, four should be dispensed with and the remaining 4 replaced by a single simplified control statement in the form at Appendix 83

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CHAPTER X—Complaints and Public Relations

- 176 (a) The functions of the Director of Complaints and of the Public Relations Officer should be specifically laid down as shown in Appendix 85 and Appendix 86 respectively.

- (b) The work relating to the supply of copies of Rate Contracts upon request from the Direct Demanding Officers should be entrusted to the Public Relations Officer and for this purpose he should be given additional assistance to the extent of 1 Assistant and 2 Lower Division Clerks ..

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- 177 For streamlining the working of the Public Relations Offices, eliminating duplication of work and consequent delay and exercising better checks the following action should be taken:

- (a) position slips should invariably be sent to the Directors concerned within 24 hours and checked daily by the Public Relations Officer from the register;
- (b) instructions should be issued to the Purchase Directorates to avoid evasive replies like "under consideration". In cases where the decision/action is likely to take some time the section concerned should intimate the likely date by which the action will be completed to the Public Relations Officer so that he may inform the representatives accordingly;
- (c) the Public Relations Officer should maintain a 'Brought Forward Register' date-wise to remind the purchase sections of outstanding position slips. The purchase section should be reminded two days before the due dates of such slips;
- (d) the representatives of the firms should be educated to file slips only after they have been informed by their principals about delay;
- (e) the Public Relations Officer and the Director (Complaints) should satisfy themselves that the persons who contract them are, in fact, the accredited representatives of the firms

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178	Arrangements for the filing registration and transmission of position slips in the Public Relations Office in the Purchase Directorate should be as recommended in paragraph 10·14(6) to 10·14(8)	10·14(8)
179	A Public Relations Officer should be sanctioned for every Regional Office, purchase as well as inspection. The Regional Public Relations Officer shall work directly under the control of the Regional Director. However, functional guidance will be given by the Director of Complaints and the Public Relations Officer at the Headquarters who should also inspect the functioning of the Regional Offices once in 6 months. The confidential reports will be recorded by the Regional Directors. Head-clerks who have some knowledge of the working of the Directorate General (S&D) should be selected for this job. The procedure for dealing with complaints should be the same as that followed by the Public Relations Officer at headquarters	10·16
CHAPTER XI—Delegation of Powers		
A—PURCHASE DELEGATIONS		
180	The purchase powers of Supply Officers in the Directorate General of Supplies and Disposals for making purchases should be increased as given in Appendix 89	11·2
B—ADMINISTRATIVE AND FINANCIAL POWERS		
181	Delegations should be made as in Appendices 90 & 91	11·2
CHAPTER XII—Organisation		
182	A Planning and Development Division consisting of an Additional Director General, 2 Directors, each assisted by an Assistant Director should be set up to perform the functions listed at Appendix 93. One Director should be responsible for items like planning, bulking, standardisation and rationalisation, etc., while the other Director should be responsible for development, cost analysis and import substitution, etc. The first Director will be assisted by three Technical Assistants while the second Director will be assisted by two Technical Assistants. Each Director should have one stenographer while the two Assistants Director should share one stenographer. There should be a common section consisting of one L.D.C. for receipt, diary and despatch and two L.D.Cs for typing supervised by one of the two Assistants Director. The Directors in charge of Civil Armaments should also be utilized for this work and placed under the control of the Additional Director General.	12·3

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183	An O & M Division should be set up headed by an officer of a rank equivalent to that of Deputy Secretary. The set up of this Division should be as in Appendix 95. Two of the existing Assistants/U.D.Cs doing the work of Administration should be transferred to the Directorate of Administration.	12·5
184	The existing Directorate of Co-ordination excluding the Registration Branch and the Sales Tax Section should be transferred to the O & M Division	12·5
185	Work relating to Registration and Sales Tax should be transferred to the D.D.G.(G) referred to in paragraph 12·7.	12·5
186	The post of the Officer on Special Duty should be abolished and the work distributed as indicated in para 12·5(4).	12·5
187	The post of Deputy Director General (S&D) in Calcutta should be shifted to the Headquarters organisation at New Delhi and should be given the charge of Progress work in the Headquarters as well as in the regional offices, of purchase work in the regional offices of Supplies and Disposals except the Textiles Directorate at Bombay, of the price finalisation unit, the Registration Branch, the Sales Tax Section and the Disposals Branch including Import and Shipping Section.	12·8
188	One post of Director (Progress) should be shifted from Delhi to Calcutta. This Director could also be given charge of the branches dealing with Import & Shipping and Disposals.	12·8

PART III
APPENDICES

APPENDIX 1

(Para 1.1)

No. 21(8)/64/V

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY & SUPPLY

(DEPTT. OF SUPPLY & TECH. DEV.)

New Delhi, the 27th July, 1964

To

The Director General, Supplies & Disposals,
New Delhi.SUBJECT:—*Setting up of a Study Team*

Sir,

I am directed to say that the Government of India have decided to set up a Study Team to examine the working of the Directorate General of Supplies & Disposals. The composition of the Team and its terms of reference are given below:—

Composition :**Officers :**

1. Department of Supply & Tech. Development—Shri S. Malhotra, Officer on Special Duty.
2. Department of Administrative Reforms—To be nominated.
3. Central Bureau of Investigation—Shri K. R. Shenai, Deputy Inspector General of Police.

Non-Official :

1. Member of Parliament—Shri Amar Nath Vidyalankar.
- Shri Malhotra will be the convener of the Team.

Terms of Reference :

The Team will examine the organization, structure, methods of work and procedures of the Directorate General of Supplies & Disposals, particularly with a view to locating the points at which delays occur, where bottlenecks exist and where administrative failures are possible, and would suggest measures for improvements so that opportunities for corruption are eliminated.

2. The Team should submit its report within a period of three months.

Yours faithfully,

Sd/-(S. S. PURI)

Deputy Secretary to the Government of India.

APPENDIX 2

(Para 1.3)

QUESTIONNAIRE

1. What are your views as to steps that might be taken to improve the organisational set-up of the Directorate General of Supplies and Disposals in respect of—

- (a) Supplies Wing including Finalisation and Progress Wings,
- (b) Inspection Wing,
- (c) Disposals Wing, and
- (d) Alipore and other testing laboratories? ...

(Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce, Trade Associations).

2. It is reported that one of the reasons for delays in many cases in Supply arrangements for stores is incomplete particulars in indents necessitating back references from the Central Purchase Organisation to the Indenting Departments.

- (a) Have you any comments to make in this regard?
- (b) Please state the number and value of indent items, including also the classes of stores and the nature of queries involved, where such references were made by the Central Purchase Organisation during the years 1961-62 and 1962-63.
- (c) Have you any suggestions to make to avoid delays on this account?

(Indenting Departments, Industrial Enterprises and Projects).

3. (a) Please state the extent to which the existing Indian Standards Specifications (e.g., I.S.I., I.S.D., I.R.S., etc.) are adopted while preparing indents for various classes of stores.

(b) What, if any, are the difficulties in regard to adoption of these specifications, and what are the types of stores where this may not be possible?

(Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce, Trade Associations, Department of Technical Development and the Indian Standards Institution).

4. (a) Have you any views on the procedure of registration of suppliers adopted by the Directorate General of Supplies and Disposals and other Government Purchasing Organisations?

(b) If yes, please enumerate.

(Controller of Printing & Stationery, Textile Commissioner, Indenting Departments, Department of Technical Development).

5. (a) Do you consider that the issues of tenders should be restricted to registered firms only?

(b) If so, please state reasons.

(Controller of Printing & Stationery, Textile Commissioner, Indenting Departments, Industrial Enterprises & Projects, Department of Technical Development).

6. (a) Please state briefly your views on the working of system of Rate/Running Contracts.

(b) Please comment on the scope for extending such arrangements for the other type of stores.

(Indenting Departments, Industrial Enterprises and Projects).

7. What are your views on the time allowed by the Directorate General of Supplies & Disposals for receipt of tenders from the date of enquiry?

(Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce & Trade Associations).

8. What special considerations, if any, should be given to tenders

(a) from tried firms,

(b) for known and tried 'makes' or brands, and

(c) for better quality stores than the prescribed standard, which may involve higher initial cost but prove cheaper in the long run?

(Indenting Departments, Industrial Enterprises & Projects, Ministry of Finance, Chambers of Commerce & Trade Associations).

9. (a) Please furnish a note on the factors, which operate to delay the timely fulfilment of commitment after placing of contracts.

(b) Please give suggestions, if any, to improve position in this regard.

(Controller of Printing & Stationery, Textile Commissioner, Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce & Trade Associations).

10. (a) During the past three years, was any serious difficulty experienced in acquiring import licences for supply of stores against contracts placed by the Directorate General of Supplies & Disposals and other Central Purchasing Organisations?

(b) If so, please mention a few typical examples.

(c) Have you any suggestion to make?

(Controller of Printing & Stationery, Chief Controller of Imports & Exports, Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce & Trade Associations).

11. (a) During the past three years, was any serious difficulty experienced in acquiring transport facilities for supply of stores against contracts placed by Directorate General of Supplies and Disposals and other Central Purchase Organisations?

(b) If so, please mention a few typical cases.

(c) Have you any suggestions to make?

(Controller of Printing & Stationery, Ministry of Railways, Ministry of Transport, Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce & Trade Associations).

12. (a) During the past 3 years, was any serious difficulty experienced in getting payments for supply of stores against Contracts placed by Directorate General of Supplies & Disposals and other Government Purchasing Organisations?

(b) If so, please mention a few typical cases.

(c) Have you any suggestions to make for expediting payments?

(Controller of Printing and Stationery, Textile Commissioner, Accountant General Central Revenues, Pay and Accounts Officer, New Delhi/ Calcutta/Bombay/Madras, Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce and Trade Associations).

13. What are your views, if any, on the relative merits of the system of placement of contracts for imported stores—

(a) with Agents in India,

(b) directly with manufacturers abroad by cross-mandation or by inviting global tenders, and

(c) (i) On F.O.B. basis,

(ii) On C.I.F./C.&F. basis,

(iii) On F.O.R. basis.

(Indenting Departments, Industrial Enterprises & Projects, Accountant General Central Revenues, Pay and Accounts Officer, New Delhi/ Bombay/ Calcutta/Madras, Chambers of Commerce & Trade Associations).

14. (a) Have you any general comments on the procedure adopted by Directorate General of Supplies and Disposals for procurement of Stores?

(b) What are your views, if any, on the procedure of placement of contracts by the Central Purchasing Organisation through negotiation with Trade—

(i) without inviting tenders, and

(ii) after receipt of tenders.

(Chambers of Commerce, Trade Association, Indenting Departments, Industrial Enterprises and Projects).

15. (a) Have there been any cases in the recent past where inspection could not keep pace with rate at which stores were put up for inspection?

(b) If so, give a few typical instances.

(Ministry of Defence/Railways/Health, Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce & Trade Associations).

16. Have you any comments to make on the adequacy and quality of equipment available with Alipore and other testing laboratories of Directorate General of Supplies and Disposals?

(Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce & Trade Associations).

17. Have you any views in the present system of inspection of stores by various governmental Inspection Agencies in India?

(Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce & Trade Associations).

18. (a) Please furnish a note on how far in your opinion, the Government Stores Purchase system, in its actual working has been of assistance in the development of—

(i) Articles of Indian Manufacture in general, and

(ii) Products of Cottage and Small-Scale Industries in particular.

(b) Have you any suggestions to make for improvement in this regard, particularly regarding the planning of demand and the timely supply of information by the indentors regarding cuts/increases likely?

(Indenting Departments, Industrial Enterprises & Projects, Chambers of Commerce, Trade Associations, Ministry of Commerce, Department of Technical Development, Handloom Board, Handicrafts Board, Khadi & Village Industries Board).

18.A. (a) What are your opinions regarding the working of General Conditions governing contracts for purchase of stores placed by Governmental Purchasing Agencies?

(b) Please indicate which, if any, of these conditions have led to difficulties in practice. Please mention a few typical cases in support of your views.

(c) In the light of your experience, what modifications, if any, would you suggest.

(Controller of Printing & Stationery, Textile Commissioner, Indenting Departments, Industrial Enterprises & Projects, Accountant General Central Revenues, Pay and Accounts Officer, New Delhi/Calcutta/Bombay/Madras, Chambers of Commerce & Trade Associations).

19. (a) What are your comments on the Payment Terms included in Directorate General of Supplies & Disposals' Contracts?

(b) Have you any views regarding effects of these Payment Terms on tender prices?

(Controller of Printing & Stationery, Textile Commissioner, Chambers of Commerce & Trade Associations).

20. What are your views on the "Warranty Clause" included in Directorate General of Supplies and Disposals' Contracts?

21. What are your views on the following provisions in the General Conditions of Contracts governing contracts placed by the Directorate General of Supplies & Disposals and other Government Purchasing Agencies—

(a) to enforce risk purchase in case of failures, and

(b) to recover damages for delays in supply?

(c) have you any suggestions to make in this regard?

(Controller of Printing & Stationery, Textile Commissioner, Indenting Departments, Industrial Enterprises & Projects, Accountant General Central Revenues, Pay & Accounts Officer, New Delhi/Madras/Bombay/Calcutta, Chambers of Commerce and Trade Associations).

APPENDIX 3

(Para 1.3)

Names of Commercial Establishments, Trade and Industrial Associations, Government Departments, Unions etc. who replied to the Questionnaire

I. Commercial Establishments—Public Undertakings

1. M/s. Bharat Electronics Ltd., Bangalore.
2. M/s. Central Road Transport Corporation Ltd., Calcutta.
3. M/s. Dalmia Dadri Cement Ltd., Dalmia Dadri (N. Rly.).
4. M/s. Goodlass Nerolac Paints (P) Ltd., Bombay.
5. M/s. Gungadhur Banerjee and Co. (P) Ltd., Calcutta.
6. M/s. Hindustan Machine Tools Ltd., Jalahalli (Bangalore).
7. M/s. Hindustan Antibiotics Ltd., Poona.
8. M/s. Hindustan Aeronautics Ltd., Bombay.
9. M/s. Hyderabad Allwyn Metal Works Ltd., Hyderabad.
10. M/s. India Cement Ltd., Madras.
11. M/s. Jeewan Lal (1929) Ltd., Madras.
12. M/s. Kirloskar Electric Company Ltd., Bangalore.
13. M/s. Madhay Engineering Works, Patna.
14. M/s. Orissa Industries Ltd., Cuttack.
15. M/s. Sarabhai Chemicals, Bombay.
16. M/s. Saurashtra Cement & Chemical Industries Ltd., Ranavav (Gujarat).
17. M/s. Shri Dinesh Mills Ltd., Baroda.

II. Trade and Industrial Associations

18. Andhra Chamber of Commerce, Madras.
19. Ahmedabad Mill Owners' Association, Ahmedabad.
20. All India Manufacturers' Organisation, Bombay.
21. All India Machine Tool Merchants' Association, Calcutta.
22. All India Plastics Manufacturers' Association, Bombay.
23. All India Ropes, Tapes and Cordages Manufacturers' Association, Bombay.
24. Bengal Chamber of Commerce & Industry, Calcutta.

25. Bengal National Chamber of Commerce & Industry, Calcutta.
26. Bharat Chamber of Commerce, Calcutta.
27. Bihar Chamber of Commerce & Industry, Muzaffarpur.
28. Bombay Chamber of Commerce & Industry, Bombay.
29. Bombay Retailers (Goods Supply) Cooperative Society Ltd., Bombay.
30. Bombay Industries Association, Bombay.
31. Calcutta Import Trade Association, Calcutta.
32. Eastern India Sheet Rollers' Association, Bombay.
33. Engineering Association of India, Calcutta.
34. Engineering Association of India, Bombay.
35. Federation of Gujarat Mills and Industries, Baroda.
36. Federation of Indian Chamber of Commerce and Industry, New Delhi.
37. Gunny Trades Association, Calcutta.
38. Hindustan Chamber of Commerce, Madras.
39. Howrah Manufacturers' Association, Howrah.
40. Indian Chamber of Commerce, Calcutta.
41. Indian Woollen Mills Federation, Bombay.
42. India Jute Mills Association, Calcutta.
43. India Paint Association, Calcutta.
44. India Rubber Industries Association, Bombay.
45. Indian Cotton Mills' Federation, Bombay.
46. Indian Engineering Association, Bombay.
47. Indian Refractory Makers' Association, Calcutta.
48. Indian Chemical Manufacturers' Association, Calcutta.
49. Iron, Steel and Hardware Merchants and Manufacturers' Chamber of India, Bombay.
50. Kashmir Chamber of Commerce & Industry, Srinagar.
51. Madras Chamber of Commerce, Madras.
52. Mahakoshal Chamber of Commerce, Jabalpur.
53. Merchants' Chamber of Uttar Pradesh, Kanpur.
54. National Small Industries Corporation Ltd., New Delhi.
55. Rajasthan Chamber of Commerce & Industry, Jaipur.

56. Tamil Nad Millowners' Association, Madurai.
57. West Bengal Small Scale Soap Makers' Association, Calcutta.
58. Western U.P. Chamber of Commerce, Meerut.

III. Government Departments

(a) *Central Public Works Department (C.P.W.D.)*

59. Additional Chief Engineer, C.P.W.D. (Food Wing), New Delhi.
60. Additional Chief Engineer I, C.P.W.D., New Delhi.
61. Superintending Engineer, Calcutta Central Circle, C.P.W.D., Calcutta.
62. Superintending Engineer, Calcutta Central Circle No. 2, C.P.W.D., Calcutta.
63. Superintending Engineer, Aviation Construction Circle, C.P.W.D., Patna.
64. Superintending Engineer, Calcutta Central Circle No. 3, C.P.W.D., Calcutta.
65. Superintending Engineer, Calcutta Central Electrical Circle, C.P.W.D., Calcutta.

(b) *Defence Organisations*

66. Director of Production and Inspection Electronics, Department of Defence Production, Ministry of Defence, New Delhi.
67. Director of Stores, Naval Headquarters, New Delhi.
68. Director of Technical Development and Production (Air), Ministry of Defence, New Delhi.
69. Director of Ordnance Services, D.H.Q., New Delhi.
70. Director of Marine Engineering, Naval Hqrs., New Delhi.
71. Director General, Armed Forces Medical Sciences, D.H.Q., New Delhi.
72. Director General, Ordnance Factories, Calcutta.
73. Director, Research and Development, Ministry of Defence, New Delhi.
74. Director General, Border Roads, New Delhi.
75. Directorate of Equipment, Air Headquarters, New Delhi.
76. Directorate of Technical Services, Air Headquarters, New Delhi.
77. Engineering-in-Chief, E-in-C's Branch, Army Headquarters, New Delhi.
78. Ministry of Defence, Govt. of India, New Delhi.

(c) Accounts Officers

79. Chief Pay and Accounts Officer, Department of Supply, New Delhi.
80. Pay and Accounts Officer, Ministry of Food and Agriculture, Bombay.

(d) Indian Railways

81. Controller of Stores, Eastern Railway, Calcutta.
82. Controller of Stores, N.F. Railway, Pandu.
83. Controller of Stores, Southern Railway, Madras.
84. Controller of Stores, S.E. Railway, Calcutta.
85. Controller of Stores, Western Railway, Bombay.
86. Deputy Controller of Stores, Chittaranjan Locomotive Works, Calcutta.
87. Joint Director (Railway Stores), Railway Board, Ministry of Railways, New Delhi.

(e) Miscellaneous

88. Chief Controller of Telegraph Stores, Calcutta.
89. Chief Engineer and Administrator, Ministry of Transport, Tuticorin Harbour Project, Tuticorin.
90. Controller of Stores and Purchases, Air India, Bombay.
91. Director General, All India Radio (P. & D.), New Delhi.
92. Director, Indian Veterinary Research Institute, Izatnagar (U.P.).
93. Director, Plant & Machinery, Central Water and Power Commission, New Delhi.
94. Directorate General of Technical Development, New Delhi.
95. Deputy Master, India Security Press, Nasik Road.
96. Deputy Director General of Observatories, New Delhi.
97. General Manager, Security Paper Mill Project, Hoshangabad.
98. Indian Standards Institution, New Delhi.
99. Madras Port Trust, Madras.
100. Surveyor General of India, Dehra Dun.

(f) State Governments

101. Controller of Stores & Purchases, Gujarat Electricity Board, Baroda.
102. Controller of Stores, Punjab, Chandigarh.

103. Director of Industries, U.P., Kanpur.
104. Director of Industries, Bombay State, Bombay.
105. Government of Kerala (Stores Purchase Deptt.). Trivandrum.
106. Principal Engineer, P.W.D., Manipur.
107. Secretary, Stores Purchase Committee, Government of Mysore, Bangalore.

IV. Individuals

108. Shri K. L. Chowdhary, 20, Mangoe Lane, Calcutta.
 109. Shri Sri Ram Sharma, Director, Institute of Public Administration, Una (Punjab).
 110. Director of Supplies & Disposals, Calcutta.
 111. Director of Supplies & Disposals, Bombay.
 112. Director of Supplies & Disposals, Madras.
 113. Director of Supplies (Textiles), Bombay.
 114. Director of Inspection, Bombay.
 115. Director, National Test House, Calcutta.
 116. Director of Disposals, D.G.S. & D., New Delhi.
 117. Director of Supplies (O.P.C. Dte.), D.G.S. & D., New Delhi.
 118. Director of Progress, Railway Progress, D.G.S. & D., New Delhi.
 119. Shri S. D. Bahl.
 120. Shri Sohan Singh.
 121. Shri S. P. Agarwal.
 122. Shri S. Natarajan.
 123. Shri N. L. Gulati.
 124. Shri Jogindar Pal.
 125. Shri P. R. Ahir.
 126. Shri C. R. Mahajan.
 127. Shri H. A. Syed.
 128. Shri D. S. Duggal.
- } Officers of the Directorate General,
Supplies and Disposals, New Delhi.
129. Shri Om Prakash Gulati, Railway Liaison Office, D.G.S. & D., New Delhi.

APPENDIX 4

(Para 1.3)

Names of the persons who gave oral evidence before the Study Team

1. Shri K. K. Adya, H. R. Danda, I. P. Dhir and B. K. Thapar, representing The Hosiery Industry Federation (Regd), Ludhiana.
2. Shri Jagdish Behal, S/S Pearl Woollen Mills No. I, Ludhiana.
3. Shri Basant Kumar, Partner, S/S Basant Pran & Co., Calcutta.
4. Shri J. H. F. Manek Shaw, Deputy Managing Director, S/S Indian Cable Co. Ltd., Calcutta.
5. Shri P. Dass, Managing Director, S/S Bengal Iron Works (P) Ltd., Calcutta.
6. Shri A. Haq, S/S Bunge & Co. Ltd., Calcutta.
7. Shri N. Dutt, S/S Pioneer Engineering Works, Calcutta.
8. Shri V. N. Jajoo, S/S Birla Jute Mfg. Co. Ltd., Calcutta.
9. Shri K. N. Chowdhury, S/S Mcleod & Co. Ltd., Calcutta.
10. Shri Ganesh Bhargava, Assistant Manager, S/S Louis Dreyfus & Co. Ltd., Calcutta.
11. Shri S. Chakravorty, S/S India Brushware, Calcutta.
12. Shri A. Banerjee, Personnel Officer, S/S Bengal Enamel Works Ltd., Calcutta.
13. Shri Bansidhar Banerjee, All India Small Scale Battery Manufacturers Association, Calcutta.
14. Shri Manohar Bhattacharjee, All India Small Scale Battery Manufacturers Association, Calcutta.
15. Shri P. K. Bhattacharjee, All India Small Scale Battery Manufacturers Association, Calcutta.
16. Shri S. K. Chowdhury, President, Small Scale Non-ferrous Metal Industries Association, Calcutta.
17. Shri S. K. Chakraborty, S/S Prabhat Works, Howrah.
18. Shri A. K. Roy, West Bengal Small Scale Soap Makers' Association, Calcutta.
19. Shri R. L. Arora, West Bengal Small Scale Soap Makers' Association, Calcutta.
20. Shri A. F. W. Hamilton, Chief Sales Manager, S/S. Indian Tube Co. Ltd., Calcutta.
21. Shri K. L. Chowdhari, S/S Shree Krishna (P) Ltd., Calcutta.
22. Shri F. B. Porter, S/S Jardine Henderson Ltd., Calcutta.

23. Shri J. A. Noble, S/S Jardine Henderson Ltd., Calcutta.
24. Shri C. E. Cargin, Member Board of Management, S/S Jessop & Co. Ltd., Calcutta.
25. S/Shri M. K. Mookerjee, J. P., C. L. Jhunjunwala, K. R. Patel, K. L. Choudhary, R. L. Maheswari, K. C. Mukherjee, S. K. Das and L. R. Dasgupta—representing Bharat Chamber of Commerce, Calcutta.
26. S/Shri Dibakar Dutta, Dilip Kumar Das and A. N. Das—representing The Howrah Manufacturers' Association, Howrah.
27. S/Shri B. Mookerjee, A. P. Sur, M. K. Bhattacharyya, A. C. Sen, B. Ghosh, B. Roy Chowdhury, S. Basu and P. K. Bose—representing Bengal National Chamber of Commerce and Industry, Calcutta.
28. S/Shri C. D. Thakkar, A. N. Halder, S. Mukherjee, K. Subramanian and R. S. Sodhi—representing Indian Chemical Manufacturers' Association, Calcutta.
29. S/Shri D. L. Shah, J. S. Halbert, J. P. Kharas, V. Swaminathan and E. W. H. Scaife—representing Machine Tool Trades Association, Calcutta.
30. S/Shri K. K. Jajodia, K. L. Chowdhery, S. N. Rungta, S. L. Lall, P. Bhattacharji, A. D. Benton, H. Chakravarti and C. S. Mundkar—representing Indian Engineering Association, Calcutta.
31. S/Shri A. L. Mudaliar, A. H. Barneth, J. H. Forman, A. R. Ray, C. V. Schunker and R. M. Macdonald—representing The Bengal Chamber of Commerce and Industry, Calcutta.
32. S/Shri G. Jerambhai, B. L. Kheruka, T. Gauatra and B. Dayal—representing Gunney Traders Association, Calcutta.
33. Shri T. Vaz, Partner, S/S Overseas Trading Co., Bombay.
34. Shri J. N. Guzdar, Director, S/S N. S. Guzdar, Bombay.
35. Shri Murlidhar P. Shah, S/S Murlidhar Premchand Co., Bombay.
36. Shri N. K. J. Khan, S/S Hindustan Lever Brothers Ltd., Bombay.
37. Dr. K. R. Hathi, M/s. Godrej & Boyce Mfg. Co. (P) Ltd., Bombay.
38. Shri Jagjit Singh, (S/S Wood Box (P) Ltd.), Hony. Secy., Bombay Industries Association, Bombay.
39. Shri B. S. Gore, Tin Plate Fabricators Association and Central Bombay Small Scale Industries Association, Bombay.
40. S/Shri N. R. Pavri, B. Gupta, V. Swaminathan, T. R. Subramaniam, H. L. Gidwani, G. A. Advani, M. Bhaskhare and D. L. Pradhan—representing Bombay Chamber of Commerce and Industry, Bombay.
41. S/Shri R. K. Khanna and I. K. Agarwal—representing The Indian Woollen Mills Federation, Bombay.

42. Shri C. V. Radhakrishnan—representing The Indian Cotton Mills Association, Bombay.
43. S/Shri S. Balakrishnan and D. K. Bhatt—representing Western India Sheet Rollers Association, Bombay.
44. S/Shri S. B. Parikh, R. M. Walia and S. P. Khosla—representing Iron Steel and Hardware Merchants and Manufacturers' Chamber of India, Bombay.
45. S/Shri S. B. Todi, R. D. Agarwal, D. M. Desai and P. L. Badami—representing All India Manufacturers' Organisation, Bombay.
46. S/Shri A. M. Kapadia, B. V. Shah, F. J. Fonseca, R. A. Patel, and Frank D' Souza—representing Indian Engineering Association (Western Region), Bombay.
47. S/Shri B. B. Sangtani, V. S. Vaidya, A. J. Pandya and N. K. Patel—representing Indian Rubber Industries Association, Bombay.
48. S/Shri M. K. Doshi, S. P. Zaveri, H. N. Khira, M. K. Mahtaney, J. J. Desai, N. V. Pandit, K. R. Anand and L. B. Hurgunany—representing Bombay Industries Association, Bombay.
49. Shri A. N. Srinivasa Rao, Director, S/S Hivelm Industries (P) Ltd., Madras.
50. Shri K. R. Sundaram Iyer, S/S Enfield (India) Ltd., Madras.
51. Shri M. S. Parathasarathy, S/S Poly-Ene General Industries, Madras.
52. Shri M. L. Goel, S/S Conjap Electronic Industries, Madras.
53. Shri Jayantilal P. Sanghrajka, S/S Jeewan Lal (1929), Ltd., Madras.
54. Shri M. V. Venkataraman, Director, S/S Simpson & Co., Madras.
55. Shri S. M. Patel, No. 5, Godown Street, Madras.
56. Shri B. S. Hegde, S/S Shailendra Enterprises, Madras.

APPENDIX 5

(Para 1.3)

List of Cases Studied

(a) Purchase and Finalisation	...	...	500 cases
(b) Inspection	...	...	250 cases
(c) National Test House	...	...	150 cases
(d) Progress	...	...	150 cases
(e) Public Relations Office	...	...	200 cases
TOTAL	...	...	1,250 cases

APPENDIX 6

(Para 2.5)

GOVERNMENT OF INDIA

DIRECTORATE GENERAL OF SUPPLIES AND DISPOSALS

Form of Application for use of Firms in India for Enlistment by the
D.G.S. & D. as approved Contractors

Instructions—

- (i) Complete and definite answers to questions must be given, otherwise, the application is liable to be ignored.
- (ii) Instructions contained in the attached pamphlet for the guidance of the applicant firm should be read carefully before filling this form.

1. Name of firm.

2. Address:

Head Office:

Branches:

3. Telegraphic Address:

Telephone No.

- 4. (a) Is your firm incorporated under the Companies Law or any other law of India? If not who are the partners/proprietors? (Please give their names and addresses).
- (b) Is your firm registered under Indian Partnership Act, 1932?
- (c) Is your factory registered under the Factories Act, 1948? If so Registration number and date.
- 5. Does your firm come under the scope of the Industries (Development and Regulations) Act, 1951 and if so, the No. and date of Registration of Licence held under the Act?
- 6. Are you a manufacturer? If so, please give details on the attached proforma.
- 7. Are you manufacturer's agents? If so, please give details on the attached proforma.
- 8. Are you a Stockist only? If so, please give details on the attached proforma.
- 9. Name and address of your Bankers stating the name in which the account stands.
- 10. Are you on the list of approved contractors of any other authority; if so, give details?

11. (a) Did you apply for registration with this Department before under this or any other name; if so, with what result?
- (b) Are you already doing business with this Department under some other name; if so, what name?
12. Have you executed any orders placed on you by this or other department of the Govt. of India in the past years? If so, particulars of such orders should be furnished in the attached form.
13. (a) List of certificates/documents attached to this application.

Please state whether attached or not (say yes or no).

- (a) Fee Coupon affixed.
- (b) Power of attorney and a copy thereof.
- (c) Ownership document and copies thereof:
 - (i) original rent receipt of the premises.
 - (ii) Cash Vouchers for the Plant and Machinery.
 - (iii) Proof regarding ownership of stocks.
- (d) Income Tax Clearance Certificate of:
 - (i) Applicant firm.
 - (ii) Proprietor.
 - (iii) Individual partners.
- (e) A copy each of:
 - (i) Memorandum.
 - (ii) Articles of Association.
 - (iii) Certificate of incorporation.
 - (iv) Entry in form 'A' from the Registrar of firms.
- (f) List of sitting Directors.
- (g) A certified copy of the partnership deed.
- (h) Original certificates from the Conservator of Forests in the case of Timber firms.
- (i) Declaration authorising Branch Managers to enter into contractual obligations.

- (j) One copy each of the following:
 - (i) Last annual Report.
 - (ii) Profit and Loss Account and Balance Sheet.
 - (iii) Statements indicating the results of operation and financial position of the firm.
- (k) Any other document attached.
 - (i)
 - (ii)
 - (iii)

13. (b) Has the form been properly signed as required in para 5 of the Instructions attached?

(State whether 'yes' or 'No').

ACKNOWLEDGEMENT CARD

GOVERNMENT OF INDIA

DIRECTORATE GENERAL OF SUPPLIES & DISPOSALS

JEEVAN TARA BLDG., PARLIAMENT STREET,

NEW DELHI-1

No.

Dated, the

196 .

The undersigned is directed to acknowledge receipt of your application for registration dated.....

2. This is merely an acknowledgement of the receipt of your application for registration. The decision of the Director General of Supplies and Disposals regarding registration will be communicated separately in due course.

3. The number and date of this acknowledgement noted above should invariably be quoted in all future correspondence.

for Director General of Supplies and Disposals

Note—Please write complete address on reverse.

**DIRECTORATE GENERAL OF SUPPLIES & DISPOSALS,
NEW DELHI**

TELEGRAMS: DEVSUP

Instructions for the guidance of Firms seeking Registration with the Directorate General of Supplies & Disposals, New Delhi as Approved Contractors.

(For any difficulty in filling the Form, please consult the Director of Supplies, Kanpur, Madras, Bombay & Calcutta and Public Relation Officer in Directorate General of Supplies and Disposals, New Delhi).

1. Eligibility for Registration:

All firms, no matter where they are situated which deal in stores purchased by the Directorate General of Supplies & Disposals are eligible for registration as approved contractors, if they fulfil the necessary conditions.

2. (a) Registration of Firms in India:

Registration of firms in India will be confined to:

- (i) Indigenous manufacturers, who own workshop of their own and are in the opinion of the Government capable of producing materials of the required standard.
- (ii) Overseas firms with their agents/distributors in India. In the case of imported goods, registered stockists can also be registered if there are no agents/distributors in the country for any particular type of goods.

(b) Registration of Foreign Firms:

Applications from foreign firms will be routed through the Director General, I.S.M., London/Washington. The Indian agents of the foreign manufacturers not already on the approved list will have to apply separately for registration as agents.

3. Supply of Application Forms:

A form of application for registration is issued on the receipt of a request from the firm. Application forms can be obtained from the Directorate General (S&D), New Delhi and its Regional Offices at Calcutta, Bombay, Madras and Kanpur. In the case of firm in India an application fee of Rs. 20 is charged.

Application forms are, however, issued free of cost to bona fide Small Scale Industry/Cottage Industry Units. In the case of foreign manufacturers copies of application forms can be obtained from the Director General, I.S.M., London (by firms in Great Britain and European Continent), Director General, I.S.M., Washington (by firms in North America) and the Headquarters Office (Registration Section) or the Embassy concerned (by firms located in the East).

4. The Fee Coupon:

The fee coupon received with the application form which is purchased by paying the prescribed cost, should invariably be affixed thereon.

5. *Signing of the Application Form:*

(a) *Proprietorship firm*—The application form to be signed by the Proprietor.

(b) *Partnership firm*—The application form to be signed by—

(i) all partners, or

(ii) by any one of the partners who holds a general power of attorney authorising him to sign for and bind the firm in all contractual obligations. This power of attorney in original along with a certified copy should also be forwarded along with the application.

(c) *Limited Concerns*—

(i) The application form to be signed by any one of the Directors or Managing Director of the firm.

(ii) The application form may also be signed by a person other than those mentioned against (i) above only when such a person holds a general power of attorney in his favour from the firm giving him authority to do so in which case such power of attorney in original together with a certified copy thereof should also be forwarded alongwith the application.

6. *Ownership Documents:*

All firms should produce documentary evidence of ownership of their godowns and factories and machineries installed therein—

(a) In case of a manufacturing firm the original rent receipt and Cash Voucher etc., together with copies thereof for the Plant and Machinery installed in the factory should be forwarded.

(b) In case of stockists rent receipts for their godowns together with proof of ownership of the stocks, with the copies thereof should be furnished.

Alternatively:

An affidavit sworn before a 1st Class Magistrate to the effect that Plant and Machinery, building, etc., are owned by the applicant firm, may be forwarded.

7. *Income Tax Clearance Certificate:*

(a) The current Income Tax Clearance Certificate bearing the seal and dated signature of the Income Tax Officer concerned should invariably accompany the application.

Important:

In case of a partnership firm the current Income Tax Clearance Certificate in respect of each individual partner should also be furnished in addition to the Income Tax Clearance Certificate in the name of the firm.

(b) The Income Tax Clearance Certificate should show the details of the income assessed, tax demanded and paid for the last four years.

Alternatively:

If the applicant firm is not in a position to furnish the Income Tax Clearance Certificate at the time of submitting the application for registration it should submit an affidavit to the effect that at the time of submission of application, it had cleared their previous year's assessment of Income Tax. On the basis of this affidavit, provisional registration can be made.

It should, however, be noted that the firm is required to submit the Income Tax Clearance Certificate positively within one year of provisional registration failing which the registration will be cancelled.

Other Documents to be forwarded:

- (a) In case of a limited company, a copy of the Memorandum and Articles of Association and a certificate of incorporation should accompany the application.
- (b) In case of a partnership concern, a copy of the entry in form 'A' from the Registrar of Firms concerned should accompany the application.

To substantiate replies to question 4(a), (b) & (c) of the application form, the following documents should invariably be furnished—

- (i) A copy of the memorandum and Articles of Association.
- (ii) An attested copy of the statement in the Register of Firms showing the names of the partners.
- (iii) Registration No. and date.
- (iv) In addition to the above, a list of sitting Directors in case of limited concern and a certified copy of the partnership deed in case of a partnership concern should be submitted.

8. Stockists Form:

Details under each of the columns mentioned therein should be filled in carefully in respect of imported stores only. No registration as stockists of indigenous stores is given except for timber, paper and glass items.

9. Agents Form:

This should be filled in respect of the Principals who are already registered as approved contractors with Directorate General (S&D) or who have applied for registration with them. The Principals who are not registered with Directorate General (S&D) should in the first instance be asked by the applicant firm to apply for registration with Directorate General (S&D).

10. Manufacturer's Form:

In giving details of stores for which registration is sought against item 11(b) of the manufacturers' proforma (D.G.S. & D.-7), specific items of stores and not broad headings only, should be mentioned.

11. Timber Firms:

Firms applying for the registration for timber items should forward the original certificate from the Conservator of Forests to the effect that they are forest lessees and/or direct purchasers of timber from Government auction.

12. *Registration of Branches:*

Where the firms desire registration of their branches in addition to their Head Office they should forward a declaration to the effect that the Branch Managers are competent to bind the firm in all contractual obligations and that the Head Office will be responsible for the commitment of their Branch Managers and for the satisfactory execution of the contracts placed on them.

13. *Annual Report/Balance Sheets/Profit & Loss Statements:*

One copy each of the following should be furnished:—

- (i) The last Annual Report.
- (ii) Profit and Loss Account and Balance Sheet for and at the end of the last year.
- (iii) A statement showing the results of operation and financial position of the firm during the preceding three years in the form given below:

	<i>Year ending</i>	<i>Year ending</i>	<i>Year ending</i>
1. Sales.			
2. Gross Profit.			
3. Depreciation.			
4. Pretax Profit.			
5. Taxation.			
6. Net after tax.			
7. Percentage of Net Profit on Sales.			
8. Dividend Declared.			
9. Net Block.			
10. Capital employed.			
11. Reserves.			
12. Percentage Profit on capital employed.			

For each subsequent year also one copy each of the Annual Report, the Balance Sheet and the Profit and Loss Account of that year should be furnished regularly as soon as they are prepared/published together with the comparative statement of the results of operation and financial position in the same form.

14. The applicant firm should invariably write its complete address on the acknowledgement card and affix postage stamp in case an acknowledgement of the application is required.

15. *Conditions of Registration:*

- (a) No fee will be levied for registration.
- (b) Registration will be for a period of three years only from the date of registration. It will be the contractor's responsibility to apply for the renewal of registration well in advance of the date of expiry of the period on the usual form which will be issued on payment of the usual cost of Rs. 20.

- (c) The Directorate General (S&D) reserves the right to cancel the registration without notice for any of the following reasons:
- (i) failure to perform the contract(s) satisfactorily and in accordance with contractual obligations;
 - (ii) any ground which in the opinion of Director General (S&D), New Delhi renders the retention of the contractors name on the list of approved contractors undesirable in the public interest;
 - (iii) failure to furnish a valid Income Tax Clearance Certificate.
- (d) Before applying for registration the firms are advised, in their own interest, to go through the standard terms and conditions as contained in the pamphlet entitled "Conditions of Contract governing contracts placed by the Central Purchase Organisation of the Government of India", a priced publication, obtainable from:
- (i) The Manager of Publications, Civil Lines, Delhi.
 - (ii) The Superintendent, Government Printing & Stationery, Allahabad/Nagpur/Bombay/Patna.
 - (iii) The Superintendent, Government Press, Madras.
 - (iv) The Government of India Book Depot, 8, Hastings Street, Calcutta.

NOTE—Correction slips to the above pamphlet can be obtained separately on payment.

- (e) In case of application for registration where a test report from a laboratory is required (oils, paints, varnishes, cement, fans etc.), the firms are required to have their products tested at their own expense and furnish the Test Report as and when demanded by the Director General (S&D), New Delhi.

16. Registration for Additional Items:

There is no application form prescribed for the registration of additional items. Firms can apply by ordinary letter, but sufficient details regarding the facilities possessed by them for the supply of stores are essential for consideration. For this purpose the forms for prescribed stockists/manufacture etc., will be supplied free of cost for completion and return to the Registration Section (Headquarters).

17. A small scale unit should not route its application for registration through the Director of Industries of the State *but* should submit it direct along with a certified copy of the letter from the Director of Industries of the State registering it as a Small Scale Unit.

APPENDIX 7
(Para 2.7)
Progress of Registration Applications

Serial No.	Firm	File No.	Date of Event							Remarks	
			Receipt of application	Return of incomplete application to firm/ Back reference to firm	To Inspection Wing	To Bank(s)	Reminders	Receipt of report	Decision on report		Result communicated to firm
1	2	3	4	5	6	7	8	9	10	11	12

NOTE—

(1) To be put up on the first working day of the week to Deputy Director/Director.

1	2	3	4	5	6	7	8	9	10	11	12
---	---	---	---	---	---	---	---	---	----	----	----

(2) Where an incomplete application is returned to firm after stages indicated in columns 6 and 7 an entry to this effect be made in column 5 and not in columns 10 and 11.

ABSTRACT—

B.F.
 New Cases
 Total
 Disposed of
 Balance.

1. No. of cases where report from the Inspection Wing received after 15 days (in case of local firm) /one month (in case of outside firms) after reference to them.
2. Number of cases where the firm was not communicated the decision within 48 hours.
3. Number of cases not finalised (accepted or rejected) within 2 months.

Notes—Details of these cases with clear out reasons for delay should be given.

APPENDIX 8

(Para 3.4)

Time taken for the various operations from the indent stage to the Finalisation of Contract

No.	Operation Between	With-	4-7	8-14	15-30	1-2	2-3	3-4	4-5	5-6	6-12	1-1½	1½-2	2-3	3	Total	Appli-	Grand
		in 3 days	days	days	days	mths	mths	mths	mths	mths	mths	mths	years	years	years	years and above	cable/ avail- able	Total
		No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	Receipt of indent in D.G.S. & D. and in Purchase Section ..	64 28.0	33 14.5	54 23.7	41 18.0	19 8.3	9 3.9	4 1.8	4 1.8	..	..	..	..	..	..	228 100.0	215	443
2	Receipt of indent in Purchase Section and issue of T.E. ..	1 0.7	4 2.4	25 16.4	45 29.6	45 29.6	18 12.0	3 2.0	7 4.6	3 2.0	1 0.7	..	..	..	..	152 100.0	291	443
3	Issue of T.E. and opening of tenders .. ..	..	..	13 8.5	69 45.0	57 37.3	13 8.5	1 0.7	..	..	..	..	..	..	..	153 100.0	290	443
4	Receipt of tenders and preparation of C/S	49 35.0	44 31.5	25 17.9	17 12.1	3 2.1	1 0.7	1 0.7	..	..	..	..	..	..	..	140 100.0	303	443
5	Receipt of request and issue of clarification/approval of drawing	2 16.7	4 33.4	3 25.0	1 8.3	..	1 8.3	1 8.3	-	..	..	..	..	..	..	12	431	443
6	Preparation of C/S and reference to Indentor	11 7.8	19 13.6	19 13.6	36 25.9	27 19.3	10 7.9	9 6.3	6 4.3	2 1.3	..	..	..	..	..	139 100.0	304	443
7	Reference to Indentor and reply	4 2.4	29 17.4	46 27.5	42 25.1	28 16.8	12 7.2	3 1.8	1 0.6	1 0.6	1 0.6	..	..	..	..	167 100.0	276	443

8	Opening tender and finalisation of purchase proposal	4	5	8	26	43	37	12	8	10	13	2	..	..	..	168	275	443
		2.3	3.0	4.7	15.5	25.7	22.1	7.1	4.7	6.0	7.7	1.2	..	..	..	100.0		
9	Finalisation of purchase proposal and issue of formal A.T.	17	28	57	46	35	11	10	5	1	1	..	..	..	..	211	232	443
		8.0	13.3	27.0	21.8	16.6	5.2	4.7	2.4	0.5	0.5	..	..	..	..	100.0		
10	Issue of advance A/T and formal A/T	5	2	24	36	26	8	3	..	1	..	..	..	..	..	105	338	443
		4.8	1.9	22.9	34.3	24.7	7.6	2.9	..	0.9	..	..	..	..	..	100.0		
11	Finalisation of purchase proposals and clearance from D.G. T.D.	6	2	1	2	4	2	1	1	..	3	..	..	..	..	22	421	443
		27.3	9.1	4.5	9.1	18.3	9.1	4.5	4.5	..	13.6	..	..	..	..	100.0		
12	Issue of formal A.T. and I.R.C./ Q.C. etc.	3	5	8	17	13	3	2	1	..	..	4	1	..	..	57	386	443
		5.2	8.8	14.2	29.8	22.8	5.3	3.5	1.7	..	..	7.0	1.7	..	..	100.0		
13	Issue of I.R.C. and I.L.	1	1	7	18	13	10	..	..	..	..	4	..	..	..	54	389	443
		1.9	1.9	13.0	33.3	24.1	18.3	..	..	..	..	7.5	..	..	..	100.0		
14	Completion of supplies and issue of amendments to D.P., S.T., Price etc.	..	..	1	2	14	12	11	14	5	78	50	31	18	13	249	194	443
		..	..	0.4	0.8	5.6	4.8	4.4	5.6	2.0	31.3	20.1	12.5	7.3	5.2	100.0		

APPENDIX 9

[Para 3.12(1)]

Questionnaire that should be printed on the Indent Form

- (1) Have you given correct specifications in the indent?
- (2) Have you certified the availability of funds?
- (3) In case of imported stores, have you provided the foreign exchange and also indicated the source of foreign exchange?
- (4) In the case of Defence indents, has the indent been vetted by the authority holding sealed particulars?
- (5) Have you ensured that the item for which you are indenting is not covered by a Rate Contract? If it is covered by a Rate Contract, are you not a Direct Demanding Officer, and if you are a Direct Demanding Officer, does the value of your indent exceed the monetary limit laid down in the Rate Contract?
- (6) Have you checked whether the value of the indent is more than the direct purchase powers authorised to you?
- (7) Have you checked that the purchase organisation has been given reasonable time for the procurement of stores indented, taking into consideration the time taken for calling tenders, their consideration placement of contracts and then for the supplies to produce the goods, get them inspected and despatched?

APPENDIX 10

(Para 3.13)

**Time taken in Transmission of Indents from Central Registry to the
Central Indent Section**

Within 24 hours	...	...	...	...	40%
Between 24—48 hours	...	...	...	...	52%
More than 48 hours	...	...	...	...	8%

APPENDIX 11

(Para 3.19)

**PAMPHLET FOR GUIDANCE OF INDENTING
DEPARTMENTS**

CHAPTER I

ORGANISATION, SCOPE AND FUNCTIONS

JURISDICTIONS OF THE D.G.S. & D. AND THE SUPPLY MISSIONS IN LONDON AND WASHINGTON

The responsibility for the procurement of stores required by the Central Government vests with the Ministry of Industry and Supply (Department of Supply and Technical Development) operating through its Purchase Organisations viz. the Directorate General of Supplies and Disposals (including its Regional Offices in India), the India Supply Mission, London and the India Supply Mission, Washington. The operations of the ISM London extend over the U.K. and the entire continent of Europe, while those of the ISM Washington extend over the continent of North America including Canada. The operations of the Directorate-General of Supplies and Disposals extend over India and the remaining countries of the world not covered by the Missions in London and Washington. The services of all these organisations are also available to State Governments, Local Bodies, Quasi-Public Bodies and State-owned Undertakings.

PURPOSE OF THIS PAMPHLET

1.2. The main purpose of this pamphlet is to give information and guidance to indentors dealing with the Directorate-General of Supplies and Disposals.

FUNCTIONS

1.3. The functions of the Directorate-General of Supplies and Disposals are as follows:—

- (a) to act as a purchasing agency for all Ministries of the Government of India and their attached and subordinate offices and also for those State Governments, Local Bodies, Quasi-Public Bodies, e.g., Municipalities, District Boards, Statutory Corporations and State-owned Undertakings that may desire to avail of its services;
- (b) to act in an advisory capacity on all matters connected with the purchase of stores;
- (c) to inspect stores
 - (i) ordered by the D.G.S. & D. on behalf of indenting departments, and
 - (ii) purchased directly by the indenter if so desired by him;
- (d) to draw up specifications of various classes of stores and to advise and assist departments in this matter;
- (e) to scrutinise indents before cross-mandating them for purchase to D.G., I.S.M., London/Washington;

- (f) to arrange the clearance of imported stores; and
- (g) to arrange the disposal of surpluses declared by the departments of the Central Government (other than Railways).

PURCHASE THROUGH D.G.S. & D. OBLIGATORY

1.4. It is obligatory to purchase all stores required by the Central Government through the D.G.S.&D. except those mentioned in paragraph 5 below.

EXCLUSION OF JURISDICTION OF D.G.S. & D.

DELEGATION TO OTHER DEPARTMENTS

- 1.5. A. It is not necessary to purchase any stores through the D.G.S. & D. the value of which does not exceed Rs. 5,000.

SPECIAL DELEGATIONS TO RAILWAYS, DEFENCE AND P. & T.

- B. It is not necessary for the Departments of Railways, Defence and Posts and Telegraphs to purchase through the D.G.S.&D. stores the value of which is within their own special direct purchasing powers.

RATE CONTRACTS

- C. In the case of items on rate contract direct demanding officers need not place Supply Orders through D.G.S.&D. within the monetary limits prescribed in the Rate Contracts.

ITEMS WHOLLY EXCLUDED

- D. The purchase of the following items is totally excluded from the purview of the D.G.S.&D:—
- (i) Foodstuffs and forage
 - (ii) Lethal stores
 - (iii) Stores etc. as detailed in appendix to the Rules regulating the purchase of stationery and printing stores for the Public Services.
 - (iv) Mathematical, Survey and Scientific instruments and appliances procurable from the National Instruments Ltd., Calcutta.
 - (v) Straw, Saw-dust, Fire Wood and Charcoal.
 - (vi) Telephone, Telegraph and Train Control apparatus procurable through the Indian Telephone Industries Ltd., Bangalore.
 - (vii) Road metal, building material as bricks and stone etc.
 - (viii) Wooden and cane furniture.
 - (ix) Exposed cinematographic films.

ORGANISATION

1.6. The Directorate General of Supplies and Disposals comprises the following wings:—

<i>Wings</i>	<i>Functions</i>
(a) Supplies	(i) Purchase of stores. (ii) Arranging Import and Shipping of Stores on Government account.
(b) Inspection	(i) Inspection of stores. (ii) Preparation of specifications and Drawings. (iii) Rendering technical advice to Indentors. (iv) (a) Scrutiny of indents. (b) Checking of tenders. (v) Reporting upon capacity of new suppliers.
(c) Progress	Progressing delivery of stores.
(d) Disposals	Disposal of surplus stores.

LOCATION AND ADDRESSES

1.7. The location and address of various offices is given below:—

New Delhi Headquarters

- (i) The Directorate General of Supplies and Disposals,
Jeevan Tara Building, Parliament Street, New Delhi.
(TELE. ADDRESS 'DEVSUP' NEW DELHI).
- (ii) The Directorate of Inspection, N.I. Circle, Travancore Hutments,
Canning Road,
New Delhi.

Bombay

- (iii) The Directorate of Supplies & Disposals,
Sapt. Building, Ballard Esate, Bombay.
(TELE. ADDRESS 'DEVSUP' BOMBAY).
- (iv) The Directorate of Supplies (Textiles),
5th Floor, South West Wing,
New Central Government Building,
New Marine Line,
Bombay.

(TELE. ADDRESS 'SUPPLYTEX' BOMBAY).
- (v) The Director of Inspection, Ayyakar Bhavan Annexè, New Marine Line) Bombay.

Calcutta

- (vi) The Directorate of Supplies and Disposals,
6, Esplanade East,
Calcutta,
(TELE. ADDRESS 'DEVSUP' CALCUTTA)
- (vii) The Directorate of Inspection,
1, Ganesh Chander Avenue,
Calcutta-13.

Madras

- (viii) The Directorate of Supplies and Disposals,
18-A, Woods Road,
Madras,

(TELE. ADDRESS 'DEVSUP' MADRAS)
- (ix) The Directorate of Inspection,
18-A, Woods Road,
Madras-2.

Kanpur

- (x) The Directorate of Supplies,
7/157-1, Swarup Nagar,
Kanpur.

(TELE. ADDRESS 'DEVSUP' KANPUR)
- (xi) Directorate of Inspection,
4/286, Nawab Ganj,
Kanpur.

Tata Nagar

- (xii) Directorate of Inspection (Met.), Tata Nagar.

Burnpur

- (xiii) Directorate of Inspection (Met.), Burnpur.

CHAPTER II

INDENT PROCEDURE (GENERAL)

INDENTORS NOT TO PLACE INDENT WITHIN DIRECT PURCHASING POWER

Indentors should take care not to place any indents on the D.G.S. & D. that are within their direct purchasing powers (please see Chapter I paragraph 5) except in those rare circumstances, to be stated in writing, when they find procurement impossible.

INDENTS FOR CENTRALIZED ITEMS ON D.G.S. & D., NEW DELHI

2.2. Indents for centralised items should be placed on the D.G.S. & D., New Delhi. Urgent/Operational/Express indents (please see Chapter on "Classification of Indents") for centralised items may, however, be placed with the nearest regional Directorate of Supplies subject to a limit of Rs. 4 lakhs in estimated value. Indents for items which do not appear in the centralised list should be placed on the nearest regional Supplies Directorate subject to a limit of Rs. 4 lakhs in estimated value. Indents for such items which exceed the limit of Rs. 4 lakhs should be placed on the D.G.S. & D., New Delhi. Items brought on or struck off from the centralised list are brought to the notice of all indentors but an up-to-date list of centralised items can always be had from the D.G.S. & D.

ADDRESSES FOR INDENTS ON HEADQUARTERS

2.3. Indents meant for the Headquarters office (New Delhi) of the D.G.S. & D., should be sent at the addresses given below:—

(i) *Defence Indents*

D.G.S. & D., Central Indent Section,
Post Box No. 88,
New Delhi.

(ii) *Railway Indents*

D.G.S. & D., Central Indent Section,
Post Box No. 116,
New Delhi.

(iii) *Other Indents*

D.G.S. & D., Central Indent Section,
Post Box No. 43,
New Delhi.

This will ensure quick and correct receipt of indents.

JUTE GOODS

2.4. In respect of jute and jute goods all indents irrespective of their value should be placed directly on the Director of Supplies and Disposals, Calcutta.

TELE-COMMUNICATION EQUIPMENT

2.5. Indents for tele-communication equipment should indicate whether or not Indian Telephone Industries, Bangalore have been consulted and if so with what results.

FORMS

2.6. All indents whether for indigenous or imported stores should be placed (in triplicate) in the prescribed forms mentioned below which can be obtained from D.G.S. & D., New Delhi or any of its regional offices.

Railways and Central Government indentors—Form No. 85

Defence indentors—Form No. 81

Civil indentors (other than above—Form No. 86.

DIFFERENT CATEGORIES OF STORES

2.7. Separate indents should be prepared for different categories of stores.

COMPLETE

2.8. Indents should be complete in all respects and all particulars required in the form should be completely and comprehensively filled.

FINANCIAL SANCTION FOR ALL INDENTS

2.9. The indent should be accompanied by the requisite certificate of financial sanctions otherwise they will be returned.

IMPORTED STORES—SANCTIONS

2.10. In the case of imported stores, it is the responsibility of indentors to obtain sanction for foreign exchange from the Ministry of Finance. The full particulars (including number and date of reference) of the Ministry of Finance sanction should invariably be quoted in the indent. The clearance certificate from the Director-General, Technical Development, to import the material should also be furnished.

PROPRIETARY CERTIFICATE

2.11. Indenting for stores of a particular make/brand should be avoided as far as possible. Where this is inescapable, a proprietary certificate in the following form must be furnished with the indent:—

“(i) The equipment/store wanted is manufactured by M/s.

No other make is acceptable for the following reasons.....

(ii) The approval of the Director/Head of Department/Head of Depot/or his nominee has been obtained.

(iii) The Associated Financial Adviser has concurred in the proposal.

.....
(Signature of Indentor)

Date:

Designation.....

Such indents should be placed with the prior approval of the Head of Department or his duly authorised nominee in consultation with his Associated Finance.

LAST INDENT FOR CONTRACT

2.12. The indentors should indicate in their indents the particulars of their last indent (number and date) as well as the number and date of the corresponding contract placed by the D.G.S. & D.

TECHNICAL PARTICULARS

2.13. (a) The indent should specify correctly the full technical particulars of the stores required.

(b) Efforts should be made to use Indian Standards Institution specifications, wherever available. Where these are not available, indentors may continue to indicate the existing specifications. To utilize raw material available within the country and for the sake of indigenous procurement, the indentor may relax specifications to the extent consistent with safety, security and use.

(c) For drawing up specifications for complicated plant and machinery, there should be close coordination between the indentor and D.G.S. & D.

(d) Changes in specifications after placing demands are inadvisable as they cause delays. Where specifications/drawings are modified after contracts are placed financial repercussions are inevitable.

(e) If no specifications or drawings exist, indentors should indicate if stores conforming to the trade pattern will be acceptable.

(f) The indentors must mention in their indents the complete addresses of the authorities from whom drawings and specifications can be had as well as the price of such a document inclusive of postage and other sundry charges.

APPROVAL OF DRAWINGS AFTER PLACEMENT OF CONTRACT

(g) If approval to the suppliers drawings etc. has to be accorded after the placement of the contract, it must be accorded within the target period specified in the Acceptance of Tender.

AFTER SALES SERVICES

2.14. Indents for plant and machinery should indicate whether the suppliers should provide "after sales" services.

PRICE ESTIMATES

2.15. The price estimates in the indent should be realistic for which purpose the indentor should indicate briefly the basis for the prices estimated. In framing these estimates, indenting departments should take into account the policy of government of according price preference to indigenous products and to cottage and small scale industries.

CONSIGNEE INSTRUCTIONS

2.16. The consignee instructions should be given in unambiguous terms.

DELIVERY PERIOD

2.17. *Stipulation of delivery period:*

- (i) while stipulating delivery period, use of such terms as 'IMMEDIATE' 'AS EARLY AS POSSIBLE' etc. should be avoided. Specific date(s) should be given in the indent.
- (ii) The delivery schedule specified in indents should also be realistic and should take into account all the factors having a bearing on delivery such as the availability of raw materials in the country, time needed for fabrication and testing of stores, transport and shipping difficulties.

THE LABEL "DANGEROUS"

2.18. Indentors should indicate in their indents, whether any stores indented by them are considered dangerous for which labelling as prescribed by Indian Standards Institution will be required.

SPARE PARTS

2.19. The importance of ordering spare parts along with the equipment should be carefully considered. The possibility of manufacturers charging unduly high prices for spare parts ordered subsequently cannot be ruled out or ignored.

FORWARD INDENTS

2.20. (i) Forward Indents should be submitted for items to be specially manufactured and for which capacity is limited.

(ii) The delivery period for such indents should be spread over the year during which these items would be manufactured for supply and distribution to all the indentors of such stores.

CORRESPONDENCE AFTER PLACING INDENT

2.21. In all correspondence, D.G.S. & D. references made after the receipt of indent, should invariably be quoted.

CHAPTER III
SPECIAL INSTRUCTIONS REGARDING DEFENCE INDENTORS

In addition to observing the general indent instructions in Chapter II, Defence Indentors will also observe the special instructions mentioned below.

DEFENCE INDENTS THROUGH INSPECTOR

3.2. Defence indents wherein inspection is not vested with the Inspection Wing of D.G.S. & D. should be routed through the Defence Services Inspector concerned. Only checked indents should be placed in such cases.

DEFENCE INDENTS—TECHNICAL PARTICULARS

3.3. Against Defence indents, five copies of the specifications and/or drawings as well as of related specifications and/or drawings should be furnished with the indent.

ADDRESS

3.4. Indents from Defence Services for security items should be addressed by name to the Deputy Director General.

CHAPTER IV

DEVELOPMENT INDENTS

With a view to encouraging the development of indigenous manufacture of items hitherto imported and to step up the existing indigenous capacity, it is necessary that development indents are formulated for items for which indigenous capacity should be developed urgently *inter alia* the following particulars:—

- (a) the actual consumption of the items annually;
- (b) the quantities purchased, the prices paid and sources of supply during the past five years or so;
- (c) pending indents and the stock position;
- (d) the minimum estimated annual requirements; and
- (e) any special technical or other features.

4.2. Such items could be selected by mutual consultation between the indenting departments and the Directorate General of Supplies and Disposals, and possibility of making long term arrangements explored with parties who may be interested in the manufacture of such items on suitable terms which might include:—

- (i) Government guarantee of certain minimum off-take annually for an initial period;
- (ii) fixation of prices after taking into account the higher production costs during the developmental period;
- (iii) formulation of a plan by the manufacturer for progressive indigenous manufacture of the article. (A time-schedule by which the article will be wholly manufactured in India should be prescribed);
- (iv) assurance of assistance in respect of import licences for components and allotment of raw materials;
- (v) technical assistance inclusive of facilities for testing and making available results of research;
- (vi) relaxation in specifications in consultation with the indenter to facilitate the use of substitute materials; and
- (vii) financial assistance in special cases.

4.3. For items for which there has so far been complete dependance on imports and for which indigenous capacity has yet to be developed, the Indenting Ministry may, in consultation with their technical authorities and their Finance and after obtaining the concurrence of the Department of Supply and the Directorate General of Technical Development, directly attempt to establish two or more sources of Supply. This relaxation is to enable indigenous manufacturer to receive constant advice and guidance from the Indenter (user) during the infant stages. When once two or more satisfactory sources of supply are established, the Indenting Departments should revert to the normal procedure of purchase through the Central Purchase Organisation who should be kept informed of sources of supply developed.

CHAPTER V

CLASSIFICATION OF INDENTS

A—CLASSIFICATION OF INDENTS OF DEPARTMENTS OTHER THAN RAILWAYS CATEGORIES

Besides indents placed in the normal course, indents can be placed in the following categories:—

(a) *Forward Programme Indents*—The indenting departments should normally place Forward Programme Indents well in advance of the delivery dates (say 18 to 24 months) by which stores are required, to enable the D.G.S.&D. to purchase the stores at economical rates;

(b) *Supplementary Indents*—This term covers additional requirements to be supplied within the period stipulated in the main indent but not foreseen at the time when the main indent was placed;

(c) *Operational Indents*—These are placed when the stores are immediately required for use in military operations or in connection with 'Riots', Civil Commotion or in other similar unforeseen circumstances;

(d) *Urgent Indents*—These are placed when the non-supply of stores within the stipulated date will result in a breakdown of essential services or will cause great inconvenience or loss to the State. Urgency will be determined by the date specified in indent for the completion of supplies.

OPERATIONAL AND URGENT INDENTS—PROCEDURE

5.2. (a) 'Operational' and 'Urgent' indents have to be countersigned by the Secretary or Joint Secretary of the Ministry concerned or a duly authorised officer whose name has been notified by the indenting Department to the Department of Supply and Technical Development (Ministry of Industry and Supply). The officer countersigning will furnish along with the indent, a certificate in the following form:—

Certificate for Operational/Urgent Demands

1. Description of item
2. Delivery date
3. Name, address and telephone number
of officer detailed to progress the
stores with supplying Department

I certify that the attached indent is classified as OPERATIONAL/

URGENT.

(Designation of certifying Officer)

(b) In cases in which the supply, in whole or in part, of a store which has already been demanded, becomes a matter of urgency, the following procedure will be observed:—

- (i) the indenter will, in the form below, request for the upgrading of a part of the whole of his previous demands;

(ii) a certificate of urgency as prescribed earlier in this paragraph duly signed by the competent authority will be attached to the request.

(c) In cases where the urgent requirements exceed demands already placed, a new operational/urgent demand will be submitted for the additional quantity in the following form:—

Request for upgrading existing demands to OPERATIONAL/URGENT

1. D.G.S.&D.'s reference number allotted to the original indent (if known);
2. Indentor's original indent number and date;
3. Quantity on original indent;
4. Quantity required as OPERATIONAL/URGENT;
5. Delivery date or dates;
6. Consignee; and
7. Symbol and number of OPERATIONAL/URGENT certificate attached.

Date:

Signature

Addressed to

CAUTION

5.3. (a) Indents should be classified as "Urgent" only if absolutely necessary. It must be remembered that for Urgent Indents the purchaser is not in a position to exercise sufficient bargaining power while procuring stores and the indenting department often pays a higher price than it normally would. It is in the interest of the indenting department, therefore, to avoid placing short-term indents.

(b) The indenting departments when placing indents in the closing month of the financial year often classify them as "Urgent" in order to avoid lapse of funds. This practice defeats the purpose of the classification. Here again it needs to be stressed that purchase against an "Urgent" indent is effected in conditions that restrict competition and that the danger of lapse of funds does not justify such a purchase.

B—CLASSIFICATION OF RAILWAY INDENTS

CATEGORIES

5.4. Railway Indents are classified under the following five categories:—

(a) *Programme Indents*—These should be submitted in accordance with the programme laid down by the Directorate General of Supplies and Disposals, in the booklet entitled 'Programme for the Submission of Indents'.

(b) *Supplementary Programme Indents*—These should be submitted when, for reasons that could not be foreseen at the time of the submission of the original programme indents, it becomes necessary to effect a special supplementary purchase of additional quantities of those very items that have already been included in the original programme indents, the delivery period remaining the same as laid down in the original programme.

(c) *Ad hoc Indents*—These should cover unforeseen demands of a special nature, not covered by Programme Indents and should indicate the specific date by which stores are required.

(d) *Express Indents*—These should cover items where it is essential that the supply of stores should materialise by a specified date not exceeding 4 months from the date of receipt of the indent.

(e) *Works Programme Indent*—These should be submitted for the stores required for the successful implementation of the various Works Programme of the Indian Railways.

INDICATION OF CLASSIFICATION

5.5. The classification of the indent according to the five categories mentioned above should be indicated at the top in every case. Every Works Programme Indent should be rubber stamped in bold capital letters as 'WORKS PROGRAMME INDENT'.

CERTIFICATES AND COUNTER SIGNATURES

5.6. All Express indents should be counter-signed by the Controllers of Stores and *ad hoc* indents by the Deputy Controller of Stores. The Express indents should also be accompanied by a certificate in the form below, signed by the Controller of Stores. Deputy Controllers of Stores may countersign Express indents and also give the necessary certificates when the Controller of Stores is not available at Headquarters, but in such cases the confirmation of the Controller of Stores should be communicated within one week of the despatch of the original indents.

"Certificate for Express Indents

- | | |
|--|-------|
| (1) Description of item | ..... |
| (2) Delivery date | ..... |
| (3) Name, address and telephone number.....
of the officer detailed to progress the.....
stores with the supplying department..... | |

I certify that the attached indent is correctly classified as of *Express*.

Controller of Stores,

.....Railway,

....."

5.7. *Ad hoc* and Express indents should be reduced to the minimum.

C—URGENT REQUIREMENTS OF STORES/ADVANCE NOTIFICATION OF

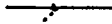
5.8. In exceptional cases where stores are required on an operational basis, the Directorate General of Supplies and Disposals will be prepared to initiate purchase action on advance intimation from the indenter (provided detailed specifications are furnished which will not be altered subsequently). The indenting department should, however, certify in such cases that there is reasonable certainty of their obtaining the necessary sanction (including financial sanction) so that the formal indent is placed within six weeks from the date of receipt of the advance intimation.

CHAPTER VI

PROVISION OF FUNDS

It is the responsibility of the indenting Department to make adequate provision of funds. A certificate to this effect has to be provided by the indenter and once an indent has been placed, the indenter is deemed to have made a firm commitment for that expenditure and even if the expenditure does not materialise in the particular period in which he anticipated it, he should treat it as a carry forward for the subsequent period in which it may be incurred.

6.2. Orders may be placed by the D.G.S.&D. in excess of the estimated cost of all items shown in an indent without prior reference to the indenter if the extra expenditure over the total estimated amount is not more than 15 per cent or Rs. 1 lakh whichever is less in the case of Civil indentors and $66\frac{2}{3}$ per cent or Rs. 5 lakhs whichever is less in the case of Defence indentors.



CHAPTER VII

TIME SCHEDULES FOR INDENTORS FOR SENDING REPLIES TO QUERIES BY D.G.S.&D.

Indentors are required to furnish the following clarifications required by the D.G.S.&D. within the periods prescribed against each:—

<i>Queries</i>	<i>Prescribed period</i>
(1) Regarding acceptance of delayed delivery against Operational demands.	2/3 weeks from the date of the letter.
(2) Regarding availability of funds.	3 weeks.
(3) Regarding provision of funds.	4/5 weeks (2 months in the case of Defence indents).
(4) Regarding technical matters.	3/4 weeks.
(5) Regarding other matters.	As specified in individual correspondence.

CHAPTER VIII

RATE AND RUNNING CONTRACTS

GENERAL INSTRUCTIONS

- I. (a) Indenting officers who are declared Direct Demanding Officers can draw their requirements against the Rate/Running contracts as and when necessary by placing Supply Orders in form D.G.S.&D. 131 obtainable from D.G.S.&D. and its regional offices.
- (b) The Direct Demanding Officers should order all their requirements upto the monetary limit mentioned in each Rate Contract. In the case of demands exceeding that limit, the indent should be sent to the D.G.S.&D. for deciding whether to call competitive offers or to negotiate with the Rate Contract holders.
- (c) Indentors should not place Supply Orders at the end of the Rate Contract period. They should spread their requirements over the whole year, so that the suppliers have no difficulty.
- (d) The Direct Demanding Officers should send expeditiously copies of Supply Orders to the Pay and Accounts Officer so that there may not be any delay in making payment to suppliers.
- (e) The Direct Demanding Officers should give the same serial numbers to the copies of supply orders sent to the supplier, the Inspector, and the Regional Accounts Officer.
- (f) Whenever Direct Demanding Officers amend the Supply Order, they should endorse a copy of such an amendment or instruction to the Pay and Accounts Officer without fail.
- (g) In the case of items where the consignee himself is the Inspector he should ensure that he has blank Inspection Note Forms. If he does not have these blank forms, he should ask for these from the D.G.S.&D. at the time of placing supply orders.
- (h) For the preparation of Supply Orders, attention is invited to another pamphlet (D.G.S.&D. 155) 'Instruction for the Guidance of Direct Demanding Officers regarding Rate Contracts'.

POWERS OF INDENTORS

II. The delegations in respect of rate and running contracts to the indentors are as follows:—

- (a) at a time (i.e. for one order) the indenting departments can directly purchase up to Rs. 500.
- (b) in one year, the indenting departments can purchase up to a maximum of Rs. 5,000.

CHAPTER IX

EXTENSION OF DELIVERY PERIOD

Delivery periods are extended by the D.G.S.&D. without reference to the indenter where such extension does not exceed a period of 3 months beyond the contracted delivery period except in those cases in which the indent is Express or Operational or Urgent or in which the indenter has specifically stated that a prior reference should be made before granting extension.

CHAPTER X

INSPECTION OF STORES

INSPECTION BY D.G.S.&D.

The Inspection Wing of the D.G.S.&D. is responsible for the inspection of stores

- (a) ordered by D.G.S.&D. on behalf of the indenting department,
- (b) purchased directly by a government department, if so desired by that department.

Requests for the inspection of stores not purchased through the D.G.S.&D. should be made to the nearest Regional Inspectorate of Directorate General or to the D.D.G.(I) at the Headquarters of D.G.S.&D. in form No. D.G.S.&D. 8 obtainable from them.

CHECK BY CONSIGNEE—RIGHT OF REJECTION

10.2. Consignees exercise the right of rejection as provided in the General Conditions of Contract, and they should therefore undertake a check of the stores immediately on receipt.

- (a) to see whether the quantity is covered by the Inspection Notes and Railway Receipts been received;
- (b) and, if so, to see whether the stores are in good condition and conform to the particulars specified in contract.

The right of rejection should be exercised within a reasonable period (not exceeding 1 month from the date of receipt of stores) failing which it is likely that the objection may not be legally tenable.

When the consignee exercises such a right of rejection, he should ensure that the necessary documentary particulars are prepared immediately so as to substantiate the rejection in case of subsequent dispute by the contractor.

THE RETURN OF THE CONSIGNEE RECEIPT CERTIFICATE

10.3.(a) Consignees should observe the following instructions when completing the receipt certificate:—

- (i) the certificate must be signed in ink and not with ball point pen;
- (ii) the designation of the official signing the certificate should be mentioned;
- (iii) the certificate should be signed only by the consignee proper;
- (iv) the number and date of the railway receipt and the date of account should be mentioned by the consignee in the column provided for the purpose in the certificate;
- (v) remarks regarding shortage/loss in transit should be given in column No. 3(a) and not in column 3;
- (vi) continuation sheets must be signed by the consignee and in ink.

PENALTY FOR NON-COMPLIANCE OF INSTRUCTIONS

(b) Consignees should ensure that the receipt certificate is returned to the contractor within a reasonable period normally not exceeding 3 weeks from the date of receipt of stores by them. Where the consignees fail to return the receipt certificate within 60 days of the despatch of the Inspection Note and the Railway Receipt, the procedure will be as below:—

- (i) the contractor will address the consignee a letter under Registered Cover A/D for expediting the receipt certificate, simultaneously endorsing copies of the letter to the Supplies Officer as well as the indentor;
- (ii) in case the Supplies Officer does not receive any communication from the consignee/indentor giving satisfactory reasons for delay in issue of the receipt certificate, he will on the 10th day of the receipt of the copy of the letter from the contractor, issue a letter to the next higher officer of consignee under registered cover A/D requesting him to arrange for the return of the Inspection Note or to reply giving reasons for delay within 15 days impressing upon him that failure to reply will lead to automatic payment of firm's bill in full on or after the 90th day;
- (iii) in the event of the non-receipt of a satisfactory reply either from the indentor or the consignee, the Supplies Officer will on the 91st day of the date of despatch of Inspection Note and Railway Receipt, authorise payment of the outstanding amount of the bill to the contractor without the consignee's receipt certificate.

The above procedure will also apply *mutatis mutandis* to payments to be made against Supply Orders placed by Direct Demanding Officers against Rate/Running Contracts.

ERECTION CONTRACTS

10.4. In the case of erection contracts where the terms are 80 per cent payment on the despatch of material in India and the balance 20 per cent payment on final inspection and test, if the erection at site is delayed for reasons for which the Indentor is responsible, the procedure of payment will be as under:—

- (a) 80 per cent of the price will be paid after the preliminary inspection and despatch of stores to the site;
- (b) 10 per cent will be payable at the expiry of 4 months from the date of arrival of the last consignment at site, provided that no defect or shortage (proved or unproved) comes to notice within this period;
- (c) 10 per cent will be payable after the expiry of 8 months from the date of receipt of the last consignment at site (unless otherwise stipulated in the contract) provided that no defects or shortages (proved and unproved) come to notice within this period. This payment will be made on the strength of an authorisation letter issued by the Supplies Officer on the receipt of such a request from the contractor for final payment and without waiting for the consignee's receipt certificate. In such cases

where payment is made without the consignee's receipt certificate, it will be the responsibility of the consignee to settle the matter with his Accounts/Audit Officer either by sending the receipt certificate or by making arrangements through the D.G.S.&D. for the necessary recovery, replacement etc. In his own interest, therefore, he should ensure that the receipt certificates are returned to the contractors promptly, with or without objections within the prescribed time on receipt of the notice.

DEPARTMENTAL CHARGES

10.5. (a) Departmental charges for services rendered by the D.G.S.&D. to Indian indentors are levied at the following rates:—

Purchase:	0.5 per cent
Inspection:	0.5 per cent

No Departmental Charges are levied against purchases made on behalf of non-commercial Civil departments of the Government of India.

CLAIM FOR REFUND OF DEPOSITS MADE BY NON-GOVERNMENT INDENTORS

(b) Un-utilised balances of deposits made by non-government indentors may be claimed by application to the Pay and Accounts Officer concerned through the D.G.S.&D. (Headquarters) or the Regional Supplies Office concerned as the case may be.

INSPECTION BY CONSIGNEE

10.6. In rare cases the inspection of stores is carried out by the consignees themselves. In such cases to avoid delay, consignees must obtain from the supplies officer concerned the requisite copies of the Inspection Note forms. The Inspection Note, the continuation sheets of the Inspection Note and the Receipt Certificate portion of the Inspection Note should be prepared and signed as follows:—

- (i) all copies of the Inspection Note and the continuation sheets must be prepared with a copying pencil or typewriter placing a carbon paper under each sheet. Care should be taken to see that all copies are legible;
- (ii) the copies of the Inspection Note and continuation sheets meant for the Pay and Accounts Officer should be signed individually in ink. Indelible pencils or ball point pens should not be used;
- (iii) the remaining copies of Inspection Note and continuation sheets can be signed in copying pencil in one stroke putting the carbon under each sheet, provided the signatures come clearly. If they do not, all copies should be signed in ink individually;
- (iv) the continuation sheets should be signed as above without exception in every case;
- (v) Copy No. 1 and copy No. 2 of the Inspection Note are Accounts Office copies against which payment is made by the Pay and Accounts Office. The words 'Accounts Office copy No. 1' and 'Accounts Office Copy No. 2' should be attested with full signature in ink.

CHAPTER XI

TRANSIT INSURANCE CLAUSE

THE TRANSIT INSURANCE CLAUSE

The D.G.S. & D. Transit Insurance Clause reads as follows:—

“The purchaser will not pay separately for transit insurance and the supplier will be responsible till the entire stores contracted for arrive in good condition at destination.

The consignee will, as soon as possible but not later than 30 days of the date of arrival of stores at destination, notify the contractor of any loss or damage to the stores that may have occurred during transit.

Tenders/quotations in which transit insurance cost has been claimed as an extra, may not be considered.”

LOSS MUST BE REPORTED WITHIN 30 DAYS

11.2. Indentors/consignees should report any loss/damage to stores that may have occurred during transit to the contractor within 30 days of the date of arrival of stores at the destination. Failure to do so will render Government's claim for such loss/damage liable to rejection by the contractor.

WHEN CONSIGNMENT IS NOT RECEIVED WITHIN 30 DAYS

11.3. In case the entire consignment is not received within 30 days of the date of despatch (i.e. the date on the Railway Receipt), the consignee should immediately take up the matter with the Railways and simultaneously advise the suppliers asking them to take up the matter with the Railways.

CHAPTER XII

THE PROCEDURE FOR THE ISSUE OF FORMS 'C' AND 'D' TO AVAIL OF THE CONCESSIONAL RATE OF SALES TAX UNDER THE CENTRAL SALES TAX ACT FOR THE INTER-STATE SALES

The Central or State Government officers who are duly authorised and are engaged in the business of selling or purchasing goods could be categorised as follows—

- (i) *Government Department engaged in business activities of selling goods (registered as dealers), Goods specified in the certificate of registration and for the purpose so specified in that certificate.*

They have to obtain registration and also pay Tax to the appropriate State Government like ordinary commercial dealers. They will furnish to the dealers from whom they purchase goods, a declaration in form 'C' to avail of the concessional rate of tax on the inter-State sales made to them. On the inter-State sales of goods made by such Department they, in their turn, will have to pay sales tax like ordinary registered dealers.

- (ii) *Government Department not engaged in the business of selling goods and as such not registered as dealers under the Act but engaged in the purchase of goods.*

Government Department such as Railways, Defence Services, etc. are to be considered not liable to registration as dealers as they are not normally engaged in the business of selling goods.

A certificate in form 'D' has been prescribed by the Central Sales Tax (Registration & Turnover) Rules, 1957. At the time of making inter-State purchases, this certificate will be issued to the selling dealers i.e. the contractors on whom orders are placed by the officers of the Central Government or the State Government, as the case may be, who have been authorised by it to effect purchases on its behalf. On the authority of the certificate such Government Department can purchase all goods and use them for any purpose whatsoever.

Form 'D' will be issued by the D.G.S. & D. only against those Acceptances of Tender or Supply Orders which are issued by the D.G.S. & D. or its Regional Offices against demands from Government indentors or consignees, who are not registered as dealers. The Government indentors or the consignees, who are registered as dealers, for any item, will arrange to issue form 'C' or form 'D' as the case may be.

Against Supply Orders placed by the Direct Demanding Officers, the form 'D' will be issued by the officer issuing the Supply Order.

CHAPTER XIII

PAYMENT OF DUES BY QUASI-PUBLIC UNDERTAKINGS

It has been laid down that all quasi-public undertakings which have been given the facility of post-deposit parties should deposit amounts due from them in respect of purchases made on their behalf by the D.G.S. & D. within 7 days of the receipt of the account from the Pay & Accounts Officer. Failure to do so will render them liable to being debarred from availing of the Rate Contracts concluded by the D.G.S. & D. and, in respect of indents for *ad hoc* demands, to furnish pre-deposits.

CHAPTER XIV

LIST OF PUBLICATIONS WHICH EVERY INDENTOR SHOULD HAVE

1. Manual of Office Procedure for Supplies, Inspection and Disposals.
 2. Conditions of Contract governing contracts placed by the Central Purchase Organisation (DGS&D-68, 69, 70, 71 and 72—Revised).
 3. Instructions for guidance of Direct Demanding Officers regarding Rate Contracts.
 4. Standard Vocab-cum-programme books for the submission of Indents.
 5. List of Stores on Rate/Running Contracts.
 6. List of Centralised Items.
-

APPENDIX 12

[Para 3.30(1)(c)]

Serial No.	Indent	Route	Card	Steps	Prescribed time Schedule	Actual date	Difference (3 & 4)
1				2	3	4	5
1	Received in CRS	..	..	..	} 1 day		
2	Received in CIS	..	..	..
3	Screened	..	..	..
4	Examined by SSI Liaison officer	..	..	..	} 2 days		
5	Returned to indentor	..	..	..
6	Transferred to Region	..	..	..
7	Sent for X-mandating	..	..	..	} 7 days		
8	Referred to Inspection Wing	..	..	..
9	Forwarded to Supply for procurement	..	..	..
10	Received from Inspection Wing	..	..	..	} 1 day		
11	Sent to Purchase	..	..	..
12	Tender Inquiry issued	..	..	..		} 7 days	
13	Tender opened	..	..	..	} 30/42 days		
14	Comparative statement put up	..	..	..		} 3-7 days	
15	Capacity report called	..	..	..	} 2 days		
16	Capacity report received	..	..	..		} 15 days	
17	Sample/Test Report received	..	..	..	} 15 days		
18	Tender referred to indentor..	..	..	..		} 2 days	
19	Indentor's comments received	..	..	..	} 2 days		
20	Purchase proposals put up	..	..	..		} 1 day	
21*	Referred to I/O for F/E, D/P/Addl. funds or any other matter.	..	..	..
22	I/O's reply received	..	..	..	} 15 days		
23*	Referred to supplier	..	..	..		} 15 days	
24	Supplier reply received	..	..	..	} 3 days		
25	Purchase Proposals finalised	..	..	..		} 1 day	
26	Advance A/T issued	..	..	..	} 4 days		
27	Formal A/T issued	..	..	..		} 4 days	
28	IRC Issued	..	..	..	} 4 days		
29	Q.C./E.C. issued	..	..	..		} 4 days	
30	Inspection Notes received	..	..	..	} 7 days		
31	Intimation of completion of supplies received	..	..	..		} 7 days	
32	Transferred to Finalisation	..	..	..	} 90-180 days		
33	Finalised	..	..	..		} 90-180 days	
34	Final payment made to the firm	..	..	..	} 90-180 days		
35	Security Deposit returned to the firm	..	..	..

*For second and subsequent references, give particulars here—

To

I.O. Supplier.	Referred on	Reply received on	Difference
-------------------	-------------	-------------------	------------

(i)

(ii)

(iii)

APPENDIX 13

[Para 3.33(1)]

Chart showing the Time-lag between the Date of Issue of Quota Certificate/
Essentiality Certificate and Physical Delivery of Steel

Serial No.	Stage	Operational Priority (Defence)	Urgent cases where priority is accorded by I&SC on the recommendations of Sponsoring Authority	Non-operational Priority (Rly. P & T etc.)
		Priority accorded by I&SC in <i>urgent</i> cases and <i>ex-post facto</i> approval of SPC obtained		Priority accorded by SPC only.
		(A)	(B)	(C)
		Weeks	Weeks	Weeks
1	Submission of indent by the firm to JPC after receipt of Quota Certificate. (Normally they should not take more than 10 days. Immediately on receipt of our copy of the forwarding letter in respect of Quota Certificate, the firm advised to submit indent for planning).	4	4	4
2	Planning of the indent by I&SC/JPC.. ..	2	2	2
3	Issue of Quotation letter by the producer	2	2	2
4	Completion of the formalities by the firm (concluding financial arrangements)	4	4	4
	Issue of Works Order/Sale Order by the Producer	2	2	2
	Total of 1 to 5 ..	14	14	14
6	Priority accorded by SPC once in 6 months. A&C/Time taken by the Sponsoring authority at recommendation stage and by I & S C for according priority(B)	24	6 to 10	24
7	Supply effected within the next 3 to 6 months according to the grade of priority accorded by SPC (for flat products only) ..	12	12	24
	Total of 1 to 7 ..	50	32 to 36	62

APPENDIX 14

[Para 3.37(a)]

Particulars to be furnished by Purchase Sections to Import and Shipping Section for Cross-Mandation

- (a) Complete description of stores together with specifications/drawing, etc. and the estimated cost.
- (b) Last source of supply or the probable source of supply in the country of origin.
- (c) Proprietary Articles Certificate wherever the stores are proprietary in nature.
- (d) Full details of foreign exchange sanction by the appropriate authority.
- (e) Details of clearance from Directorate General of Technical Development, Bharat Electronics Ltd., or the Iron & Steel Controller, as the case may be.
- (f) Loan No. in case the cost of stores is to be met from US (A.I.D.) Loan/Ford Foundation Grant/I.D.A. etc.
- (g) In case of pre-deposit parties like non-government indentors, State Electricity Boards and Government undertakings, etc. advance deposits covering the cost of the stores plus 25 per cent towards incidental charges and in addition the customs duty to be levied in favour of Pay and Accounts Officer, New Delhi, must be obtained.
- (h) Approval of competent authority for cross-mandation.

APPENDIX 15

(Para 3.40)

List of Check Points for Checking Draft Contract

1. Have you satisfied yourself that the delivery period stipulated in the contract is in accordance with the delivery offered by the tenderer?
2. If the firm has asked sales tax as extra, have you made provision for that in the contract?
3. If the firm has asked for excise duty as extra, have you made provision for that in the contract?
4. Have you ensured that the terms and conditions stipulated in the contract are accepted by the firm in its offer?
5. Have you given the consignee instructions correctly?
6. Have you given despatch instructions correctly?
7. Have you shown the inspection authority correctly?
8. If the inspection responsibility is that of a sub-office of an Inspection Circle, have you also endorsed a copy of the contract to the concerned sub-office?
9. Have you given the head of account correctly?
10. Have you ensured that the specifications given in the contract are in accordance with those accepted by the firm?
11. Have you satisfied yourself that all relevant communications from the contractor have been referred to in the contract?
12. Have you ensured that the name of the paying authority is correctly mentioned in the contract?
13. Has the firm, if unregistered, agreed to deposit security against the contract? If so, has the necessary provision been made in the contract.
14. In case of approval of advance sample/drawing by the Indentor/consignee, has a definite time limit been laid down for the return of the approved sample/drawing?
15. Has the transit insurance clause been correctly stipulated?
16. Have copies of the contract been correctly endorsed particularly to the Inspector and the Pay and Accounts Officer?
17. Is the 'Steel Clause' stipulated in the contract strictly in accordance with the tender condition?

APPENDIX 16

[Para 3.48(4)]

Slip to be attached to the letter with which the Import Recommendation Certificate to be sent

(Please return this slip duly filled in within 15 days)

I.R.C. No.

Dated

Received on

No. and date of application to the Chief Controller of Imports and Exports/Iron & Steel Controller for Import Licence.

*Note:—*If application for import licence is not made within 15 days of the receipt of Import Recommendation Certificate, the reason for delay be stated.

Firm's name and Address

To

The Director General (Supplies & Disposals),
IS-3 Section,
Parliament Street,
New Delhi.

APPENDIX 17

[Para 3.48(5)]

**Covering Letter with Import Recommendation Certificate
REGISTERED**

GOVERNMENT OF INDIA

DIRECTORATE GENERAL OF SUPPLIES AND DISPOSALS

(Import and Shipping-3)

PARLIAMENT STREET, NEW DELHI-1

No.

Dated the

To

M/s.

Sub.:—A/T No.

dt.

Dear Sirs,

Import Recommendation Certificate No.....for C.I.F. Value Rs.....along with the copy of the relevant A/T is sent herewith.

2. Please submit your application on the Established importers Form to CCI&E (DGS&D Contracts) Udyog Bhawan, New Delhi/Iron and Steel Controller, 33, Netaji Subhas Road, Calcutta (whichever appropriate) duly supported by I.R.C. and copy of the A/T immediately, within 15 days of the receipt of I.R.C.

3. (a) In order to facilitate expeditious issue of the *ad hoc* import licence against this contract you are advised in your own interest to attach with your application list of goods in quintuplicate in the proforma given below in addition to other usual documents. Such applications where list of goods are attached, should be forwarded to the licencing authority through D.G.S. & D. (IS-3 Section), so that necessary attestation may be done before transmission. The application for licence should further indicate the C.I.F. value break down by individual I.T.C. serial licence.

Description of goods covered by the import licence.

<i>Item No.</i>	<i>Description of goods</i>	<i>Quantity</i>
-----------------	-----------------------------	-----------------

3. (b) You should also indicate in your application for import licence, the particular port at which you intend to register the licence with the Customs authorities.

4. You should send your application for any amendment to the licence only through this office. *The amendment should be asked for before the goods are actually shipped. Request for revalidation of licence should invariably be made to D.G.S.&D. (IS-3 Section) at least 3 weeks before the expiry of the validity date as shown in the body of the licence.*

5. Shipment made before the date of issue of the licence or after expiry are naturally treated as unauthorised. Similarly, if the conditions of licence are not fulfilled the imports are to be deemed unauthorised. Unauthorised importation of goods is an offence under the Customs in which the import trade control authorities cannot interfere. No representation in this behalf will, therefore, be entertained and importers are requested to deal with the Customs authorities direct in such matters.

6. It must be clearly understood that the above arrangement is purely on *ex gratia* basis and is intended to assist you in importing the goods expeditiously. This will not effect in any way the price and delivery terms of the contract and is without prejudice to the office rights under the terms of the contract.

7. Please acknowledge receipt and return the attached slip.

Yours faithfully,

Assistant Director (I&S)
for Director General of Supplies & Disposals

Encl.: As above.

APPENDIX 18

[Para 3.52(iv)]

Control Chart for Watching Delivery of Steel in cases where Quota Certificate/Essentiality Certificate issued by the D.G.S. & D.

No. and date	Whether the supplier has placed an indent with the I. & S. C. within 15 days of the receipt of Quota Certificate/Essentiality Certificate. If not, what action has been taken	Date on which planned by the J.P.C.	Date on which the producer has submitted the quotation to the supplier	Whether the supplier has made necessary financial arrangements within 15 days of receipt of offer from the producer. If not, what action has been taken	The date on which the raw material has been received by the supplier
1	2	3	4	5	6

APPENDIX 19

[Paras 3.60 and 10.12(2)].

Supply of Copies of Rate Contracts upon Request

The present system of the supply of copies of Rate Contracts on request to indentors entails delay and waste of time and effort. When an indenter asks for copies of a larger number of rate contracts pertaining to different sections, the letter is received in the Co-ordination Directorate or, if the indenter is the Railways, the Plan Chasing Section which takes out copies of that letter and then circulates them to the various Sections. Each section then furnishes copies of the rate contracts with which it is concerned. At times, the Purchase Section in their pre-occupation with other work do not take prompt action on such requests. The indenter is, therefore, inconvenienced. The entire procedure wastes time, effort, stationery and postage, and needs simplification both for the sake of economy and for the better satisfaction of the indenter.

The supply sections after issuing the rate contract copies to all the Direct Demanding Officers as at present should send the remaining printed copies of the rate contracts along with the list of Direct Demanding Officers to the Public Relations Office. All requests for the supply of copies of rate contracts shall then be handled by the Public Relations Officer who can comply with these without delay. For this purpose it will be necessary to give the Public Relations Officer additional assistance to the extent of one Assistant and two L.D.Cs.

APPENDIX 20

[Para 3.68(3)]

Scrutiny Sheet for Recording of Cases

File No.
received from section
vide Serial No. in
list No.

1. Legend
2. Intermediate Records,
Final Records

1. Indent is at page
2. A.T. is at page
3. Final inspection note is at page
4. Intimation of receipt by consignee is at page
- Depatch by firm.
5. Action in respect of the following is complete as shown below:—

If action is outstanding, clarification by types to be indicated in pages below—

(a) Price Finalisation	..	No required completed Outstanding <i>vide</i> page.....	A B C D E	F.O.B. steel Steel metals C/D ex. rate etc. Wage escalator cost plus profit.
(b) Regularisation		Not required completed <i>vide</i> Page..... Outstanding	 A B C	 Less preference case No loss etc.
(c) Recovery of Govt. dues		Not required completed <i>vide</i> Page..... Outstanding	A B C	Risk purchase Supplies rejected, below specification short. Other cases.
(d) Refund of security deposit	..	Not received completed <i>vide</i> Page..... Outstanding		
(e) Audit Objection/Queries/requisitions		Not received Disposed of <i>vide</i> Page..... Outstanding	A B C	Relation to Purchase action Finalisation Action request for papers.
(f) Sales Tax claimed	.. ..	Not claimed settled <i>vide</i> Page.... Outstanding File is accordingly sent to.....Section. for necessary action in respect of Item(s) above.		

Date of initials of examining clerk

Section Officer

Action has been completed.

File may be recorded; classification of record I/F to be reviewed on : to be destroyed on:

Date, initials of Examining clerk.

Section Officer
(Signature and Date)

APPENDIX 21

(Para 3.69)

Table showing the delays in finalisation of cases after supplies have been completed

1. <i>No. of cases transferred by the purchase section to Finalisation Wing:</i>	
(a) Within 1 month of the completion of supplies	... 22
(b) between 1 and 2 months after the completion of Supplies	20
(c) between 2 and 3 months after the completion of supplies	14
(d) between 3 and 6 months after the completion of supplies	27
(e) between 6 and 9 months after the completion of supplies	15
(f) between 9 and 12 months after the completion of supplies	18
(g) after more than a year:	38
2. <i>Finalisation action initiated by Finalisation Wing.</i>	
(a) Within one month of receipt of the case	61
(b) between 1 to 3 months of the receipt of case	52
(c) between 3 to 6 months of receipt of the case	35
(d) between 6 months to a year of receipt of the case	... 6
(e) more than 1 year after receipt	Nil
3. <i>Finalisation completed:</i>	
(a) Within 1 month of initiation of action	15
(b) between 1 to 3 months of initiation of action	28
(c) between 3 to 6 months of initiation of action	58
(d) between 6 months to a year of initiation of action	... 45
(e) after more than a year of initiation of action	8
4. <i>Total time taken for finalisation of the case after completion of supplies:</i>	
(a) within 3 months	8
(b) between 3 to 6 months	20
(c) between 6 months to a year	48
(d) between 1 and 2 years	55
(e) more than 2 years	23

APPENDIX 22
[Para 3.82(1)]
ABSTRACT
OF INDENTS

- (i) B.F.
- (ii) Received on date
- (iii) Balance
 - (a) less than 3 days old
 - (b) between 3—7 days
 - (c) over 7 days

Signature of Assistant Director
Director

APPENDIX 23

[Para 3.82(2)]

Daily Control Chart to be maintained in Purchase Section

Directorate.....

Month

Section/Cell.....

Date	Receipts	Cases where C/S outstanding for more than 2 days	Overdue P.R.O. Slips	Cases where validity of offers is due to expire 15 days	Cases where [decision on tenders taken but formal contracts have not been issued within 2 days	Cases where Adv. A/T issued but formal A/T not issued within 4 days	Requests for A/Ls not attended to within 7 days	Cases where IRC/QC not issued with the contract and two days after issue of contract	Cases where supplies completed but finalisation action not taken for more than a week	Rate/Running Contracts		Signature
										Where enquiries not issued, the dates in Programme Book having already expired	Not concluded, the dates fixed in the Programme Book having already expired		A.D./D.D./D.S.
No. (a)	Date of Oldest (b)	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
1	2	3	4	5	6	7	8	9	10	11	12	13
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
to												
31												

APPENDIX 24

[Paras 3.83, 3.84(1) & (4)]

Statement showing particulars of existing returns submitted by Purchase Directorates

Serial No. (1)	Title of return (2)	To whom Submitted (3)	Periodicity (4)	Remarks/Recommendations (5)
1	Outstanding receipts and indents etc.	D.G.	Daily	Form revised, <i>vide</i> Appendix 23.
2	Control statement showing performance of Sections (disposal of receipts/indents etc.)	O. & M.	Monthly	Form revised, <i>vide</i> Dossier, Appendix 25.
3	Statement of arrears in the Section (P.R.O. slips, comparative statements, final A/Ts., finalisation cases, receipts etc.)	Deptt. of Supply O. & M.	Monthly	
4	Performance Dossiers of Section Officers (disposal and arrears concerning receipts comparative statements, 'finalisation' cases, indexing and recording).	O. & M.	Monthly	
5	Performance dossier of Assistant Directors.	O. & M. (Intake and disposal of receipts/indents, issue of A/Ts. and amendments including Rate/Running Contracts and disposal of finalisation cases).	Monthly	Do.
6	Performance dossier of Deputy Directors.			
7	Monthly Progress Report showing progress made in clearance of Finalisation cases in Fz. Wing/Dtes. and amounts realised to firms as a result thereof during the month.	O & M.	Monthly	Suitably included in Appendix 25.
8	Monthly statement of recording, indexing and weeding of records	O. & M.	Monthly	Do.
9	"Review" statement regarding indents, Rate/Running Contracts, Amendments, Receipts, recording of cases, Audit Objections, Finalisation and Acceptance of tenders etc.	Director	Monthly	Do.
10	Statements of liquidated damages waived/imposed	Director (Co-ordination)	Monthly	Not being put to any use. Hence should be discontinued.
11	Statement showing position of Audit requisitions in chronological order.	Audit	Quarterly	The statements only duplicate the information in the respective registers. Hence should be discontinued.
12	Statement showing position of audit queries in chronological order.	Audit	Quarterly	
13	Statement showing the position of audit objections in chronological order.	Audit	Quarterly	

APPENDIX 24—*contd.*

(1)	(2)	(3)	(4)	(5)
14 Statement of Audit Requisitions received and disposed of during the quarter.	Deptt. of Supply	Quarterly	} Combined in one revised form in Appendix 62.	
15 Statement of Audit Queries received and disposed of during the quarter.	Do.	Do.		
16 Statement of Audit Objections received and disposed of during the quarter.	Do.	Do.		
17 Monthly note of important activities	O.S.D. (M)	..	Monthly	To be discontinued as similar information is already being supplied in another return <i>vide</i> Serial No. 21.
18 Orders placed by D.G.S. & D. during the week	Indian Trade Journal	Weekly	No change.	
19 Monthly statement of important activities submitted to Cabinet	Deptt. of Supply	Monthly	Do.	
20 Monthly statement for special action in regard to indents above Rs. 30 lakhs in value.	Deptt. of Supply	Do.	Do.	
21 Report of important activities	D.G.	Do.	Do.	
22 Statement showing Nos. of extensions of validity allowed in the tenders received during the month.	Deptt. of Supply	Do.	Do.	
23 Statement showing delivery position of partly or fully outstanding orders placed abroad direct by D.G.S.& D.	Statistical Directorate	Quarterly	Do.	
24 Progressive use of Hindi	Administration	Half-yearly	Do.	
25 Administrative Report	Do.	Yearly	Do.	

APPENDIX 25

[Para 3.84(2)]

Monthly Control Chart to be maintained in Purchase Sections

1. Directorate..... 1(a) Section 2. Month..... Year.....
3. Strength: A.D.....S.O.....Asstt.U.D.C.....L.D.C.....
4. Receipts (including indents but excluding circulars etc.)

B.F. from Previous month	Fresh Receipts	Total 1+2	Disposal	Balance	Outstanding over a month (give reasons in Annexure I)	Date of oldest receipt	Remarks
1	2	3	4	5	6	7	8

5(a) Indents/Items

B.F. from previous month	Received during the month	Total 1+2	Disposal				Outstanding [For break-up see 5(b)]	Remarks
			Covered by A/T	X-man-dation	Cancelled/ Returned to Indentor(s)	Total		
1	2	3	4	5	6	7	8	9

Defence
 Other than Defence
 Total

5(b) Break-up Outstanding Indents/Items

[cf. Column 8 of 5(a)]

Period	Outstanding			Remarks
	Defence Indents/Items	Other than Defence Indents/Items	Total Indents/Items	
Less than 3 months				
Over 3 months	..			
Over 4 months	..			
Over 5 months	..			
Over 6 months	..			
Over 9 month	..			
Over 1 year	..			
Total	..			

NOTE—For details of cases over one year old, see Annexure II.

5(c) Extension of validity of tender No.....

6. T.E./C.S./Issue of Contracts (to be filled in by Cells concerned)

NOTE :—Cross Items not applicable.

B.F. from previous month	Received during the month	Total 1+2	Disposal				Out- stand- ing	Date of oldest case
			Within 4 days of receipts	5—10 days of receipt	Over 10 days of receipt (give reasons in Annexure III)	Total 4 to 6		
1	2	3	4	5	6	7	8	9
T.E.								
C.S.								
Issue of A/Ts.								

7(a) A/Ts./Rate/Running Contracts

Issued	No.	Value
1	2	3
A/Ts. 		
R/Rg./C (For Breakup see Annexure IV)		

(b) Advance A/Ts

Issued	No. of cases where formal A/Ts. issued (or still pending) after 4 days of decision on tender or after issue of advance A/T	Maximum time taken for which pending
1	2	3

(c) I.R.Cs. and Q.Cs.

Certificate	Issued	Outstanding	Cases in which issued (or are pending) after 4 days of issue of contract
1	2	3	4
I.R.C.	
Q.C.	

ANNEXURE I TO APPENDIX 25

Particulars of Receipts over one month old

(Cf. Item 4)

Serial No.	Dn. /F. No.	Date	Store	Reasons for delay
1	2	3	4	5

ANNEXURE II TO APPENDIX 25

Particulars of Indents over one year old

[Cf. Item 5(b)]

1. D.G.S.&D. Indent No.
2. Date of receipt of Indent in
 - (i) Indent Section
 - (ii) Supply Section
 - (iii) Effective date (if any).
3. Description of stores.
4. No. of Indent-items outstanding.
5. Indent delivery period.
6. Date of Tender Enquiry issued.
7. Time taken to issue Tender Enquiry.
8. Causes of delay in issue of Tender Enquiry, if issued after a fortnight.
9. Date Tenders opened.
10. Date of Comparative Statement put up.
11. Date if tenders referred to Inspecting Officer.
12. Date reply received from Inspecting Officer.
13. Date of decision taken on tender to place order.
14. Main causes of delay in arriving at the decision to place order.
15. Date on which Advance Order/Formal A/T placed.
16. Remarks not covered by these columns but relevant to throwing light on delays in coverage.

ANNEXURE III TO APPENDIX 25

Particulars of cases over 10 days old—Tender Enquiry/Comparative Statement/Drafting of Contracts

(Cf. Item 6)

Serial No.	Particulars i.e., whether T.E./C.S./Contract	Date of receipt in Cell	Reasons for delay
1	2	3	4

ANNEXURE IV TO APPENDIX 25

Particulars of Rate/Running Contracts Issued

[Cf. Item 7(a)]

(a) *Running Contract*

Serial No.	Stores	Date of receipt of Indent in D.G.S.& D.		Date of checking and Bulking of Indents		Date of placing contracts		Remarks
		Prescribed	Actual	Prescribed	Actual	Prescribed	Actual	
1	2	3		4		5		6

(b) *Rate Contracts*

Serial No.	Stores	Date of expiry of current contract	Date of initiation of action for fresh contract	Date of conclusion of contract	Remarks
1	2	3	4	5	6

ANNEXURE V TO APPENDIX 25

Break-up of cases requiring finalisation

(Cf. Item 9)

Year			No.	Year			No.
			outstanding				outstanding
1			2	3			4
			Total B.F.				..
1950	..	..	..	1958	..	..	..
1951	..	..	..	1959	..	..	..
1952	..	..	..	1960	..	..	..
1953	..	..	..	1961	..	..	..
1954	..	..	..	1962	..	..	..
1955	..	..	..	1963	..	..	..
1956	..	..	..	1964	..	..	..
1957	..	..	..	1965	..	..	..
Total Carried over to Column 4				Total			

APPENDIX 26

[Para 3.84(3)]

Quarterly Arrears Statement of Audit Requisitions/Queries/Objections

Description	B.F. from previous month	Disposed of	Balances				Total(Cols.5-7)
			Outstanding	Total			
				Pending with the Dte	Pending with Audit	Pending with Litigation Section	
1	2	3	4	5	6	7	8
Requisitions	Over 3 months ..				
Queries	Over 6 months ..				
Objections	Over 1 year ..				

NOTE—For details see Statement (b) below.

(b) Reasons for over one year old Audit Objections

Serial No.	Particulars	Reasons for delay
1	2	3

APPENDIX 27

[Para 3.84(5)]

Indent Planning Register

(To be maintained by Assistant Director T.E. Cell)

Serial No.	Indent No. and date	Store	Indentor	Planning		Date of opening of tenders	Section to which papers transferred, with date		Remarks
				Nature (Issue of T.E., X-mandation or return to Indentor etc.)	Date of issue of T.E.		Section	Date	
1	2	3	4	5	6	7	8	9	10

222

ABSTRACT
Indents

- (i) B.F.
- (ii) Received on date
- (iii) Balance
- (a) less than 3 days old
- (b) between 3—7 days
- (c) over 7 days

Signature of Assistant Director
Director

APPENDIX 28

[Para 3.84(5)]

Indent Coverage Register

Date/ Serial No.	Indent No.	Effective date of indent	Tender opened on/Tenders valid upto	Date of decision of tenders	Date of issue of contract	Remarks
1	2	3	4	5	6	7

APPENDIX 29

[Para 3.84(5)]

Register of Comparative Statements

(To be maintained by the C.S. Cell)

Date/ Serial No.	Case No.	Name of Indentor	Store	Items for which C.S. to be prepared	No. of tenders received	Date of despatch of C.S. to A.D./D.D. purchase	Remarks
1	2	3	4	5	6	7	8

APPENDIX 30

[Para 3.84(5)]

Register of Amendment Letters

(To be maintained by A.D. in charge of Purchase Section

Date.....

Section

Serial No.	Dy. No. and Date	Nature of amendment *'D' or 'O'	Amendment letter No. Date	A/T No. & Date	Name of firm	Store	Remarks
1	2	3	4	5	6	7	8

ABSTRACT

	D/P Cases	Others	Total	Signature of A.D.
(i) B.F.	
(ii) Received on date	
(iii) Disposal	
(iv) Balance	
(v) Over 7 days old	

*Legend—D for receipts involving extension of delivery period and O for others.

APPENDIX 31

[Para 3.84(5)]

Register of A/Ts. Drafted

(To be maintained by the Assistant Director in charge of Contract Section)

Serial No.	File No.	Date of Decision/ Date of receipt of file	Date of Drafting	Date of Issue	If advance A/T issued date of issue of final A/T	If IRC/QC required, date of its issue	Remarks
1	2	3	4	5	6	7	8

APPENDIX 32

[Para 3.86(VI)]

Instructions Regarding Return of Received Copies of Inspection Notes by Consignees

Consignees should ensure that the Receipts Certificate is returned to the contractor within a reasonable period normally not exceeding 3 weeks from the date of receipt of stores by them. Where the consignees fail to return the receipt certificates within 60 days of the despatch of the Inspection Note and the Railway Receipt, the procedure will be as below:

- (i) the contractor will address the consignee a letter under Registered Cover A/D for expediting the Receipt Certificate, simultaneously endorsing copies of the letter to the Supplies Officer as well as the indentor;
- (ii) in case the Supplies Officer does not receive any communication from the consignee/indentor giving satisfactory reasons for delay in issue of the receipt certificate, he will on the 10th day of the receipt of the copy of the letter from the contractor issue a letter to the next higher officer of consignee under registered cover A/D requesting him to arrange for the return of the Inspection Note or to reply giving reasons for delay within 15 days impressing upon him that failure to reply will lead to automatic payment of firm's bill in full on or after the 90th day;
- (iii) in the event of the non-receipt of a satisfactory reply either from the indentor or the consignee, the Supplies Officer will on the 91st day of the date of despatch of Inspection Note and Railway Receipt, authorise payment of the outstanding amount of the bill to the contractor without the consignee's receipt certificate.

The above procedure will also apply *mutatis mutandis* to payments to be made against Supply Orders placed by Direct Demanding Officers against Rate/Running Contracts.

APPENDIX 33

[Para 3.86(VI)]

Form of Letter to be written by Purchase Officer to Consignee in case of Delays in return of Received copies of Inspection Notes

Regd. A.D. No.....

(NAME OF THE OFFICE).....

Date.....

To

.....
.....
.....

SUBJECT:—*This office A/T./S.O. No. dated for supply of(stores) against (Name of Indentor)’s Indent No. dated*

REFERENCE:—*Letter No. dated from S/S regarding return of copies 2 & 5 of Inspection Note(s) No. addressed to this office and copy endorsed to you.*

It has been complained by S/S that copies 2 & 5 of Inspection Notes duly received in acknowledgment of the stores supplied, have not yet been returned by you. As the suppliers cannot obtain the balance 5%/2% payment without received Inspection Notes, you are requested to return these without any further delay. In case some further delay in return of these received copies is anticipated, you are requested to intimate the same to this office immediately.

It should be noted that if you fail to return the I/Note duly received by 90th day after despatch of stores or 15 days from the date of issue of this letter, whichever is later, the firm will automatically claim the balance payment after the expiry of the period, in terms of clause 19(2)(iii) of the General Conditions of Contract.

()

*Deputy Director of Supplies
for Director General of Supplies and Disposals*

Copy to—

1. The Pay & Accounts Officer
..... (duly authenticated)

He is requested to make payment on/after 90th day of despatch of stores or 15 days from the date of this letter, whichever is later, without the receipted copy of I/Note unless he hears to the contrary from the consignee or from this office.

2. Indentor
.....
.....

for information and necessary action.

(
Deputy Director of Supplies
)

APPENDIX 34

(Para 3.89)

Work Analysis of Pilot Section

SWP-6 (Pilot) Section

(Position from 5-10-1964 to 31-5-1965)

Month	INDENTS					RECEIPTS							
	B.F.	Received	Total	Covered	Balance	B.F.	Received	Disposed of	Balance	No. of A/L issued	No. of cases involving extension in validity of offers		
October 1964	12	12	2	10	..	6	6	..	..	..
November 1964	10	15	25	10	15	..	94	94	..	..	..
December 1964	15	16	31	16	15	..	42	42	..	5	..
January 1965	15	20	35	19	16	..	68	68	..	4	..
February 1965	16	21	37	22	15	..	77	77	..	4	..
March 1965	15	34	49	18	31	..	156	156	..	7	1
April 1965	31	27	58	15	43	..	185	185	..	7	2
May 1965	43	18	61	24	37	..	209	166	43	12	2
			145	163	308	126	182	..	837	794	43	39	3

NOTE—In the month of April the rate contract on Machine Tools expired. No fresh rate contract had been concluded by the end of May. Nine supply orders arriving in these two months therefore went into the category of outstanding indents.

(v) As for the initiation of the cases, the position is as under :

Level	O.P.C.			S.R.		
	SOPC-2	SOPC-3	Average	SR-4	SR-6	Average
Office	97.4	99.0	98.2	86.7	95.8	91.2
S.O.	0.6	0.5	0.5	..	..	..
A.D.	2.0	0.5	1.3	10.8	2.8	6.8
D.D. .. ..	..	..	..	2.5	1.4	2.0
	100.0	100.0	100.0	100.0	100.0	100.0

(vi) The average for the cases on which substantial contribution was made at various levels comes to about 1.4 cases per day per section :

Level at which substantial contribution made	OPC-II	OPC-III	SR-IV	SR-VI
Office	2	6	3	..
S.O.	2	1	1	..
A.D.	2	2	8	2
D.D. .. ..	..	..	4	..
	6	9	16	2

Total=33

Average per day per section=33=1.4

(vii) The cases disposed of at S.O.'s level are mainly of the nature of 'for information' 'miscellaneous' or concerning submission of files to the Finalisation Directorate on completion of A/Ts. The break-up of the percentage of actual disposal at the S.O.'s level mentioned in clause (iv) above is as under:

Category of cases	OPC			SR		
	SOPC-2	SOPC-3	Average	SR-4	SR-6	Average
(a) For information						
Number	69	16	..	7	..	..
Percentage to the total No. of cases ..	35.2	8.5	21.8	4.5	..	2.2
(b) Miscellaneous						
Number	8	14	..	4	5	..
Percentage to the total No. of cases ..	4.0	7.5	5.8	2.5	7.1	4.8
(c) AT and its amendments						
Number	3	1	..	..	..	..
Percentage to the total No. of cases ..	1.6	0.6	1.1	..	..	..
(d) Finalisation						
Number	3	..	..	4	19	..
Percentage to the total No. of cases ..	1.6	..	0.8	2.5	27.1	14.8

4. The general pattern in the Sections on the Purchase side, is to have one S.O. and one A.D. in each section. There are two categories of S.Os, one having the Class I status to themselves and the others in the usual class II scale of Rs. 350—900. In the case of Assistants Director also, there are two scales (i) Class I scale Rs. 400—950 and (ii) Class II scale Rs. 350—900. This shows that there is not much difference in the status of these two categories of officers, namely, Section Officers and Assistants Director.

5. While the Assistant Director have been given powers to issue ATs and other communications to the firms, the S.Os with their present designations have no *locus standi* to dispose of this type of work. They are, therefore, mainly utilised to deal with the following items of work in the sections:—

- (i) Reports and returns concerning sections;
- (ii) Opening of tenders;
- (iii) Scrutiny of comparative statements of tenders received;
- (iv) Marking of dak to various assistants, clerks in the Section;
- (v) Handling of rate-running contract cases put up by assistants for submission to D.D.
- (vi) Scrutiny of finalisation case statements while transferring the case to the Finalisation Directorate.
- (vii) Recording of files.
- (viii) General Administration.

ANNEXURE I TO APPENDIX 35

Statement showing the number and percentage of Receipts under various categories received in the O.P.C. (SOPC 1 & 2) and Railway (SR 4 & 6) Directorates. (For a period of one week)

Serial No.	Section	Indent & its amendments	Tender Enquiry	A/T & its amendments	RC/RGC & its amendments	Inspection Notes	Liquidated damages	For information	Miscellaneous (Reminders calling for copies of RCs etc.)	Capacity/Registration	Legal	Delay report and progress	Finalisation	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	SOPC-2	..	3	8	12	3	10	2	14	10	..	..	..	..	62
		..	1	20	3	1	..	..	28	5	..	..	..	..	58
		..	1	12	2	..	..	..	16	7	1	1	..	..	40
		1	2	13	3	4	..	..	13	3	..	..	..	..	39
		..	7	19	8	20	1	..	24	8	..	..	..	..	87
		..	15	12	1	..	4	..	29	2	..	..	..	..	63
	Total No.	..	4	34	88	20	35	7	124	35	1	1	..	349	
	Percentage	..	1.1	9.7	25.3	5.8	10.0	2.0	35.5	10.0	0.3	0.3	..	100.0	
2	SOPC-3	..	2	2	1	7	13	..	10	7	..	..	..	..	42
		..	2	7	10	1	..	..	13	14	..	..	..	..	47
		..	2	4	8	9	..	..	3	3	..	..	..	..	29
		2	3	5	5	3	..	..	21	7	..	..	..	..	46
		1	4	3	10	3	..	..	10	6	..	..	..	..	37
		3	3	4	6	..	3	..	26	10	..	..	..	..	55
	Total No.	..	8	16	24	46	29	3	83	47	..	..	..	256	
	Percentage	..	3.1	6.4	9.4	18.0	11.3	1.0	32.4	18.4	..	..	..	100.0	

3 SR-4

1	3	7	6	1	..	19	11	..	..	5	1	54
..	8	5	..	10	1	27	12	..	..	5	2	70
2	11	13	..	..	..	23	5	1	..	4	4	63
..	6	10	1	..	..	15	10	..	..	2	1	45
..	8	18	..	..	2	20	10	..	..	6	..	64
..	5	9	2	7	..	10	8	..	..	14	..	55

Total No.
Percentage

3	41	62	9	18	3	114	56	1	..	36	8	351
0.8	11.7	17.6	2.6	5.1	0.8	32.4	16.0	0.3	..	10.4	2.3	100.0

4 SR-6

1	11	27	1	1	..	60	14	..	..	8	2	125
..	4	11	1	4	2	27	2	..	..	1	1	53
..	5	26	4	1	..	36	18	..	..	4	1	95
3	4	21	3	..	..	22	17	..	..	3	1	74
..	2	27	..	8	..	7	6	..	..	4	..	54
1	9	16	7	1	1	18	8	..	..	2	3	59

Total No.
Percentage

..	5	35	128	9	15	3	170	65	..	..	22	8	460
..	1.0	7.7	27.9	2.0	3.1	0.7	36.9	14.1	..	..	4.8	1.8	100.0

ANNEXURE II TO APPENDIX 35

Statement showing the percentage of Disposals at various levels of different categories of cases handled in OPC (SOPC 2 & 3) and Railway Stores (SR 4 & 5) Directorate

(For a period of one Week)

Serial No.	Dte./Section	Per-former	CATEGORY OF A CASE														Total	Percentage
			In- tenders & its amend-ments	Tender up/dis-posed of	ATs & amend-ments to ATs.	RC/RG /C & its amend-ments	Miscella- neous	For infor- mation	Delay report and progress	Inspec- tion	Capacity Reports	Liquida- tion damages	Finalisation	Legal	Foreign Exchange			
			Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of	Put up /Dis- posed of		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
1	OPC Off. (SOPC-2)	No.	3	4	48	12	15	99	..	..	..	2	4	2	2	191	97.4
		%	1.6	2.1	25.1	6.3	7.9	51.9	..	..	..	1.0	2.1	1.0	1.0	100.0	
	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%	
	S.O.	No.	1	1	0.6
%	..	..	100.0	..	..	..	..	..	..	..	..	..	..	..	..	100.0	..
A.D.	No.	..	..	3	..	8	69	..	..	..	..	3	..	..	..	83	42.4
	%	..	..	3.6	..	9.7	83.1	..	..	..	..	3.6	..	..	..	100.0	..
	No.	..	..	4	..	..	..	..	..	..	..	..	..	..	..	4	2.0
%	..	..	100.0	..	..	..	..	..	..	..	..	..	..	..	100.0	..	
No.	2	2	24	5	2	27	..	..	..	..	..	..	..	1	63	32.1	
%	3.2	3.2	38.1	7.9	3.2	42.8	..	..	..	..	..	..	..	1.6	100.0	..	

	D.D.	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
	No.	1	1	21	7	5	3	..	..	..	1	..	1	2	42	21.4
	%	2.4	2.4	50.0	16.4	11.9	7.3	..	..	..	2.4	..	2.4	4.8	100.0	..
	Dir.	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
	No.	..	..	2	..	..	..	..	..	..	1	1	..	..	4	2.0
	%	..	..	50.0	..	..	..	..	..	..	25.0	25.0	..	..	100.0	..
	D.D.G.	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
	No.	..	1	2	..	..	..	..	..	..	..	..	..	..	3	1.5
	%	..	33.3	66.7	..	..	..	..	..	..	..	..	..	..	100.0	..
	A.D.G./D.G.	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
	No.	..	..	1	..	..	..	..	..	..	..	..	..	..	1	0.6
	%	..	..	100.0	..	..	..	..	..	..	..	..	..	..	100.0	..
	Total	No.	3	4	53	12	15	99	..	..	2	4	2	2	196	100.0
	%	1.6	2.0	26.8	6.2	7.8	50.6	..	..	..	1.0	2.0	1.0	1.0	100.0	..
	No.	3	4	53	12	15	99	..	..	..	2	4	2	2	196	100.0
	%	1.6	2.0	26.8	6.2	7.8	50.6	..	..	..	1.0	2.0	1.0	1.0	100.0	..
2 OPC Off. (SOPC3)	No.	2	2	30	58	52	38	..	3	..	..	..	..	..	185	99.0
	%	1.1	1.1	16.2	31.4	28.1	20.5	..	1.6	..	..	..	..	..	100.0	..
	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
	S.O.	No.	..	..	..	1	..	..	..	..	..	..	..	..	1	0.5
	%	..	..	..	100.0	..	..	..	..	..	..	..	..	..	100.0	..
	No.	..	..	1	..	14	16	..	..	..	..	..	..	..	31	16.6
	%	..	..	3.2	..	45.2	51.6	..	..	..	..	..	..	..	100.0	..

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
A.D.	No.		1	..	..	..	..	..	..	..	..	..	..	..	..	..	1	0.5
	%		100.0	..	..	..	..	..	..	..	..	..	..	..	..	..	100.0	..
D.D.	No.	3	2	27	35	35	21	..	3	..	..	..	..	..	..	..	126	67.4
	%	2.4	1.6	21.4	27.8	27.8	16.6	..	2.4	..	..	..	..	..	..	..	100.0	..
Dir.	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
D.D.G.	No.	..	..	1	11	..	..	..	..	..	..	..	..	..	..	..	12	6.4
	%	..	..	8.3	91.7	..	..	..	..	..	..	..	..	..	..	..	100.0	..
A.D.G./D.G.	No.	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	1	0.5
	%	..	..	100.0	..	..	..	..	..	..	..	..	..	..	..	..	100.0	..
Total	No.	..	..	..	4	1	..	..	..	..	..	..	..	..	..	..	5	2.7
	%	..	..	..	80.0	20.0	..	..	..	..	..	..	..	..	..	..	100.0	..
Total	No.	3	2	30	59	52	38	..	3	..	..	..	..	..	..	..	187	100.0
	%	1.6	1.0	16.0	31.6	27.8	20.4	..	1.6	..	..	..	..	..	..	..	100.0	..
Total	No.	3	2	30	59	52	3.8	..	3	..	..	..	..	..	..	..	187	100.0
	%	1.6	1.0	16.0	31.6	27.8	20.4	..	1.6	..	..	..	..	..	..	..	100.0	..

3 Rly. Sec. Stores. (SR-4)	No.	3	6	77	4	20	10	8	1	..	1	4	1	2	137	86.7
	%	2.2	4.4	56.2	2.9	14.6	7.3	5.9	0.7	..	0.7	2.9	0.7	1.5	100.0	..
S.O.	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
A.D.	No.	..	..	..	..	4	7	..	..	..	..	4	..	..	15	9.5
	%	..	..	..	..	26.7	46.6	..	..	..	..	26.7	..	..	100.0	..
D.D.	No.	..	1	12	..	..	2	1	..	..	..	..	..	1	17	10.8
	%	..	5.8	70.7	..	..	11.9	5.8	..	..	..	..	..	5.8	100.0	..
Dir.	No.	2	5	74	..	13	3	8	1	..	1	..	1	2	110	69.6
	%	1.8	4.5	67.4	..	11.8	2.7	7.3	0.9	..	0.9	..	0.9	1.8	100.0	..
A.D.G./ DG	No.	..	..	..	..	1	1	1	..	1	..	..	..	..	4	2.5
	%	..	..	..	..	25.0	25.0	25.0	..	25.0	..	..	..	..	100.0	..
Total	No.	1	1	8	1	3	3	2	..	..	..	..	..	1	20	12.7
	%	5.0	5.0	40.0	5.0	15.0	15.0	10.0	..	..	..	..	..	5.0	100.0	..
Total	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
Total	No.	..	1	6	3	1	..	..	..	1	..	..	..	..	12	7.6
	%	..	8.4	50.0	25.0	8.3	..	..	..	8.3	..	..	..	..	100.0	..
Total	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
Total	No.	..	..	1	..	..	..	..	..	..	..	..	..	..	1	0.6
	%	..	..	100.0	..	..	..	..	..	..	..	..	..	..	100.0	..
Total	No.	3	7	89	4	21	13	10	1	1	1	4	1	3	158	100.0
	%	1.9	4.5	56.3	2.5	13.4	8.3	6.3	0.6	0.6	0.6	2.5	0.6	1.9	100.0	..
Total	No.	3	7	89	4	21	13	10	1	1	1	4	1	3	158	100.0
	%	1.9	4.5	56.3	2.5	13.4	8.3	6.3	0.6	0.6	0.6	2.5	0.6	1.9	100.0	..

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
4	Rly. Sec.	No.	3	3	23	2	10	2	1	..	1	..	20	2	..	67	95.8
	Stores	%	4.5	4.5	34.2	3.0	15.0	3.0	1.5	..	1.5	..	29.8	3.0	..	100.0	..
(SR-6)	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
S.O.	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
A.D.	No.	..	..	..	..	..	5	..	..	..	..	..	19	..	..	24	34.2
	%	..	..	..	..	..	20.8	..	..	..	..	..	79.2	..	..	100.0	..
	No.	..	..	2	..	..	..	..	..	..	..	..	..	..	..	2	2.8
	%	..	..	100.0	..	..	..	..	..	..	..	..	..	..	..	100.0	..
D.D.	No.	1	1	14	..	2	2	1	..	..	..	..	1	1	..	23	32.9
	%	4.3	4.3	60.9	..	8.8	8.8	4.3	..	..	..	..	4.3	4.3	..	100.0	..
	No.	..	..	..	..	..	..	..	..	..	..	..	1	..	..	1	1.4
	%	..	..	..	..	..	..	..	..	..	..	..	10.0	..	..	100.0	..
Dir.	No.	..	..	6	1	1	..	..	..	..	1	..	..	1	..	10	14.3
	%	..	..	60.0	10.0	10.0	..	..	..	..	10.0	..	..	10.0	..	100.0	..
	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
A.D.G./D.G.	No.	2	2	3	1	2	..	..	..	..	..	..	1	..	..	11	15.7
	%	18.2	18.2	27.4	9.0	18.2	..	..	..	..	..	..	9.0	..	..	100.0	..
	No.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	%
Total	No.	..	..	2	..	..	..	..	..	..	..	..	..	..	..	2	2.9
	%	..	..	100.0	..	..	..	..	..	..	..	..	..	..	..	100.0	..
	No.	3	3	25	2	10	2	1	..	1	..	21	2	..	70	100.0	..
	%	4.3	4.3	35.6	2.9	14.3	2.9	1.4	..	1.4	..	30.0	2.9	..	100.0	..	..
	No.	3	3	25	2	10	2	1	..	1	..	21	2	..	70	100.0	..
	%	4.3	4.3	35.6	2.9	14.3	2.9	1.4	..	1.4	..	30.0	2.9	..	100.0	..	..

APPENDIX 36

[Paras 3.101 and 3.102(10)]

Statement showing the Reallocation of Items between different Purchase Directorates

Serial No.	Proposed name of Directorate	Existing Directorate to which it corresponds	Category of items to be dealt with by it	Items that will be shed	Items that will be added	
					Item	Transferred from
1	2	3	4	5	6(a)	6(b) ¹⁴
1	Mechanical Engineering Stores I.	Works Programme	Mechanical Engineering Stores.	(i) Railway Track items (ii) Mechanical Signalling items.	(i) Small Tools (ii) Pumps and pumping sets. (iii) Welding Sets (iv) Furnaces	Railway Stores Dte. Engg. Stores Dte. Project Dte. NIL
2	Electrical Stores	Engineering Stores	Electrical Stores	(i) Pumps and pumping sets (ii) Sewage treatment plant (iii) Water purification plant and chlorinators. (iv) Drilling equipment. (v) Lifts.	NIL	NIL
3	Railway Stores	Railway Stores	Stores peculiar to Railways.	(i) Small tools. (ii) Non-ferrous metal and electrodes. (iii) Cranes of all types. (iv) Crab Winches. (v) Ship building. (vi) Boats, launches etc. (vii) Dredgers. (viii) Steel structural items (ix) Tubular trusses.	(i) Railway track items (ii) Mechanical Signalling items.	Works Programme Dte.

APPENDIX 36—concl'd.

1	2	3	4	5	6(a)	6(b)
4	Misc. and Hardware.	Misc. and Hardware.	Misc. and Hardware.	(i) Plastics & plastic items. (ii) Cork and allied items. (iii) Glass and glassware. (iv) Bicycles. (v) Aircraft and spares. (vi) Printing machinery.	(i) M. S. round & bars. (ii) Telegraph wires. (iii) Sluice valves and tail pieces. (iv) Barbed wire. (v) G.I. wire. (vi) Wire products. (vii) Manhole covers. (viii) All Hardwares now dealt with in Section SV-4. (ix) Non-ferrous metals and electrodes.	Vehicles Directorate. Railway Stores Dte.
5	Oils, Paints, Drugs and Chemicals.	Oils, Paints and Chemicals.	All types of Oils, Paints, Drugs and Chemicals.	NIL	(i) Plastic and plastic items. (ii) Cork and allied items. (iii) Glass and glassware.	Miscellaneous and Hardware Stores Dte.
6	Timber, Wool and Leather.	Timber, Wool and Leather.	All types of Timber, Wool and Leather.	(i) Blanketing cloth woollen. (ii) Baize cloth woollen. (iii) Cloth drab mixture. (iv) Cloth woollen superfine. (v) Cloth Barathea Blue. (vi) Gaberdine worsted woollen. (vii) Serge cloth. (viii) Shirting Angola. (ix) Bunting cloth woollen. (x) Any other woollen fabrics.	(i) Tentage. (ii) All type of garments. (iii) Mosquito nets. (iv) Webbing equipment.	Directorate of Supplies (Tex.), Bombay.
7	Vehicles ..	Vehicles ..	All type of vehicles and allied spares.	(i) Dairy equipment. (ii) Seaming Machine. (iii) Chemical and Pharmaceutical Machinery. (iv) Leather Machinery. (v) Timber treatment plant.	(i) Boats of all types, launches etc. (ii) Cranes of all types. (iii) Light ships. (iv) Dredgers. (v) Crab winches.	Railway Stores Dte.

- (vi) Electro-plating plant and machinery.
 - (vii) Conveyor belt system machine.
 - (viii) Food processing and canning machinery.
 - (ix) Metal de-greasing plant.
 - (x) Oil testing machines.
 - (xi) Laundry machinery.
 - (xii) Coil winding machines.
 - (xiii) Sulphuric acid plants.
 - (xiv) Air Compressors.
 - (xv) Road Rollers.
 - (xvi) Concrete mixers and vibrators.
 - (xvii) Bitumen and Asphalt mixers.
 - (xviii) Pipe drilling plants, stone crushers, Tar boilers etc.
 - (xix) All type of industrial machinery dealt with in Section⁴SV-4.
- (vi) Bicycles.
(vii) Aircraft and spares.
- } Miscellaneous and Hardware Dte.

8 Project Project Heavy Plant and Machinery. and (i) Welding Sets. (ii) Furnaces. NIL NIL

9 Mechanical Engineering Stores II. .. Mechanical Engineering Stores. ..

- (i) Sewage treatment plant.
- (ii) Water purification and softening plant and chlorinators.
- (iii) Drilling equipment.
- (iv) Lifts.
- (v) Steel structural items.
- (vi) Tubular trusses.
- (vii) Dairy equipment.
- (viii) Seaming machine.
- (ix) Chemical and pharmaceutical machinery.
- (x) Leather machinery.
- (xi) Timber treatment plant.

} Vehicles Directorate.

APPENDIX 36—contd.

1	2	3	4	5	6(a)	6(b)
9	Mechanical Engineering Stores II	..	Mechanical Engineering Stores		<ul style="list-style-type: none"> (xii) Electro-plating plant and machinery. (xiii) Conveyor belt system machine. (xiv) Food processing and canning machinery. (xv) Metal de-greasing plant. (xvi) Oil testing machine. (xvii) Laundry machinery. (xviii) Coil winding machines. (xix) Sulphuric Acid plants. (xx) Printing machinery of all description. (xxi) Pipe drilling plant. (xxii) Air compressors. (xxiii) Road Rollers. (xxiv) Concrete mixers and vibrators. (xxv) Bitumen and asphalt mixers. (xxvi) Stone crushers and tar boilers. 	<ul style="list-style-type: none"> Vehicles Directorate. Miscellaneous and Hardware Dte. Vehicles Dte.
10	Directorate of Supplies (Tex.), Bombay.	Directorate of Supplies (Tex.), Bombay.		<ul style="list-style-type: none"> (i) Tentage. (ii) All garments. (iii) Mosquito nets. 	<ul style="list-style-type: none"> (i) Blanketing cloth woollen (ii) Baize cloth woollen. (iii) Cloth drab mixtures. (iv) Cloth woollen superfine. (v) Cloth Baratheia Blue. (vi) Gaberdine worsted woollen. (vii) Serge cloth. (viii) Shirting Angola. (ix) Bunting cloth woollen. 	Timber, Wool and Leather.
11	Directorate of Supplies and Disposals, Bombay.	Directorate of Supplies and Disposals, Bombay.	NIL	Webbing equipment.	NIL	NIL

APPENDIX 37

[Paras 3.105(4) & 3.106]

Statement showing Staff Requirements of Purchase Sections in Regional Office of D.G.S. & D. in Consequence of proposed Re-organisation

1	2	3	4				5			6			7				8				
			Proposed staff for purchase sections (each section to have 1 AD, 2 UDC, 3 LDC and 1 Stenographer)				Proposed staff for (i) T.E. Cell (ii) Comparative Statement work (iii) For pressure of work in certain sections			Total (for reorganised purchase sections)			Present strength in purchase Sections				Net Addition (+)/Reduction (-)				
Region	No. of indents received during 1964	No. of sections required after reorganisation (one section for 250 indents per annum)	AD	UDC	Steno-graphers	AD	UDC	LDC	Steno-typist	AD	UDC	Steno-graphers	AD	Super-intendents	UDC LDC	Steno-graphers	AD	Super-intendent	UDC LDC	Steno-grapher	
			(a)	(b)	(c)	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)	
Calcutta	1705	7	7	14	7	(i) 1	3	3	1	8	22	7	9	5	48	5	(-) 1	(-) 5	(-) 26	(+) 2	
				21		(ii) ..	2												
						(iii) ..	3	3	..		27	1			6	75	1		(-) 6	(-) 48	..
						1	8	6	1												
Bombay (S&D)	1022	4	4	8	4	(i) 1	3	3	1	5	15	4	5	1	29	3	..	(-) 1	(-) 14	(+) 1	
				12		(ii) ..	2												
						(iii) ..	2	2	..		17	1			5	32	..		(-) 5	(-) 15	(+) 1
						1	7	5	1												
Bombay (Tex)	1428	6	6	12	6	(i) 1	3	3	1	7	20	6	6	5	46	5	(+) 1	(-) 5	(-) 26	(+) 1	
				plus 1 TA		(ii) ..	2		plus 1 TA										
				18		(iii) ..	3	3	..			1			5	65			(-) 5	(-) 41	(+) 1
						1	8	6	1	24											

APPENDIX 37— *concl.*

1	2	3	4			5				6			7				8				
			(a)	(b)	(c)	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)	
Madras	1478	6	6	12	6	(i) 1	3	3	1	7	19	6	3	2	23	2	(+)4	(-) 2	(-) 4	(+)4	
						(ii) ..	2	..	..										
				18		(iii) ..	2	2	..		23	1		2	37	..		(-) 2	(-) 14	(+) 1	
							1	7	5	1											
Kanpur	635	2	2	4	2	(i) ..	..	..	..	2	6	2	2	1	6	1	..	(-) 1	..	(+)1
						(ii) ..	1	..	..										
				6		(iii) ..	1	1	..		7	..		1	7	..		(-) 1	..	..
							..	2	1	..											
Total		25	25	50	25		4	32	23	4	29	82	25	25	14	152	16	(+)4	(-)14	(-) 70	(+)9
				plus								plus									
				1 TA								1 TA	4		19	216	1		(-) 19	(-)118	(+)3
				75								98									

NOTE—These figures do not take into account any adjustments necessary in leave reserve.

APPENDIX 38

(Para 3.106)

Surpluses and Deficiencies of Staff at Headquarters

Category	Proposed strength	Sanctioned strength	Actual strength	Addition+ Reduction— in relation to sanctioned strength	Addition+ Reduction— in relation to actual strength
Director	9	8	8	+1	+1
Deputy Directors ..	19	18	18	+1	+1
Assistants Director } Section Officers }	93	49 } 37 } 86	86	+7	+7
Assistants } U.D.Cs. }	181	139 } 135 } 274	296	-93	-115
L.D.Cs.	195	255	266	-60	-71
Stenotypists	26	3	3	+23	+23
Stenographers	62½	22	22	+40½ say 41	+41

NOTES (1) For purposes of reckoning savings the figures of the actual strength should be taken which include the augmentation made by internal adjustment—from the Directorate of Administration and the Import and Shipping Section—for these men will not be required back in the sections from which they were withdrawn for purchase work.

(2) These figures do not take into account any adjustments necessary in leave reserve.

APPENDIX 39

(Para 4.7)

Table showing analysis of time taken by office/technical officers in putting up papers, conducting inspection etc.

PART 'A'

Srl. No.	Events	3 days and below	Between 4-7 days	Between 8-21 days	22 days and above	Total
1	2	3	4	5	6	7
1	Receipt and submission of A/T, S/O etc. by office.	No. 70 % 30.2	No. 57 % 24.6	No. 87 % 37.5	No. 18 % 7.7	No. 232 % 100
2	Receipt of and submission of Inspection Call, request for Capacity Report etc. by office	No. 34 % 32.3	No. 26 % 24.9	No. 37 % 35.2	No. 8 % 7.6	No. 105 % 100
3	*Receipt of Inspection call etc. and actual inspection:	No. 25 % 21.2	No. 12 % 10.2	No. 29 % 24.6	No. 52 % 44.0	No. 116 % 110.0
4	Actual inspection and recording of note on file.	No. 80 % 42.1	No. 39 % 20.5	No. 46 % 24.2	No. 25 % 13.2	No. 190 % 100.0
5	Recording of note on file and signature by higher officers.	No. 173 % 78.4	No. 26 % 11.5	No. 17 % 7.5	No. 6 % 2.6	No. 227 % 100.0
6	Signing of Inspection Note etc. and its issue:	No. 212 % 80.0	No. 32 % 12.0	No. 15 % 5.7	No. 6 % 2.3	No. 265 % 100.0
7	*Receipt of Inspection call, etc. and issue of Inspection Note etc.	No. 7 % 4.9	No. 2 % 1.4	No. 31 % 21.7	No. 103 % 72.0	No. 143 % 100.0
8	Receipt of complaints /appeals/representations and their disposal.	No. 1 % 7.1	No. — % —	No. 4 % 28.6	No. 9 % 64.3	No. 14 % 100.0
9	In putting up papers other than A/T, S/O etc.	No. 127 % 23.4	No. 160 % 29.5	No. 183 % 33.8	No. 72 % 13.3	No. 542 % 100
10	In putting up drafts	No. 53 % 55.0	No. 9 % 15.0	No. 13 % 21.7	No. 5 % 8.3	No. 80 % 100
11	In putting up fair for signature.	No. 42 (2 days & below) % 39.6	No. 29 (3-7 days) % 27.4	No. 29 % 27.1	No. 6 % 5.6	No. 106 % 100.0
12	In issue of communications other than Inspection Note/Inspection certificate etc.	No. 79 (1 day) % 46.2	No. 65 (2-7 days) % 38.0	No. 24 % 14.0	No. 3 % 1.8	No. 171 % 100.0

NOTE— *For further break-up see part C.

2. For events at S. No. 1, 2, 3, 7, 8 and 9 the time-intervals, wherever applicable include 2-3 days of transit for papers from receipt clerk to the dealing hands.

3. Information relating to all the events at S. No. 1-12 in respect of all the 250 cases studied not available on files.

PART 'B'

Table showing time taken in completion of various events relating to the preparation of Inspection Fee Bills

Time intervals	Events			Total	Remarks
	Issue of Inspection Certificates and inspection Fee bill	Time taken by consignee for acceptance of bill	Receipt of consignee's acceptance and entry in the R/R.		
Upto 25 days	No. 6 % 13.6	No. 10 % 22.7	No. 23 % 63.7	No. 44 % 100	
26-50 days	No. 11 % 44.0	No. 12 % 48.0	No. 2 % 8	No. 25 % 100.0	
51-100 days	No. 6 % 60.0	No. 4 % 40.0	No. — %	No. 10 % 100	
101-200 days	No. 7 % 70.0	No. 3 % 30.0	No. — %	No. 10 % 100.0	
201-300 days	No. 2 % 66.7	No. 1 % 33.3	No. — %	No. 3 % 100.0	
301 and above	No. 4 % 57.1	No. 3 % 42.9	No. — %	No. 7 % 100.0	

NOTE—Information in respect of all the events for all the completed cases (i.e. 38) not available on files.

1.3

PART 'C'

Table showing analysis of time taken between:—

(i) Receipt of Inspection calls, request for capacity/registration reports and actual Inspection.

Receipt of Inspection calls and actual inspection		3 days and below	4-7 days	8-21 days	22-30 days	31-60 days	61 days above	Total	
A/Ts.	.. No.	6	6	10	4	7	9	42	} 29.1%
	.. %	14.3	14.3	23.8	9.5	16.7	21.4	26	
S/Os.	.. No.	10	3	7	3	2	1	26	
	.. %	33.6	11.6	26.6	11.6	7.7	3.9	28	} 63.6%
N.D. Os.	.. No.	7	2	8	2	6	3	28	
	.. %	25.0	7.2	23.5	7.2	21.4	10.7	11	
C/Rs.	.. No.	2	1	3	1	2	2	11	} 63.6%
	.. %	18.2	9.1	27.2	9.1	18.2	18.2	11	
Reg Rs.	.. No.	..	..	1	..	5	5	11	
	.. %	..	..	9.0	..	45.5	45.5		
Total	.. No.	25	12	29	10	22	20	118	
	.. %	21.2	10.2	24.6	8.5	18.6	16.9		

PART 'C'

(ii) Time taken in receipt of I/Calls, requests for capacity/registration reports and issue of I/Notes, certificates and furnishing of capacity/registration reports.

Receipts of Inspection calls and issue of Inspection Notes		3 days and below	4-7 days	8-21 days	22-30 days	31-60 days	61 days and above	Total
A/Ts.	.. No.	5	1	15	7	10	11	49
	%	10.2	2.0	30.6	14.3	20.4	22.5	
S/Os.	.. No.	2	..	11	2	12	4	31
	%	6.4	..	35.5	6.4	38.8	12.9	
N.D. Os.	.. No.	..	1	4	3	13	6	27
	%	..	3.7	14.8	11.1	48.1	22.3	
C/Rs.	.. No.	..	..	1	5	5	5	16
	%	..	..	6.1	31.4	31.3	31.3	
Reg/Rs.	.. No.	..	..	..	1	5	14	20
	%	..	..	..	5.0	25.0	70.0	
Total	.. No.	7	2	31	18	45	40	143
	%	4.9	1.4	21.7	12.6	31.5	27.9	

} 52.3%

} 80.6%

APPENDIX 40

(Para 4.11)

Multi-purpose Ledger (File/Index Register)

Ledger Index

Serial No.	Name of firm	A/T S/O N.D.O. No. and date	Page No.
		No. and date of request for capacity/ Registration Report.	
			A
			B
			C
			D
			E
			F
			G
			H
			I
			J
			K
			L
			M
			N
			O
			P
			Q
			R
			S
			T
			U
			V
			W
			X
			Y
			Z

APPENDIX 40—contd.

(Para 4.11)

A/Ts. requiring Inspection received during 19.....19.....

Designation of indenter	No. and date of indent	File No.	No. and date of order	Supplier's or manufacturer's name	Brief description of stores to be inspected	Total value of order	Contract date of completion	Part inspected or order completed	Date of passing Date of inspection Note (in red ink)	Inspector in-charge of the order	Remarks
1	2	3	4	5	6	7	8	9	10	11	12

To whom marked/

Date

APPENDIX 40—*contd.*
(Para 4.11)
Rate/Running Contracts

Case No.	Rate Contract No. & Date <hr/> Running Contract No. & date	Name of Firm	Stores	Period of Contract	Inspecting Authority
1	2	3	4	5	6

APPENDIX 40—contd.

(Para 4.11)

Non-Departmental Orders requiring inspection received during the year 19

Department.....

Designation of officer for whom call for inspection is received.	No. & date of call for inspection	File No.	Order No. & date	Suppliers or manufacture's name	Brief description of stores	Qty. or No. required	Rate	Total value of order	Contract date of comple- tion	Qty. or No. accepted/ shipped	Date of acceptance	Inspector in-charge of order	Remarks
											Date of certificate on the inspection note (and No. where necessary)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

To whom marked/.....

Date

APPENDIX 40—*contd.*

(Para 4.11)

Register of Capacity/Registration Report cases

Serial No.	File No.		Received from and date of receipt	Name of the firm	Stores	Letter or T.E. No. with date	Name of the assessing officer and date of issue
	New	Old					
1	2(a)	2(b)	3	4	5	6	7

To whom marked.....

Date.....

APPENDIX 41

[Para 4.15(2)]

**Form of Letter Addressed to the Purchase Officer
For Copy of A.T./A.L. etc.**

EXPRESS

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY & SUPPLY

**DEPARTMENT OF SUPPLY AND TECHNICAL DEVELOPMENT
DIRECTORATE GENERAL OF SUPPLIES AND DISPOSALS**

(Inspection Wing)

—————
(No.)

Dated the

From

The Director/Deputy Director of Inspection.
.....,

To

The Assistant Director of Purchase,
.....,
.....,

SUBJECT—*Acceptance of Tender/Amendment to A/T No*
dated placed on

The above documents have not been received in this office and may please be sent urgently.

for Director/Deputy Director of Inspection

APPENDIX 42

(Para 4.17)

**List of Check-Points for Scrutiny of Acceptance of Tender/Supply Order/
Rate Contract/Extracts****(To be attached to copy of contract when putting up to Inspecting Officer/
Asstt. Inspecting Officer)**

Serial No.	Questionnaire	Answer	Action taken
1(a)	Are specifications/particulars governing supply in order ?		
1(b)	Are relevant inspection instructions available ?		
2	Is the nomenclature of stores correct to particulars ?		
3(a)	Is the date of delivery in order ?		
3(b)	Have any special instructions for giving grant of grace period been quoted in the contract ?		
4	Is the consignee clearly shown ?		
5	Is the inspecting officer/authority clearly and correctly shown ?		
6	Are the packing/markings instructions clear ?		
7	Are samples required for bulk production ?		

APPENDIX 43

[Para 4.19(1)]

List of Firms which may be exempted from Inspection

Store	Firm	Rejection by Govt. Inspector	Rejection by con- signee	
1	2	3	4	
Tyres and Tubes for motor bus, truck & aeroplanes.	<i>Manufacturers</i>			
	M/s. Dunlop	}	.. .. Nil	Nil
	M/s. Incheck Tyre			
	<i>Stockists in Calcutta</i>			
	M/s. Goodyear	}	.. .. Nil	Nil
	M/s. Firestone			
	M/s. India Tyre			
	M/s. Madras Rubber			
	M/s. Premier Tyre			
	(Value—Rs. 5 lacs per month)	.. ..	
Bulbs	.. <i>ILMI Group</i>			
	G.R.C. (13000 Nos. per month)	..	Nil	Nil
	Phillips (15000 Nos. per month)	..	Nil	Nil
	Greaves Cotton (30000 Nos. per month)	..	Nil	Nil
	A.E.I. (20000 Nos. per month)	.. ..	Nil	Nil
	Lamp			
	Bengal Electric (90000 Nos. per month)	..	Nil	Nil
	Oriental Mercantile Co. (Kiron Brand) (100000 per month)	.. ..	Nil	Nil
Battery	.. <i>Standard Batteries</i>			
	Associated Batteries Makers Ltd. (Chloride and Exide Battery) (4000 Nos. per month).	..	Nil	Nil
C.I. Spun Pipes	.. M/s. Indian Iron and Steel Co. at Kulti (Re. 1 crore p.m.).	..	Nil	Nil
G.I. Pipes	.. M/s. Indian Tube Co.	.. ..	..	..
Asbestos Sheets	.. M/s. Asbestos Cement Co. Calcutta (80000 Nos. p.m.).	..	Nil	Nil
Containers	.. M/s. Metal Box Co. (1000 Nos. per month)	..	Nil	Nil
Cables	.. N.I.C.C. (3500 Coils per month)	..	Nil	Nil
	Fort Gloster Industries (6000 Coils per month).	..	Nil	Nil
	Indian Cable Co. (5000 Coils per month)	..	Nil	Nil

APPENDIX 44

[Para 4.21(1)]

Specimen of Inspection Instructions—General Stores

NOTE—This information will not be communicated to contractors unless specifically stated

(No.)

Inspection of Wire-Drawn, Machine-Made or Pan-set Bristle Filled Brushes

There is a growing tendency on the part of brushware suppliers to either mix short length bristles with bristles of the required length or use short length bristles only. This affects both the durability and serviceability of brushes to a significant extent. Besides these, there is considerable difference in the cost aspect (cost of bristle being dependent on its length). As such, Inspectors are advised to exercise vigilance to ensure that the quality of bristles used in bulk supplies is up to the required standard and for this purpose, the filling material (bristle) shall be analysed by lengths as detailed below—

Sampling

Representative samples for test shall be drawn at random in accordance with the sampling scheme given below—

No. of brushes in a lot	No. of brushes to be drawn for testing
Upto 10	2
11 to 25	3
51 to 100	5
101 to 150	6
151 to 300	7
301 to 500	8
501 to 750	9
751 to 1000	10
Over 1000	1%

Wire-drawn or Slogged Bristle-filled Brushes

Ten tufts, pulled out at random, will be analysed per brush and the average percentage of shorts will be calculated on the sample lot as follows—

- (i) Take the weight of 10 tufts and let 'T' represent the total weight.
- (ii) Sort out the bristles under $\frac{3}{4}$ 'U' i.e., shorts (See sketch No.) and weigh. Let 'S' represent the total weight of shorts in 10 tufts.
- (iii) Work out as a percentage of 'S' to 'T' by weight by substitution of the values in the formula—

$$\% \text{ of shorts} = \frac{S}{T} \times 100$$

Pan-set Bristle Filled Brushes

Ten per cent (by weight) of the total filling material, taken at random, will be analysed per brush and the average percentage of shorts (by weight) will be calculated on the sample lot as follows—

- (i) Let 'T' represent the total weight taken for analysis.
- (ii) Sort out the 'Shorts' as per method described in Appendix 'A' and take the weight. Let 'S' represent the weight of 'shorts'.
- (iii) Work out as a percentage of 'S' to 'T' by substitution of the value in the formula—

$$\% \text{ of shorts} = \frac{S}{T} \times 100$$

2. Based on the current practices of grading bristles, the maximum permissible limits of shorts for different lengths are as under—

- (a) Bristles below 4" in length—25%.
 - (b) Bristles 4" and over in length—15%.
3. I.I. No. 612 is hereby cancelled.

Sd/-

ANNEXURE 'A'

Method for sorting shorts

Place each bristle taut against the scale used for the purpose, with the help of the fore-finger of one hand and a pair of foreceps. The root-end of the bristle shall be held against the line on the scale which indicates the size of the bristle, for example, if the sample is from bristles of 4-in. size, then the root-end shall touch the 4-in. line on the scale. If the flag-end touches or goes beyond the 1/8-in. line, the bristle shall be considered to be of correct length and if the flag-end of the bristle is below the 1/8-in. it will be considered as 'Short'.

APPENDIX 45

[Para 4.21(1)]

Specimen of Inspection Criteria

(No.)

Pins, Keep, Split—Of Sizes (For Catalogue Nos. Please see Annexure 'A')
Specification ISI No. IS : 549—1954

The criteria are issued to assist the Inspector on the spot in his routine inspection. Nothing in the criteria absolves the Inspector from his responsibility to ensure that inspection is carried out strictly as per terms of contract and that accepted stores are up to specification/contract in every respect.

Brief Description

1. Pins, Keep, Split are used for locking castle and slotted nuts. They are made of half round mild steel wire bent over to form a circular shape pin with two legs and an eye. They vary in length and diameter to cater for locking different sizes of nuts.

Service Use and/or Method of Employment

2. These are used for fastening purpose. The pin is passed through a hole and the legs are opened out on opposite sides.

Definition of Terms

3. The following terms should be clearly understood:

- (a) *Nominal Length*—The distance from the outside edge of the eye to the end of its short leg.
- (b) *Effective Length*—The nominal length less the length of the eye.
- (c) *Burrs*—The turned up edges of metal resulting from the operation of cutting or shearing.

Defects likely to be encountered in Bulk Supplies and their influence on Serviceability/Value of the Item

4. It is important to understand the effect of the following defects that are likely to be encountered in bulk supplies—

- (a) *Presence of rust*—This will reduce the life of the store and is also liable to cause corrosion of the ferrous metal in contact with the store.
- (b) *Over size dia of the shank and (c) Shank distorted and/or the two legs not in contact at Places*—Owing to these, the pins will not fit a correct hole.
- (d) *Under size dia of the shank*—This will give rise to an undue play after the pin is fitted.

Procedure for Inspection

5. Open all primary packages (unit packs) and rapidly examine the contents visually to see whether the delivery appears to be homogeneous. If the delivery appears to be homogeneous, then deal with the entire delivery as one lot.

6. If the delivery is found to be comprised of primary packages containing pins from different sources of production or different sizes or types, or significantly different periods of manufacture, or pins which appear to be significantly different from each other as ascertainable from any visual characteristics, then segregate all the primary packages into homogeneous lots, each lot consisting of packages containing pins of the same source of production, same period of manufacture and similar in every way in so far as it can be visually ascertained. Treat each homogeneous lot as a distinct part of the delivery, to be sampled independently.

Visual Examination

7. Draw representative samples from the entire delivery, if homogeneous, or from each homogeneous lot vide para 5 above, as applicable, using Annexure 'B' to decide the number of samples to be drawn. For the size of delivery or size of the particular homogeneous lot, as shown under column 'a' of Annexure 'B' draw number of samples as shown under column 'b' of Annexure 'B'. The required number of samples should be drawn/distributed over a large number of primary packages, in any case not less than 25% of the total of primary packages. The primary packages to be sampled must be taken at random from different parts of the delivery/homogeneous lot. Enquire that the samples drawn are representative of the contents of the primary packages. Shake the primary package thoroughly before extracting any samples. Each group of samples drawn from each primary package must be specially marked for later linking with the primary package, if required.

8. Examine each pin, comprising the sample, 100% for the following—

- (a) *Dimensions*—By measurement with steel ruler/micrometer to ensure that they are within the limit specified.
- (b) *Shape and design*—Visually.
- (c) *Finish*—Freedom from rust and burrs.
- (d) *Workmanship*—To ensure that the eye is correctly formed, the two legs are parallel and in contact throughout the effective length of the shank, one leg is shorter than the other as shown in the specification and that the free ends of the legs are properly bevelled.

9. If for sample size shown in column 'b' of Annexure 'B' the number of pins rejected under any one or more examinations (a), (b), (c) and (d) above are found equal to or less than the acceptance number shown in column 'c' of Annexure 'B', then accept the remainder of the delivery/lot for features (a), (b), (c) and (d). If the number of pins rejected under any of the above examinations are found equal to or more than the rejection number shown in column 'd' of Annexure 'B', then reject the entire delivery/lot.

Practical Test

10. In addition, draw samples for practical (bending) test, in accordance with sampling ratio ascertained from Annexure 'C'. For the size of delivery or size of the particular homogeneous lot, as shown in column 'a' of Annexure 'C', draw the number of samples as shown under column 'b' of Annexure 'C'.

11. Hold the sample pin securely at the eye using a vice or any other device for adequate grip. Bend back half the length of each leg on itself, through 180. There shall not be any fracture.

12. If for sample size shown in column 'b' of Annexure 'C' the number of pins which fail in the practical test is found equal to or less than the acceptance number shown in column 'c' of Annexure 'C', then accept the remainder of the delivery/lot for the feature of practical test. If the number of pins which fail in the practical test is found to be equal to or more than the rejection number shown in column 'b' of Annexure 'B', then reject the entire delivery/lot as having failed in the practical test.

ANNEXURE 'A' TO INSPECTION

Criteria No.....

Pins, Keep, Split

Serial No.	Cat No.	Size	Serial No.	Cat No.	Size
1	IGA/1661	1/32" × 3/8"			
1A	1662	3/64" × 1/2"	21	IGA/1682	3/32"
2	1663	3/64" × 3/4"	22	1683	3/32" × 1-1/2"
3	1664	1/16" × 1/2"	23	1684	3/32" × 1-1/4"
4	1665	1/16" × 5/8"	24	1685	3/32" × 2"
5	1666	1/16" × 3/4"	25	1686	3/32" × 2-1/2"
6	1667	1/16" × 1"	26	1687	3/32" × 3"
7	1668	1/16" × 1-1/4"	27	1688	7/64" × 2"
8	1669	1/16" × 1-1/2"	28	1689	1/8" × 1/2"
9	1670	1/16" × 1-3/4"	29	1690	1/8" × 3/4"
10	1671	1/16" × 2"	30	1691	1/8" × 1"
11	1672	1/16" × 2-1/2"	31	1692	1/8" × 1-1/4"
12	1673	5/64" × 1/2"	32	1693	1/8" × 1-3/8"
13	1674	5/64" × 3/4"	33	1694	1/8" × 1-1/2"
14	1675	5/64" × 1"	34	1695	1/8" × 1-3/4"
15	1676	5/64" × 1-1/4"	35	1696	1/8" × 2"
16	1677	5/64" × 1-1/2"	36	1697	1/8" × 2-1/4"
17	1678	5/64" × 2"	37	1698	1/8" × 2-1/2"
18	1679	3/32" × 1/2"	38	1699	1/8" × 2-3/4"
19	1680	3/32" × 3/4"	39	1700	1/8" × 3"
20	1681	3/32" × 1"	40	1701	5/32" × 1"

Serial No.	Cat No.	Size	Serial No.	Cat. No.	Size
41	IGA/1702	5/32" × 1-1/2"	73	IGA/1734	1/4" × 5-1/4"
42	1703	5/32" × 1-3/4"	74	1735	5/16" × 2"
43	1704	5/32" × 2"	75	1736	5/16" × 2-1/2"
44	1705	5/32" × 2-1/2"	76	1737	5/16" × 3"
45	1706	5/32" × 3"	77	1738	5/16" × 3-1/2"
46	1707	3/16" × 1"	78	1739	5/16" × 5"
47	1708	3/16" × 1-1/4"	79	1740	3/8" × 2"
48	1709	3/16" × 1-1/2"	80	1741	3/8" × 2-1/2"
49	1710	3/16" × 1-3/4"	81	1742	3/8" × 3"
50	1711	3/16" × 2"	82	1743	3/8" × 3-1/2"
51	1712	3/16" × 2-1/4"	83	1744	3/8" × 4"
52	1713	3/16" × 2-1/2"	84	1745	3/8" × 4-1/2"
53	1714	3/16" × 2-3/4"	85	1746	3/8" × 5"
54	1715	3/16" × 3"	86	1747	3/8" × 5-1/2"
55	1716	3/16" × 3-1/2"	87	1748	7/16" × 3"
56	1717	3/16" × 4"	88	2440	3/64" × 1"
57	1718	3/16" × 3-1/2"	89	2441	3/32" × 5/8"
58	1719	7/32" × 1-1/2"	90	2442	3/32" × 7/8"
59	1720	7/32" × 2-1/4"	91	2443	3/32" × 1-1/8"
60	1721	7/32" × 2-1/2"	92	2444	7/64" × 1-1/2"
61	1722	7/32" × 3"	93	2445	1/8" × 1-1/8"
62	1723	1/4" × 1-1/2"	94	2448	5/32" × 1-1/4"
63	1724	1/4" × 1-3/4"	95	2449	5/32" × 2-1/4"
64	1725	1/4" × 2"	96	2450	3/16" × 4-1/4"
65	1726	1/4" × 2-1/4"	97	2451	7/32" × 2"
66	1727	1/4" × 2-1/2"	98	2452	5/16" × 2-1/4"
67	1728	1/4" × 2-3/4"	99	2453	5/16" × 4"
68	1729	1/4" × 3"	100	2454	5/16" × 5-1/2"
69	1730	1/4" × 3-1/2"	101	2455	7/16" × 4"
70	1731	1/4" × 4"	102	2456	7/16" × 5"
71	1732	1/4" × 4-1/2"	103	2457	7/16" × 6"
72	1733	1/4" × 5"	104	2545	3/64" × 1-1/2"

ANNEXURE 'B' TO INSPECTION
CRITERIA NO.

Pins, Keep, Split

Sampling Plan for Visual Inspection

(Reference to para 7)

AQL—4.0 for examinations (a), (b), (c) and (d) of para 8.

Lot Size (Total No. of pins comprising the delivery/homogeneous lot)	Sample Size (No. of pins drawn as sample vide para 7)	Examinations (a), (b), (c) and (d) of para 8	
		Acceptance	Rejection
(a)	(b)	(c)	(d)
2 to 8	2	0	1
9 to 15	3	0	1
16 to 25	5	0	1
26 to 40	7	0	1
41 to 65	10	1	2
66 to 110	15	1	2
111 to 180	25	2	3
181 to 300	35	3	4
301 to 500	50	4	5
501 to 800	75	6	7
801 to 1,300	110	8	9
1,301 to 3,200	150	11	12
3,201 to 8,000	225	17	18
8,001 to 22,000	300	20	21
22,001 to 110,000	450	29	30
110,001 to 550,000	750	45	46

ANNEXURE 'C' TO INSPECTION
CRITERIA NO.

Pins, Keep, Split

Sampling Plan for Practical Test

(Reference to para 10)

AQL—1.0 for practical test.

Lot Size		Sample Size		Practical Test	
(Total No. of pins comprising the delivery/homogeneous lot)		(No. of pins drawn as sample vide para 10)		(vide para 11)	
(a)		(b)		Acceptance	Rejection
				(c)	(d)
2 to	8	..	..	2	0 1
9 to	15	..	..	2	0 1
16 to	25	..	..	2	0 1
26 to	40	..	..	2	0 1
41 to	65	..	..	3	0 1
66 to	110	..	..	3	0 1
111 to	180	..	..	5	0 1
181 to	300	..	..	5	0 1
301 to	500	..	..	7	0 1
501 to	800	..	..	10	0 1
801 to	1,300	..	..	15	0 1
1,301 to	3,200	..	..	25	0 1
3,201 to	8,000	..	..	35	1 2
8,001 to	22,000	..	..	50	1 2
22,001 and above		..	..	75	2 3

APPENDIX 46

[Para 4.25(1)]

Sampling Instructions

1. The sampling of the delivery will be done personally by the Inspecting Officer/Assistant Inspecting Officer concerned. The sampling officer must subject the delivery to a preliminary scrutiny to ascertain its general character and fitness for inspection. If it should appear to be of a mixed quality, in so far as can be determined from visually ascertainable attributes, e.g., appearance, colour, size, source and date of production, batch number, etc. he must first arrange for the delivery to be sorted out into reasonably homogeneous lots, each lot to be sampled separately.

2. The number of samples to be drawn from each homogeneous delivery/lot will be predetermined by statistical theory and laid down in the sampling instructions and tables issued by the Deputy Director General of Inspection for different categories of stores. Different sampling tables should also be laid down for rigid, normal and relaxed sampling, depending upon the nature of the store, the manufacturing process and the reliability of the particular firm.

3. The sampling will be further dispersed and randomised throughout the batch of delivery or lot order to obtain the maximum representative character.

4. The container/packages from which samples will be drawn will be nominated by the sampling officer himself. He must also himself carry out the process of extracting samples from each container/package nominated by him for this purpose, or get it done under his personal supervision. He must ensure that each container/package is thoroughly shaken or mixed to homogenise the contents before extracting any samples.

5. The samples must be sealed under the personal supervision of the sampling officer and identified by a label which must be signed by the officer himself. The container/package of the bulk delivery or lot from which a sample is drawn must likewise be sealed and marked for identification and future linking, if necessary.

APPENDIX 47

GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY
& SUPPLY

INSPECTION NOTE
I. INSPECTION CERTIFICATES

PARA 4-27(1) Set No. Number of copies....
Book No. Inspection Note No.
Copy No.

(Particulars not required to be deleted). *Delivery in full/Part/Further Part, Completion.

1. D. G. (S. & D)/Dir. (S & D)/D.S. (Tex) Rate/Running Contracts/A.T. No. and date Supply Order No. and date.....
2. Contractor's Name & Address.
3. Indentor
4. Indent No. and Date
5. Consignee
6. Certified that stores noted below and in the continuation sheets attached have been inspected with result shown
7. (a) Stores delivered/put on rail/put up for inspection on..... (b) Stores inspected on
8. Contractor's Delivery Note Number and Date
9. The items were/were not supplied within the stipulated time or as extended by the competent authority. Reference made to Supply Officer regarding penalty

Details of stores inspected

Item No. in A/T	Description of stores Total quantity ordered The Inspector should indicate whether the supply has been made in seller's/buyer's con- tainers, where stores are re- quired to be supplied in containers	Accounting Unit	Tendered	Accepted	Brought to account in Ledger Folio Total quantity accepte to date	Rejected	No. & Date of Inspection certificate (if any) issued by D.I., I.S.D. London or other Inspection autho- rity abroad.	Remarks
1	2	3	4	5	6	7	8	9

NOTE—A line will be drawn or typed immediately after the last item. Below the line will be entered the total number of items separately shown in the column "DESCRIPTION OF STORES" thus :—"ITEMS INSPECTED NO....." (in words).

Station..... Dated..... Signature of Inspector.....
Designation

*10. To be entered on Inspector's office copy No. and date of Railway receipt returning rejections,..... No. 7 only
Received the rejections on..... Contractor's signature.....

11. To be entered on copies Nos. 2, 4 and 5 of the Inspection Note by the Contractor in cases in which Advance 90% payment had been claimed:

Number and date of the Advance 90% Bill.....

II RECEIPT CERTIFICATE

(To be completed by the consignee on copies Nos. 1, 2, 4 and 5 for final 100% payment and on copies Nos. 2, 4 and 5 for advance 90% payment and Balance 10% payment).

*1. Certified that the stores as accepted on the reverse and in the.....Continuation sheets attached have been received in good condition subject to the remarks at 3 below.

(a) Railway receipt No. and date.....Station of despatch of stores.....

(b) Actual date of delivery

2. The stores have been brought to account under Receipt Voucher No.....in my transit/stock, etc. (to be filled in).....account for the period, month.....year.....

3. Details of recoveries proposed by the consignees in respect of deficiencies breakages/and/or freight etc. which should be made from the contractor under the terms of contract.

3(a) Details of discrepancies attributable to the carrier—

Item	Reason	Amount
------	--------	--------

Item	Reason	Quantity
------	--------	----------

Circle or AreaStation

Signature

Dated.....

Designation

(In the case of Local Delivery)

Signature of Consignee.

This is a provisional receipt. It only be tokens the receipt of stores by the Consignee and is without prejudice to his rights of inspection and rejection under the General Conditions of Contract. It is issued on said to contain basis the Contractor remaining responsible for proving the total quantities, actually delivered.

NOTE 1. This certificate should be signed in ink by the Consignee specified in the A/T or S/O. Where this is not possible or inconvenient, it should be signed in ink by an official duly authorised by the Consignee in that behalf. In such cases the official signing the receipt certificate should indicate his designation of the official on whose behalf he is signing.

2. Consignee must return these copies with his remarks as required within.....from the date of receipt of stores.

3. In case of total rejection, copies Nos. 3, 6, 7 and 9 only will be issued.

APPENDIX 48

[Para 4.27(3)]

Examiner's Slip

Case File No.

Acceptance of Tender

Rate/Running Contract/Supply Order No..... Date.....

Contractor's name and address;

No. and date, and contractor's call for inspection:

Date of receipt of call for inspection in the Inspection Circle:

Date of Inspection:

Date of issue of Inspection Note:

Whether Inspection Note issued on spot:

Item No.	Description of stores	Tested	Accepted	Rejected
----------	-----------------------	--------	----------	----------

Reasons for rejection:

The stores tendered as above have been examined by me in the manner indicated overleaf/in the examination sheet enclosed, with the results shown.

DATE

Signature.....

Designation

Description of tests

Results

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.



APPENDIX 49

[Para 4.33(5)]

Daily Control Chart

(To be completed by Examiner /A.I.O./I.O. doing Inspection work).

Month.....year.....

Date	Cases where scrutiny of A/T or supply order (including seeking of clarifications for purchase) not completed within 7 days of its receipt;	Cases where inspection call not attended to within 7 days of its receipt	Cases where Inspection Note not prepared on the same day on which Inspection completed	Cases where Inspection Note(s) not issued within 48 hours of completion of Inspection	Signature Examiner/A.I.O./I.O./ D.D.
1	2	3	4	5	6
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

11
12
13
14
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22
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31

APPENDIX 50

(Para 4.35)

Duties of Deputy Director of Inspection

1. Distribution of all A/Ts and orders received daily amongst the officers under him.
2. Scrutiny of important correspondence and suggestion of action to be taken.
3. Scrutiny of reports on files concerning inspection work made by field officers.
4. Decisions on problems arising in connection with the inspection of stores.
5. Ensuring that the firms are regularly visited to maintain supervision on the quality of work of the field officer.
6. Ensuring that important tests carried out at firm's premises are attended to.
7. Discussion of day to day problems with the manufacturers.
8. Visiting firms when considered necessary to give final report on capacity and registration.
9. Discussion of problems in the office with the field inspectors.
10. Correspondence with all concerned on technical issues.
11. Meeting visitors.
12. Investigation of complaints.
13. Issue of test requests to Government Test House and subsequent approval tests reports when received.
14. Correspondence made with Headquarters—technical or routine.

APPENDIX 51

(Para 4.35)

Duties of Inspecting Officer/Assistant Inspecting Officer

1. To go through the Acceptance of Tender/Supply Order particulars as contained in the contracts against which inspection is to be conducted by them and to obtain necessary clarifications, if any, required by them from Supply Officer/Indentor/Consignee/Contractor.
2. To look after the work of examiners working under their control.
3. To ensure timely availability of specifications/drawings/samples, etc., required for inspection.
4. To exercise strict checks on the quality of stores accepted/rejected by the examiners.
5. To perform difficult tests wherever required.
6. To sign inspection notes after certifying the correctness of inspection.
7. To draw out samples for testing.
8. To examine the test reports received from the National Test House and to accord final approval to samples in consultation with the Deputy Director of Inspection.
9. To carry out a percentage check of all inspection done by the examiners before signing Inspection Note.

APPENDIX 52

(Para 4.37)

List of Items for Annual Inspection

1. *Personnel*
 - (a) The sanctioned and actual strength under various categories
 - (b) The reasons for the vacancies, if any.
2. *Organisation*—Examination of the internal organisation and allocation of staff to the various branches and sections in relation to the functions and activities carried out and the work-load.
3. *Audit Objections*—See whether they have gone up during the year and if so for what reasons. Is disposal expeditious?
4. Training of staff.
5. Staff welfare including canteen, recreational and other facilities, cooperative societies, reading rooms, sports and games, etc.
6. Security arrangements.
7. Accommodation, building, etc. including adequacy of furniture, etc.
8. Safe custody of acceptance-marks.
9. Volume of inspection—monthly average—see if there is any upward trend in the work-load.
10. No. of A/Ts, supply orders pending for inspection giving separate figures for those cases where delivery period has expired.
11. Time taken in inspection (this may be taken in respect of any one month's total inspection) under the following categories—
 - (i) cleared within 1 week,
 - (ii) cleared within 1 and 2 weeks,
 - (iii) cleared within 3 and 4 weeks,
 - (iv) cleared after 4 weeks.

(The time will include the time taken to issue Inspection Notes).
12. To study all the complaints that may have been received during the last one year, and the manner in which they have been investigated.
13. To study arrangements for surprise check of inspection, number of occasions such surprise checks were carried out during the last 6 months or one year and how their record was maintained and what follow-up action was taken.
14. To examine the following registers—the Inspection Call Register, Journal and other important registers and the diaries of some of the Inspection Officers.

15. To study arrangements for verifying capacity of firms against specific requests from purchase or from attending to registration, inspections, reasons for delays in giving capacity reports and registration reports should be examined. It should also be examined whether correct conclusions have been drawn by the inspectors in these reports and that they are based on the facts enumerated in the report.
16. To examine whether steps have been taken to categorise firms for normal, relaxed or rigid inspection for each type of store. Also examine whether the decision for this categorisation for any particular store was taken by the Regional Director of Inspection himself, and that it was not on the ground of shortage of staff.
17. To examine whether all cases of malpractices that came to light on the part of contractors or their agents were reported to the Director of Inspection and whether the Director of Inspection after his enquiry sent a full report to the Purchase Officer through the Deputy Director General (Inspection).
18. To see whether inspections of the sub-centres have been done regularly by the Director and of the branches by the Director/Deputy Director.
19. To see what defects were pointed out in the last inspection and what steps have been taken to remove them.
20. A general assessment of the performance of the Circle.

APPENDIX 53

(Para 4.37)

Items of Work in Inspection Wing to be Examined by O&M Unit

Serial No.	Item checked	Findings/ corrective action taken in where necessary	Remarks Visiting Officer
1	2	3	4
1	<p><i>Internal action taken on receipt of copies of ATs/Supply Orders.</i></p> <p>Select at random any four ATs/Supply Orders received in each group during the past six months. Check each case thoroughly for promptness in correct completion/initiation of all necessary actions, including:</p> <p>(a) Documentation: registration and numbering of contract, opening of file/journal page(s).</p> <p>(b) Scrutiny by Inspecting Officer/Asstt. Inspecting Officer of contract clauses, including particulars governing supply, terms of delivery and inspection and other clauses, so as to locate possible flaws likely to cause delays or result in incorrect inspection etc. and action taken to remedy the flaws.</p>		
2	<p><i>Action taken with firm on receipt of copies of ATs/Supply Orders.</i></p> <p>With the A/Ts./Supply Orders selected for checks at serial 1 above, or with any other selected at random ascertain whether action was taken to contact firm (to start watching materialisation of supplies/getting ready for inspection), how this action was taken and how many days after receipt of copy of AT/Supply Order.</p>		
3	<p><i>Action taken with purchase officer on receipt of copies of ATs/Supply Orders.</i></p> <p>(a) With the ATs/Supply Orders selected for checks at serial 1 above, check carefully if there are any ambiguities/uncertainties, etc., requiring clarification from Purchase Officer and when they were referred by the Inspecting Officer for clarification.</p> <p>(b) Ask Director of Inspection for three examples during past six months in which progress of supply/inspection was held up pending clarifications required from Purchase Officers. Discuss whether any of these hold-ups could have been avoided if more timely action had been taken by the Inspecting Officer after receipt of AT/Supply Order.</p>		
4	<p><i>Time taken in inspection: Deliveries not requiring Lab. Tests.</i></p> <p>Select at random any 12 deliveries from each group during past three months. Check and note:</p> <p>(i) average (for all 12), and</p> <p>(ii) maximum number of working days elapsed in any delivery at each of the following stages:</p> <p>(a) From receipt of inspection request, to despatch of inspection staff to firm;</p> <p>(b) From (a) to completion of inspection at firm's premises.</p>		

1	2	3	4
4	(c) From (b) to despatch of Inspection Note.		
5	<i>Time taken in Inspection. Deliveries requiring Lab. Tests by National Test House.</i>		
	Select at random any 12 deliveries from each Group during past three months. Check and note (i) average (for all 12); and (ii) maximum number of working days elapsed in any delivery at each of the following stages :		
	(a) From receipt of inspection request to despatch of inspection staff to firm.		
	(b) From date of sampling to despatch of samples to National Test House.		
	(c) From receipt of TS to completion of inspection.		
	(d) From (c) to despatch of Inspection Note.		
6	<i>Superior check of standard of Inspection before issue of inspection note :</i>		
	Select at random any 12 Inspection Notes issued during past three months from each of the Groups and find out if check by any superior officer viz. Deputy Director of Inspection/Director of Inspection has been done. If so, what check has been exercised.		
7	<i>Person signing inspection note must himself see the stores and satisfy himself of Standard of Acceptance/ Rejection:</i>		
	In respect of stores inspected by examiners, check if the Inspection Notes have been signed by the Asstt. Inspecting Officer/ Inspecting Officer after due verification and check select 12 cases from each group.		
8	<i>Regarding Acceptance Marks :</i>		
	(a) Check the safe custody arrangements for those in stock and issued.		
	(b) Check their record of issues and stock taking.		
	(c) Are there enough available ? What are arrangements made for making up deficiencies and replacing those rendered unserviceable ?		
9	<i>Regarding Inspection Staff :</i>		
	(a) How often have staff been rotated within the various detachments ? Are there any staff in one position for more than, say two years.		
	(b) Ask questions from various staff on points relevant to inspection/other work in hand to judge if they are properly guided in day to day inspection work.		
10	Compare the distribution of staff in various groups and their load, i.e. number of deliveries, number of A/Ts. received, number of Inspection Notes issued.		
11	For outstations, check the number of visits by superior officer.		
12	Take out four completed cases at random for cut 20% or at least four outstations and check whether :		
	(a) Visiting officers checked standard of acceptance/ rejections and how many times.		
	(b) Acceptance marks stamped on the accepted store/ examiner slip marked, by the visiting officers.		
13	Check the method of progressing inspection and opine if it is suited to detecting/eliminating delays.		
14	Take at random 4 cases of capacity report and 4 cases of registration report from each group and check them for delay and correctness of the report.		

APPENDIX 53—*contd.*

(Para 4.37)

(For recording information by O&M for use of DDGI)

Question Nos. 1, 2 and 3: Internal actions, action with P.O. and Firm Inspection Circle.....

Serial No.	A/T No. & Date and case No.	Q. 1(a) Documentation, Registration of contract, opening of files, Journal etc.	Q. 1(b) Scrutiny by I. O. Terms of delivery Inspection Clauses and other clauses	Q. 2 Action taken to watch progress of supplies and contract with the firm	Q. 3 Any ambiguities/uncertainties to be clarified with P.O. and when done
(1)	(2)	(3)	(4)	(5)	(6)
1					
2					
3					
4					
5					
6					

Question No. 4

Serial No.	From receipt of request for inspection to despatch of staff	From (a) to completion of inspection	From (b) to despatch of I/Note	Remarks
	(a)	(b)	(c)	(d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Av. for all 12

Max.

Deliveries requiring Lab. test—By N.T.H. or locally

Question No. 5

Serial No.	Receipt of inspection request to despatch of staff for sampling. (a)	From sampling to despatch of sample to local Lab./N.T.H. (b)	From receipt of test report to completion of I/Note and its despatch (c)	Remarks (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
<hr/>				
. for all 12				
Max.				

Superior Check of Standard

Question Nos. 6 and 7.

Sl. No.	Initial inspection by	Surprise inspection by, if any	Q. 7 Did the officer signing I/Note see the stores or not	Remarks
1	2	3	4	5
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
<hr/>				
Total ..				
<hr/>				

A—Capacity Report
Question No. 14

Serial No.	Case No. and Date	When received in the Inspection Circle	When received by I.O./A.I.O.	When report of capacity undertaken	Report sent on	Reason for delay, if any	Are you satisfied that the report is based on the facts regarding equipment, technical know-how etc. which are enumerated in the body of the report	Remarks
1	2	3	4	5	6	7	8	9
1								
2								
3								
4								

B—Registration

Serial No.	Case No. and date	When received in the Inspection Circle	When received by I.O./A.I.O.	When report for capacity undertaken	Report sent on	Reason for delay, if any	Are you satisfied that the report is based on the facts regarding equipment, technical know-how etc. which are enumerated in the body of the report?	Remarks
1	2	3	4	5	6	7	8	9
1								
2								
3								
4								

APPENDIX 54

[Para 4.37(3)]

Statement Showing the Sanctioned Strength of Deputy Directors in the Inspection Circles and the Number of Inspecting Officers, Assistant Inspecting Officers and Examiners Working under each

Circle	Sanctioned strength of Deputy Directors	Stores	Distribution of Deputy Directors store-wise	No. of officers in the different grades working under the Deputy Director									
				In Circles			In sub-centres			Total			
				I.O.	A.I.O.	Examr.	I.O.	A.I.O.	Examr.	I.O.	A.I.O.	Examr.	
1	2	3	4	5	6	7	8	9	10	11	12	13	
1. Bombay ..	4	Plant & Machinery Stores: Ferrous & non-Ferrous Castings.	1	*1+1*	3	5	}	..	1	1	2+1*	9	13
				..	2	2							
				..	1	1							
				1	2	4							
		Total ..		2+1*	8	12			1	1			
		Structural stores ; Paints & Crossings; Signalling and Interlocking; Misc. & Hardware Stores; Re-modelling work.	1	1	3	5	}		3	2			
				..	1	..							
				..	4	2							
				..	2	..							
		Total ..		1	10	7			3	2	1	13	9
		Electrical Stores	..	1	2	4	}	1	1	3			
		Machine Tools	1	2								3
		Total ..		3	6	11		1	1	3	4	7	14
		Textiles, leather & tyre & tubes etc.	1	2	4	19	1	1	3	3	5	22	
		GRAND TOTAL FOR BOMBAY CIRCLE	..	4	9	28	49	2	6	9	10+1*	34	58

*Trainee

APPENDIX 54—*contd.*
[Para 4.37(3)]

1	2	3	4	5	6	7	8	9	10	11	12	13
2. Madras ..	1	Engineering	1	2+1*	8	9	4	6	13	6+1*	14	22
		Textile		1	2	5	..	..	5	1	2	10
		Total ..		3+1*	10	14	4	6	18	7+1*	16	32
		GRAND TOTAL FOR MADRAS CIRCLE	1	4	10	14	4	6	18	7+1*	16	32
3. Calcutta 10* (L.D., D.L is on indent checking and another tem- porarily trans- ferred to Rly. Board)		Electrical Castings	1	2	4	7	..	..	1	2	4	8
				1	4	11	..	1	3	1	5	14
		Total ..		3	8	18	..	1	4	3	9	22
		Plant & Machinery	1	2	2	4	..	..	..	2	2	4
		Registration Capacity .. ..		..	3	..	..	..	..	..	3	..
		Total ..		2	5	4	..	..	..	2	5	4
		Machine Tools	1	1	3	1	..	..	..	1	3	1
		Misc. & Hardware		1	3	9	..	2	3	1	5	12
		Total ..		2	6	10	..	2	3	2	8	13
		All Engg. Stores	1	..	2	4	1	1	..	1	3	4
		Structural	1	5	6	9	..	..	1	5	6	10
		E.M.U., V. B. Fittings; Rly. coaches.	1	1	5	3	..	..	..	1	5	3
		Permanent way materials ..	1	1	6	11	..	..	..	1	6	11
		Textiles	1	1	3	14	..	..	..	1	3	14
		Oil, Paints & Chemicals } ..	..	..	6	3	..	..	..	..	6	3
		Total ..		1	9	17	..	..	..	1	9	17
		GRAND TOTAL FOR CALCUTTA CIRCLE	8	15	47	76	1	4	8	16	51	84

		<i>A—Metallurgical</i>										
4. Durgapur (Met. Ins- pectorate).	1	Sleepers, Fish Plates, Refractories	1	2	3	..	..	..	1	2	3	
		Steel fabricated structures etc.										
		Steel fabricated structures, Ref- ractory work, stamping & inspection of the products, Phy- sical testing and certifications.	1	1	2	3	..	..	..	1	2	3
		<i>B—Chemical</i>										
		Sampling, inspection, chemical analysis, testing and certifica- tion.	1	2	3	..	..	..	1	2	3	
GRAND TOTAL FOR DURGAPUR ..			1	3	6	9	..	..	..	3	6	9
5. Delhi ..	2	Textile & leather	1	1	2	2	1	2	9	2	4	11
		Engineering	1	4	13	20	..	..	..	4	13	20
		GRAND TOTAL FOR DELHI .	2	5	15	22	1	2	9	6	17	31

* Trainee.

APPENDIX 55

[Para 4.39(2)]

Powers of Head Clerks

- (a) To call for duplicate copies of A/Ts/Supply Orders etc. whenever not received from authorities concerned.
- (b) To call for drawings and other enclosures not received with the forwarding letters.
- (c) To transmit Acceptance of Tenders etc. to sub-centres.
- (d) To transfer papers intended for other circles.
- (e) To communicate to the indentors the supply position on the basis of information furnished by the inspection staff.
- (f) To dispose of reminders at their own level in respect of indents, final supplies against which have been inspected.

APPENDIX 56
(Paras 4.43 & 4.44)

Statement Showing Particulars of Returns Submitted by the Inspecting Circles to the Inspection Wing of Directorate General, Supplies & Disposals

Serial No.	Title of Return	Periodicity	Remarks/Recommendation
1	2	3	4
1	Statement showing number and value of orders received, value of stores inspected/accepted, fees earned, value of machine tools inspected towards gradation.	Monthly	Form revised, vide Annexure I.
2	Statement showing the inspection fee/testing charges earned and amount outstanding for non-departmental orders.	Monthly	Not necessary. Suitably included in Annexure I.
3	Load of inspection work concerning textiles.	Monthly	Not necessary. To be discontinued.
4	Statement showing working strength on different groups of stores.	Monthly	Part A—Should be obtained quarterly (cf Annexure II). Part B—Should be bracketed with the return against S. No. 4 (revised version at Annexure III).
5	Control statement (work handled/outstanding).	Monthly	Revised version at Annexure III may be adopted.
6	Return on investigation cases received in the Metallurgical Inspectorate.	Monthly	Certain columns deleted from the present return. Revised version at Annexure IV may be adopted.
7	Details of Inspection Staff (and their date of posting to the Circle).	Quarterly	Should be obtained yearly in the form at Annexure V.
8	Statement of work, other than inspection, done in the Inspectorate.	Monthly	No Change.

ANNEXURE I TO APPENDIX 56

[Para 4.44(1)]

Monthly Report on Inspection Work Handled

INSPECTORATE

PART I

Month

Year

O		R			D			E			R			S		
		Received			Inspected/accepted			Outstanding								
Nature		(a) Textile (including leather)	(b) Other than Textile	(c) Total	(a)	(b)	(c)	(a)	(b)	(c)						
A-Departmental	No															
(i) Subject to 100% inspection in India.	Value															
(ii) Subject to Inspection by I.S. M., London, Washington, D. I. Japan	No															
	Value															
B-Non-Departmental ..	No															
	Value															
C-Total	No															
	Value															

PART II

Machine Tools Inspected Towards Gradation

Order	Number	Value	Remarks
1. Trade			
2. Deptamental			
3. Non-Departmental			
4. Total ..			

PART III

Inspection Fee/Testing Charges for Non-Departmental Orders

Item	Fees/Charges (In Rupees)			Remarks
	Earned	Realised	Outstanding	
I. Certification of Steel ..				
II. Other Non-Departmental Work				
III. Total ..				

ANNEXURE II TO APPENDIX 56

[Para 4.44(5)]

Quarterly Statement Showing Working Strength on Different Groups of Stores Inspectorate

Category of staff	Sanctioned strength	
	Working strength	
<i>Technical Staff</i> Dir. of Inspection Dy. Director of Inspection Asstt. Director (Admn.) Inspecting Officers Asstt. Inspg. Officers Examiners of Stores Sr. Draftsmen	Electrical	
	Plant and Machinery	
	Machine Tools	
	Structural	
	Ferrous and Non-ferrous castings	
	Misc. and Hardware, including Cement.	
	Wagons & CWF	
	Re-Rollers	
	P. W. Material including Px. & S.I.	
	Oils, Paints & Chemicals	
	Textiles	
	Establishment	
	Accounts	
	Co-ordination	
	Central Reg. & Despatch	
	Outstations	
	Total	
Vacancies.		
Remarks		

ANNEXURE III TO APPENDIX 56

[Para 4.44(5)]

Monthly Control Statement

I. *Registration and Capacity Reports*

(a) No. of requests received during the month for Registration and Capacity—

Registration Capacity

(b) No. of reports sent during the month—

Registration Capacity

(c) No. of capacity reports pending—

(i) For 2 weeks

(ii) For 2 to 4 weeks

(iii) For 4 to 8 weeks

(iv) Over 8 weeks

(details of cases at (iv) to be attached).

(d) No. of Registration Reports pending—

(i) For 1 to 2 months

(ii) For 2 to 4 months

(iii) For 4 to 6 months

(iv) For over 6 months

II. *Inspection Fee Bills—*

(a) No. of Inspection Fee Bills settled which were pending—

(i) For 1 year

(ii) For 1 to 3 years.

(iii) For 3 to 5 years

(iv) For over 5 years

(b) No. of Inspection/Testing Fee Bills preferred which were pending—

(i) For 6 months.....

(ii) For 6 months to 1 year.....

(iii) For 1 to 2 years.....

(iv) For over two years.....

III. *Complaints—* ...

(a) No. of complaints pending—

(i) For 2 months

(ii) For 2 to 6 months

(iii) For 6 to 12 months

(iv) Over 12 months

(b) No. of complaints settled during the month—

(i) Within 2 months from receipt

(ii) Between 2 to 6 months from receipt

(iii) Between 6 to 12 months from receipt

(iv) Between 1 to 2 years from receipt

(c) No. of complaints received during the month

IV.

- (i) Inspection Notes issued
- (ii) Inspection Certificates issued
- (iii) No. of cases in which Inspection Notes/Certificates issued after 7 days of inspection

V. *No. of cases in which inspection was undertaken after receipt of Supplier's intimation—*

- (i) After 5 days
- (ii) Between 5 and 7 days
- (iii) Between 7 and 14 days
- (iv) After 14 days.

VI. *Submission of periodical returns. Please intimate the date of despatching the following returns—*

- (i) Monthly report on Inspection work handled
- (ii) Monthly return on investigation cases received in the Metallurgical Inspectorate
- (iii) Statement showing the progress in the recovery of Inspection Fee Bills

VII. *Other items of work handled during the month—*

- (i) Letters { Issued
 - Received
 - (ii) Samples { Received
 - Disposed of
 - (iii) Military Credit Note/Civil Credit Note issued
 - (iv) Reports and returns issued (other than those included under VI above)
 - (v) Requests for tests { Disposed of
 - Received
 - (vi) Investigation Reports Issued
 - (vii) Pay and TA bills and other bills expecting inspection fee bills prepared
-

ANNEXURE IV TO APPENDIX 56

[Para 4.44(6)]

Name of the Inspectorate

Monthly Return on Investigation Cases Received in the Metallurgical Inspectorate

Particulars	Departmental	Outside	
		No. chargeable	No. not chargeable.
Cases pending from previous month			
No. of Investigation cases received.			
" " " dealt with			
" " " completed.			
" " " current at the end of the month.			

B. Testing work

Particulars	No. of samples selected/received	Tested	Remarks
(a) Mechanical Tests			
(b) Metallographic Tests			
(c) Chemical Tests			
(d) Miscellaneous Tests			
Total			

C. No. of Test Certificates issued.

No. of Inspection Notes issued.
 No. of Inspection Certificates issued.
 No. of Investigation reports issued

Total ..

D. No. of analysis carried out on :

1. Pig Iron ..
 2. Steel ..
 3. Other items ..

Total ..

E. No. of tests carried out.

1. Departmental
 2. Outside.

No. Amount charged

(a) Chargeable
 (b) Not chargeable

ANNEXURE V TO APPENDIX 56

[Para 4.44(7)]

Name of the Inspectorate Year ending 19 ..

Particulars of Inspection Staff employed

Name	Designation	Category of Stores handled	Date from which posted in the Circle	Station at which posted	Date from which posted at the station	Re- marks
1	2	3	4	5	6	7

APPENDIX 57

[Para 5.7(i)]

List of Materials which can be Analysed/Tested within 10 days

CHEMICAL (GENERAL) DIVISION

(a) *Bitumen and Coal Laboratory*—

1. Coal.
2. Bitumen and Coal Tar.
3. Cable compounds.

(b) *Metal Laboratory*—

1. Limestone.
2. Dolomite.
3. Gypsum.
4. Cast Iron.
5. Mild or low alloy steel.
6. Brass and Bronzes.
7. Jari.
8. Bearing metal.
9. White metal.
10. Type metal.

(c) *General Chemical Laboratory*—

1. Mineral acids.
2. Alkalies.
3. Fertilizers.
4. Insecticides.
5. Disinfectant fluids.
6. Oxygen gas (Industrial & Medical).
7. Dissolved acetylene.
8. Nitrous Oxide, Carbon di-oxide, Ammonia, Methyl Bromide, Chlorine, Nitrogen.
9. Calcium carbide.
10. Soap and detergents.
11. Water.
12. Alcohol and spirit.
13. Wine.
14. General organic and inorganic chemicals.
15. Cement and cement mortars.
16. Polishes (Shoe and Metal).
17. Glass.
18. Fire clay or bricks.

CHEMICAL (PAINTS AND HIGHPOLYMER) DIVISION

(a) *Paint Laboratories—*

1. Oil Paste.
2. Pigments.
3. Miscellaneous painting materials.

(b) *High Polymer Laboratories—*

1. Interior varnish.
2. Goldsize varnish.
3. Mixing varnish.
4. Interior enamels.
5. Paper.
6. Textile materials.

(c) *Oil Laboratories—*

1. Miscellaneous vegetable oils.
2. Greases (ordinary).
3. Lubricating oils.
4. Fuel oils.
5. Aviation Gasolines.
6. Motor spirit.
7. Cutting oils.
8. Transformer oil.

NON-DESTRUCTIVE TESTING DIVISION

(a) *X-Rays and Gamma-Ray Laboratory—*

Radiographic examination of welded joints, castings and forgings.

(b) *Ultrasonic, Magnetic and Fluorescent Crack Detection Laboratories—*

All metals and alloys in the shape of castings, forgings and fabricated structures.

(c) *Welding Laboratory—*

Mechanical tests on welded joints excluding fatigue test.

(d) *Metallographic Laboratory—*

Microscopic examination of metals and alloys.

A—PHYSICAL DIVISION

(a) *Textile Laboratories—*

1. Ropes (coir, sisal, manila etc.).
2. Beltings (cotton, hair, canvas, train lightings, picking band).
3. Textile fabrics, yarns, waterproof canvas, belting canvas.
4. Brushes (paint & varnish, Artist, Sash Tool Lettering, Banister, carriage washing, commode cleaning, copper wire bound, Bristles etc.).

5. Paper.
6. Polythene pipe.
7. Fire hoses.
8. Plastic helmets.
9. Plastic films.

(b) *Civil Engineering Laboratory—*

1. Sand.
2. Coarse aggregates.
3. Concrete cubes/cylinders.
4. Cement concrete tiles.
5. Mangalore pattern roofing tiles.
6. Corrugated asbestos cement sheets.
7. Fire bricks.
8. Fire clay mortar.
9. Fire fighting appliances and fire extinguishers.
10. Sanitary appliances including wash basins, flushing cisterns, urinals, sinks, water closet etc.
11. Stoneware pipes.
12. Re-inforced cement concrete pipes.
13. Asbestos pressure pipes.
14. Cast iron pipes.
15. Thermal conductivity of insulating materials.
16. Cement.

(c) *Heavy Mechanical Laboratories—*

1. Lifting tackles.
2. Crab Winches.
3. Screw Couplings.
4. Screw Jacks.
5. Draw Bar Hooks.
6. Bridge Bearings.
7. Laminated Springs.
8. Steel Wire Ropes.

(d) *Light Mechanical Laboratories—*

1. Pressure gauges.
2. Hacksaw blades.
3. Sluice valves.
4. Knives.
5. Scissors.
6. Watermeters (excluding life test).
7. Steel files.
8. Conduit pipes.

9. Pressure Stove.
10. Blow Lamps.
11. G.I. pipes and fittings.
12. Valves for cylinders.
13. Bolts and nuts.
14. Steel bars.
15. M. S. bars.
16. Aluminium and copper conductors etc

(e) *I.C. Engine Laboratories—*

1. Aviation Fuels (Knock rating).
2. Diesel Fuels (Octane valve).

ELECTRICAL ENGINEERING DIVISION

(a) *General Electrical Laboratory—*

Small electrical accessories such as lamp holder ceiling rose, plugs and sockets outlet, Tumbler Switch etc.

(b) *Fan Testing Laboratory—*

1. Electric ceiling fan.
2. Table fan.
3. Carriage fan.
4. Exhaust fan.

(c) *Standardisation Laboratory—*

Calibration of measuring instruments as Ammeter, Voltmeter, Wattmeter etc.

(d) *Electricity Meter Testing Laboratory—*

Accuracy test on meters both single phase and poly phase.

(e) *Radio Testing Laboratory—*

Accuracy test on electronic equipments such as pH-meter, V.T.V.M. etc.

(f) *High Voltage Laboratory—*

Outdoor type A.B. Switches, D.O. Fuse Cutouts, Operating Pole, Transformer oil etc. (Dielectric Strength only).

(g) *Cable Testing Laboratory—*

Resistance of bare conductors, D.C.C. Wires etc.

(h) *Lamps and Photometry Laboratory—*

Initial Rating test on lamps, candle power test on Pressure Lantern, Hurricane Lantern.

(i) *Motor and Transformer Testing Laboratory—*

Fractional H.P. Motors and Motors rated upto 5 H.P.

APPENDIX 58

[Para 5.7(ii)]

List of Materials which can be Analysed/Tested within 21 days

CHEMICAL (GENERAL) DIVISION

Metal Laboratory—

1. Ores and Silicates.
2. Special Alloy Steels.
3. Pure Metals.

CHEMICAL (PAINTS AND HIGH POLYMER) DIVISION

(a) *Paint Laboratories—*

1. Ready Mixed Paints.
2. Anticorrosive Paints.
3. Bituminous Paints.

(b) *High Polymer Laboratories—*

1. Insulating varnish.
2. Synthetic varnishes.
3. Rubber materials.
4. Leather goods.
5. Stoving Enamels.
6. PVC and miscellaneous plastic materials.
7. Glue.

(c) *Oil Laboratories—*

1. Brake Fluid.
2. Grease (Multipurpose).

NON-DESTRUCTIVE TESTING DIVISION

(a) *Metallographic Laboratory—*

Grain size of metals and alloys.

(b) *Welding Laboratory—*

1. Periodic check test on welding electrodes.
2. Welded Rails.
3. Complete mechanical tests on welded joints including fatigue test.
4. Initial tests on welding electrodes.

(c) *Welders Certification Section—*

Testing and certification of welders according to any recognised code.

(a) *Textile Laboratory—*

1. Canvas shoes.
2. Leather samples.
3. Plastic materials including Synthetic Resin Bonded Sheets and Tubes.
4. Vulcanized Fibre sheets and tubes.
5. Adhesive black tapes.
6. Adhesives and glues.

7. Some types of rubber hoses.
8. Rubber gloves.
9. Asbestos material.
10. Roofing felt.

(b) *Civil Engineering Laboratory*—

1. Common burnt clay building bricks.
2. Fibre building boards.
3. Wood particles boards.
4. Soil samples.

(c) *Light Mechanical Laboratories*—

1. Watermeters (life test).
2. Diesel Engines.
3. Pumps.
4. Gas cylinders.
5. A.C.S.R. conductors.

ELECTRICAL ENGINEERING DIVISION

(a) *General Electrical Laboratory*—

Metal clad Switch Fuse Units, Porcelain Fuse Units and other domestic electrical appliances etc.

(b) *Fan Testing Laboratory*—

Air Circulator type fan.

(c) *Standardisation Laboratory*—

Current Transformer, Capacitors, Dielectric properties of insulating materials, Magnetic materials etc.

(d) *Electricity Meter Testing Laboratory*—

Type tests on a batch of meters, both for domestic and industrial use.

(e) *Radio Testing Laboratory*—

Radio receivers, both main operated and battery operated, Loud Speakers etc.

(f) *High Voltage Laboratory*—

Insulators both Low Tension and High Tension, Bushings, Insulating tapes etc.

(g) *Cable Testing Laboratory*—

Rubber insulated cables, P.V.C. cables, Power Cables, both armoured and unarmoured, Winding wire etc.

(h) *Battery Testing Laboratory*—

Acceptance test on lead-acid battery.

(i) *Lamp and Photometry Laboratory*—

Lamp fittings, accessories for Fluorescent and H.P., M.V. Lamps such as ballasts, starters etc.

(j) *Motor and Transformer Testing Laboratory*—

Motors of High Rating, Power Transformers, Welding Plants etc.

APPENDIX 59

[Para 5.7(x)]

Monthly Statement to be prepared by each Assistant Director in N.T.H.

- (a) The arrears of samples brought forward with the date of the oldest sample;
- (b) new receipts;
- (c) samples disposed of during the month—
 - (i) within 10 days of its receipt in the Test House;
 - (ii) between 10 and 21 days;
 - (iii) between 21 days and 1 month;
 - (iv) between 1 and 3 months;
 - (v) between 3 and 6 months; and
 - (vi) more than 6 months;
- (d) arrears at the end of the month with break up and date of oldest sample—
 - (i) No. of samples pending for less than 1 month;
 - (ii) between 1 and 3 months;
 - (iii) between 3 and 6 months;
 - (iv) more than 6 months;
- (e) No. of samples rechecked by Deputy Director, and
- (f) No. of reports issued—
 - (i) within 72 hours of completion of tests;
 - (ii) between 72 hours and 1 week;
 - (iii) between 1 week and 2 weeks; and
 - (iv) more than 2 weeks.

APPENDIX 60

[Para 5.7(xi)]

(For use in the Test Laboratories only)

GOVERNMENT OF INDIA

DEPARTMENT OF SUPPLY AND TECHNICAL DEVELOPMENT
NATIONAL TEST HOUSE

Laboratory Card

PART I

Sample No. File No.

R.P. or R/R No. Date

Date

Brief Description

Code No. (To be filled by Codification Section)

Instructions by Deputy Director/Director

Instructions by Assistant Director regarding any special tests to be performed and the time required for completing the testing

Handed over for testing to Test Assistant—Shri on

Date by which test to be completed

Test completed on

Reasons for delay, if any,

Draft T/C put up by/on

Draft T/C approved by/on

(i) Asstt. Director;

(ii) Deputy Director;

(iii) Director (only in respect of safety item).

Date on which approved draft T/C was sent back to Section for issue

T/C issued on

Bill Section

Record

NOTE—(1) The draft test certificate must be prepared within 72 hours of the completion of the tests.

(2) The fair test certificate must be issued by the concerned Section within 24 hours of the receipt of the draft test certificate from the laboratory.

(To be Retained by Assistant Director)

GOVERNMENT OF INDIA
DEPARTMENT OF SUPPLY AND TECHNICAL DEVELOPMENT
NATIONAL TEST HOUSE

Laboratory Card

PART II

Code No. of the Sample

Sample handed over to Shri

on

Date by which test should be completed

Draft Test Report expected on

When Test Report actually submitted

If there was delay, what steps were taken
taken to ensure expeditious disposal and what
was the explanation for delay

.....

Draft Test Certificate prepared by/on

Approved on

NOTE—(1) The Assistant Director should daily check the progress of the test of the samples entrusted to the Assistants working under him with the help of these Progress Cards.

(2) The time prescribed for testing should be reasonable, taking into account the nature of tests to be performed, and should not be too much or too little. The Deputy Director over-all in-charge of the laboratory should make random checks to ensure that excessive time is not given for testing

APPENDIX 61

(Para 5.14)

**Enhanced Delegation of Powers to the Director, National Test House,
Calcutta**

Nature of power	Existing Powers	Powers proposed to be delegated
1	2	3
(i) Purchase & repair of office furniture.	Rs. 1,000 per annum	.. Rs. 2,500.
(ii) Purchase of books & publications.	Rs. 500 in each case	.. Full powers within budget sanction.
(iii) Demurrage charges	.. Rs. 5 at a time	.. Rs. 25.
(iv) Purchase of Chemicals, equipments and apparatus.	Rs. 4,000 in each case	.. Rs. 20,000.
(v) Disposal of unserviceable office equipment.	Rs. 750 in each case	.. Rs. 2,500.
(vi) Grant of leave to Gazetted Officers in the National Test House, Calcutta and Bombay.	No powers	.. Full powers subject to the usual procedure.

APPENDIX 62

(Para 5.21)

Duties of the Joint Director, N.T.H.**A. General Administration**

1. Security arrangements for a big area spread over nearly $3\frac{1}{2}$ acres of land with a floor space of about 1 lakh sq. ft.
2. Charge of Sample Room—including work connected with receipt and disposal of samples.
3. Building construction and repairs—correspondence with C.P.W.D.
4. Upkeep and maintenance of buildings—including sanitary, electrical and gas fittings.
5. Purchase of Chemicals and Apparatus.
6. Sanctioning of casual leave and earned leave to Class III and IV officers.
7. Supervision of General Stores and Explosive Godowns.
8. Charge of Confidential Section for dealing with samples.
9. Control of Head Clerk (Confidential).
10. Arrangement for training apprentices in the National Test House.
11. Looking after arrangements in connection with Educational tours of students and conducting important visitors from Government Departments or private parties, etc., round the laboratories.
12. Preparation of General Technical reports and publicity materials from the National Test House.
13. Compiling of the Schedule of Testing charges for all laboratories and keeping the same up-to-date.
14. Review of the arrears of testing fees and taking up at a high level for realisation of arrear testing fees.
15. Sanctioning of medical bills of non-gazetted staff also.
16. Inspection of branch laboratories as and when desired by the Director.
17. Checking categorization of samples according to the time fixed for testing.

B. Co-ordination and control of the following Common Service Departments of the National Test House

1. The workshop which maintains precision machinery and equipment and employs 34 persons including the Workshop Superintendent and is charged with the production of test pieces, and small instruments and machinery, and with the erection, repair and maintenance of the machinery of all laboratories of the National Test House.
2. The library spending Rs. 30,000/- per year.
3. The museum.
4. The Photographic section and the Drawing Office.

C. Administration of the Scheme for a Central Authority for the Certification of Welders

APPENDIX 63

(Para 5.23)

Form of the Confidential Report for Gazetted Technical Officials of the National Test House

*Confidential Report for the year 196(Period for which the officer reported upon has worked under the Reporting Officer: Years)
Months*

PART I

(Columns 2 to 5 to be filled in by the officer reported upon)

1. Name of Officer.
2. Designation.
3. Academic/Technical Qualifications.
4. Scale of Pay.
5. Nature of duties.

PART II

(To be filled by the Reporting Authority)

6. Knowledge of Rules & Regulations.
7. Is he prompt and methodical in dealing with cases (or does he habitually delay cases which can and ought to be disposed of promptly?)
8. Does he take decisions on matters on which he is competent to take decision or is he inclined to shirk responsibility?
9. Is he tactful, patient and correct in his dealings with—
 - (i) Non-officials;
 - (ii) Fellow officers, senior/junior to him?
10. Has he shown capacity to think new approaches to problems and has he been successful in working out practicable and realistic solutions?
11. Is he up-to-date in his knowledge of the subject and does he keep abreast of the current developments?
12. Has he shown any administrative ability or organising capacity?
13. Has he any special scientific acquirements or aptitude?
14. Does he express himself clearly and consistently?
15. Has he discharged his duties efficiently?
16. Assessment of integrity, (if anything adverse has come to your notice, please specify it also.)

17. General Remarks:

(The report should comment generally on the way in which the officer has carried out his duties during the year and should give an estimate of his personality, character and abilities, making particular mention of his capacity to maintain discipline among the staff, to handle difficult cases and to ensure the smooth and efficient running of the office. You may mention any incident in your knowledge which may militate against his usefulness or reflect credit on him during the period under report).

18. Grading:

- Below Average;
- Average;
- Good;
- Very good; or
- Outstanding.

19. Considering his general ability, efficiency and integrity do you consider him fit for promotion—

- (i) in due course?
- (ii) out of turn?

Reporting Officer,

NAME (In block letters)
Designation

Head of Department

APPENDIX 64

(Para 5.23)

Form of Confidential Report for Non-gazetted Technical and Executive Subordinates*Confidential Report for the year/period ending***PART I**

(Columns 2 to 9 to be filled in by the officer reported upon)

1. Name in full.
2. Designation.
3. Section where employed.
4. Scale of Pay.
5. Date of appointment to present grade.
6. Earned leave taken during the period under report.
7. Pay on
8. Total service.
9. Date of birth.

PART II

(To be filled in by the Reporting Authority)

10. Observations on—

(i) Intelligence and general ability:

Has he:

- (a) more than,
- (b) less than, or
- (c) about the average ability of officials of his grade?

(ii) Conduct:

(e.g. amendability to discipline, punctuality in attendance, general behaviour).

(iii) Character:

(e.g. industry, care, and thoroughness any such defects as indebtedness).

(iv) Assessment of integrity:

(if anything adverse has come to your notice please specify also).

11. Discuss his fitness for more responsible work, indicating whether he is (a) deserving of special selection for promotion (b) fit for promotion in the ordinary way, or (c) at present unfit for promotion.

12. Whether he has been responsible for any outstanding work during the period under review, meriting special commendation. Whether he has been reprimanded for indifferent work or for other causes during the period under review. Brief particulars to be given.
13. Do you consider him fit for the next increment?
14. In the case of a Non-gazetted Technical Subordinate—
- (a) Nature of work on which employed.
 - (b) The manner in which he has discharged his duties.
 - (c) Whether his technical qualifications, theoretical as well as practical, are sufficient to enable him to perform his duties satisfactorily?
 - (d) Is he up-to-date in knowledge of the subject and does he keep abreast of current developments?
 - (e) Does he complete his work without making excuses for delay?
 - (f) Is he accurate and thorough in his work?
 - (g) Give his out-put of work. Do you consider it satisfactory?
 - (h) Does he express himself clearly and consistently?
 - (i) Comment on his—
 - (i) initiative;
 - (ii) Tact & Judgement;
 - (iii) Power of taking responsibility;
 - (iv) Capacity for handling difficult cases.
 - (j) Whether or not he is fit for promotion to Gazetted Rank and if so, to what post.
15. Grading:
 Outstanding;
 Very Good;
 Good;
 Fair; or
 Poor.

Recording Officer { *Name*
 Designation

Remarks, if any, of Branch Officer.

NAME

Designation

Instructions:

1. Confidential Reports will be prepared for each calendar year in addition if any officer hands over control of a Section after the 30th June in any year he will prepare confidential reports for the establishment of the Section.
2. Whenever censure or in-appreciative opinion is recorded the facts on which he bases his views should also be mentioned.
3. The report should be very carefully prepared and should reflect the considered and candid opinion of the officer preparing it.
4. Column No. 15 regarding "Grading" will be filled by the Reviewing Officer and *Not* by the Recording Officer. (Reviewing Officer means the highest officer who signs the report i.e. the Director, National Test House, in this case).

APPENDIX 65

[Para 6.6(5)]

Account Sheet for Departmental Charges against Non-departmental orders for the month

Consignee

Contract/ S/O No. and date	Brief description of stores	Value of Store inspected			Inspection fee chargeable	Inspection certificate No. & date	Re- marks
		Quantity	Rate	Value (Including taxes)			
1	2	3	4	5	6	7	8

Total: (Rupees)

Signature

Designation

APPENDIX 66

[Paras 7.3, 7.6 & 7.7(1)]

Form of Progress Register

1	Serial No.
2	Indent No. and date
3	DGS&D No. & date of receipt in C.I.S.
4	Item No. & stores
5	Quantity
6	Indent D/P.
7	Date referred to I/W (A) I/O(B) received back from I/W (C)
8	Allocation and date
9	Tender issued on/Opening date
10	Date referred to I/W(D) I/O(E) firm (F) & date of reply.
11	U/N(G) P.P. U/C (H)
12	A/T No. and date and name of firm with full address.
13	Quantity ordered.
14	A/T D/P
15	Is A/T subject to IRC/QC & date of Issue.
16	Date of issue of I.L. and Planning of QC.
17	Extension in D/P.
18	I/Note No. and date
19	Quantity accepted
20	Final Payment made on
21	Remarks

APPENDIX 67

[Para 7.7(2)]

Scheme for Maintaining Statistical Data mechanically in the Statistical Directorate.

1. The following information will be punched on cards to be maintained by the Statistical Directorate:

A. Indent—

- (i) Indentor's indent No. and date.
- (ii) D.G.S.&D indent No. and date.
- (iii) Store.
- (iv) Quantity.
- (v) Indent delivery period.

B. Acceptance of Tender:

- (i) A/T No. and date.
- (ii) Quantity,
- (iii) A/T delivery period.

- C. (i) Date of issue of Import Recommendation Certificate/Quota Certificate; } Where applicable
 (ii) Date of issue of Import Licence.

D. Amendment letters regarding extension of delivery period.**E. Inspection Note:**

- (i) No. of Inspection Note.
- (ii) Quantities accepted.

F. The date on which the supplies are completed and the case finalised.

2. The sources of information to be punched on the cards will be as below—

- (1) for indent particulars, a copy of the indent which is already being sent by the Central Indent Section to the Statistical Directorate will be used;
- (2) for A/T particulars, a copy of the A/T which is also being endorsed to the Statistical Directorate will be used;
- (3) for IRC/QC particulars in cases in which Import Recommendation Certificates/Quota Certificates are issued a copy of the covering letter forwarding the Import Recommendation Certificate/Quota Certificate should be endorsed to the Statistical Directorate;

- (4) for Import Licence particulars, the IS-3 Section will, when it receives copies of Import Licences from the C.C.I.&E., show them to the Statistical Directorate who after punching the information on the cards will return them to the IS-3 Section. For this purpose, IS-3 Section will serially number the copies and pass them on to the Statistical Directorate;
 - (5) for particulars of amendment letters, copies of amendment letters amending the delivery period are already being sent to the Statistical Directorate will be used;
 - (6) for particulars of the Inspection Note the copy of the Inspection Note meant for the purchase office will first be sent to the Statistical Directorate who will after punching the necessary information in the cards pass it on to the purchase section concerned;
 - (7) for particulars regarding finalisation, all amendments finalising a contract should be endorsed to the Statistical Directorate.
3. The following statements will be prepared by the Statistical Directorate—
- (1) monthly statement regarding all outstanding indents with the following break-up—
 - (a) over 6 months old;
 - (b) between 5 to 6 months old;
 - (c) between 4 to 5 months old;
 - (d) between 3 to 4 months old;
 - (e) 2 months old;
 - (f) less than 2 months old;
 - (2) monthly statement regarding all outstanding Operational/Emergent/Urgent/Express indents. This list will be prepared Directorate-wise, indenter-wise;
 - (3) monthly statement regarding all outstanding A/Ts where delivery period is to expire during that month. This statement will be prepared firm-wise;
 - (4) a list of A/Ts where delivery period has already expired but supplies not completed. This statement will be prepared Directorate-wise, indenter-wise, firm-wise;
 - (5) a list of cases where issue of Import Recommendation Certificates/Quota Certificates/Import Licences has been delayed beyond one month;
 - (6) monthly statement regarding the list of A/Ts completed during the previous month.

These statements cover the general statements at present prepared by the Progress Wing. In addition the Statistical Directorate will prepare all other specified *ad hoc* statements that are now required to be prepared by the Progress Wing. The sources for this *ad hoc* information are the same.

APPENDIX 68

(Para 7.8)

Statement showing the staff that will become surplus by the implementation of the new scheme of maintaining progress data mechanically

Designation of Post	Existing staff	No. of posts to be rendered surplus
Director	3	1
Deputy Director	2	..
Assistant Director	9	4
Section Officer.. .. .	2	2
Assistant }	47	12
U.D.C. }		23
L.D.C.	50	30
Technical Assistant	10	5
Junior Progress Officer.. .. .	8	..
Junior Field Officer	13	..
Stenographer	7	2

Additional posts that will be required for the Statistical Directorate

Designation of post	No. of Posts
Deputy Director (Rs. 700—40—1100—50/2—1250).	1
Assistant Director (Rs. 400—25—450—30—600—35—670—EB—35—950).	3
Senior Economic Investigator (Rs. 325—15—475—EB—20—575).	5
Machine Tabulation Officer (Rs. 400—25—450—30—600—35—670—EB—35—950).	1
Economic Investigator (Rs. 210—10—290—15—320—EB—15—425).	8
Computer (Rs. 150—5—160—8—240—EB—8—280—10—300).	9

APPENDIX 69

[Paras 7.12(1) & 7.14(3)]

Shuttle Sheet

Name of firms—

Address:—

Tele. No.:

Serial No.	A/T No. & date S O No. & date R C No./RGC No. & date	Stores	Quantity ordered	Delivery period	Remarks
1	2	3	4	5	6

APPENDIX 70

[Para 7.14(3)]

Form of Progress Report

Supply prospects after A/T is placed for Store..... as on.....

Name of the Firm.....

Serial No.	A/T No. & Date	Quantity ordered	D. P. specified in the A/T	Monthly rate of supply, if indicated, starting from	Quantity despatched by	Quantity under Inspection by	Quantity under process/manufacture	Remarks
1	2	3	4	5	6	7	8	9

APPENDIX 71

[Para 7.16(3)]

Statement of Progress Staff Regionwise

Region	No. of Firms	No. of contracts	No. of JFOs existing	No. of JFOs required
1	2	3	4	5
Delhi	763	5,032	13	11
Calcutta	830	9,461	8*	14*
Bombay	751	8,035	7	11
Madras	210	2,485	4	3
Kanpur	172	1,124	2	2
	2,726	26,137	34	41

* These figures exclude staff engaged on Production Schedules.

APPENDIX 72

[Para 7.18(1)]

Daily Diary of J.F.O.

Dated.....

Name of the firm	Contract No. and date	Stores	Delivery date		Quantity		No. of previous visits made	Position		Contribution made by the Field Officer during the present visit	Remarks
			Original	Extended	Ordered	Supplied		At the time of last visit	Present		
1	2	3	4	5	6	7	8	9	10	11	12

Signatures of Junior Field Officer

Signatures of Dy. Director (Progress)

APPENDIX 73

[Para 7.18(2)]

Weekly Programme of J.F.O.

Name of the Junior Field Officer.....

Zone.....

Date	Name of the firm	Contract No. and date	Delivery period	Contract last progressed on
1	2	3	4	5

APPENDIX 74

(Para 8.4)

Diary Register Maintained by Disposals Wing (Central Registry)

Serial No.	Letter No. & date	Received from	Location of stores	Stores	Book Value
1	2	3	4	5	6

Screening Board Register

Serial No.	Forwarding letter No. & date	Declarer	Location of Stores	Surplus Report No. of the declarer	No. of item	Sub-Head	Stores	Book value	Mode of disposal	DGS&D Surplus Report No
1	2	3	4	5	6	7	8	9	10	11

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Block Series Register

DGS&D Surplus Report No.	No. of item	Sub-head	Stores	Book value	Screening Board reference No.	Location of Stores
(1)	(2)	(3)	(4)	(5)	(6)	(7)

APPENDIX 75

[Para 8.7(1)]

Check-List-For Checking Surplus Reports

Have you checked whether the following particulars have been correctly filled in (say 'yes' or 'no').

- (a) Description of stores.
- (b) Quantity.
- (c) Location of stores.
- (d) Declaring authority.
- (e) Book value.
- (f) Head of account to which sale proceeds are to be credited.

Signature of dealing assistant

Signature of Asstt. Director (Disposal)

APPENDIX 76

(Para 8.8)

Form in which A.D. (Disposals) puts up Surplus Reports

DISPOSALS WINGC. R. SECTION

We have received.....surplus declaration(s) from.....

for disposal of following stores:—

S. No.	S. R. No.	Items	Stores	Qty.	B. V. /OPP	Location	Condition
--------	-----------	-------	--------	------	------------	----------	-----------

We may crossmandate/transfer the surplus report(s) to the Auction Cell/Director of Supplies & Disposals, Calcutta/Bombay/Madras/Commodity Section at Headquarter for disposal of the stores by auction/offer to Priority Indentors/by advertised tender/for inspection before further disposal/action is initiated.

Circulated to the members of the Screening Board.

Total B.V./Opp. is Rs.....

Asstt. Director of Disposals

D.D. (Disp)

D.D. (Cdn)

CLO (Disp)

Dir. (D)

D.D.G (G)

A.F.A.

APPENDIX 77

(Para 8.10)

DIRECTORATE GENERAL OF SUPPLIES & DISPOSALS (DISPOSAL WING) "A"

COORDINATION & STATISTICS DIRECTORATE (CENTRAL REGISTRY)

DGS&D-182

New Delhi, the.....

Transfer Memorandum No.....

To

The Director of Supplies & Disposals,

(Disposals Wing)

D.G.S. & D. Surplus Report No.....and Date.....

Declarer's No. & Date.....

The following items of the above report are hereby transferred to you for disposal, as in the copies enclosed—

Report item No.	Sub-Head	Quantity of Units transferred		Value of Units transferred	
		Whole	Part	Whole	Part

Method of Disposal

Assistant Director of Statistics

Copies to:

1. Statistical Section, D.G.(S&D), New Delhi.
2. Declaring Service.
3. Reporting Depot.
4. Stock-holding Depot where other than (3).

N.B.—Important—All further correspondence regarding amendments, cancellations and withdrawals, etc., may kindly be addressed direct to the above-mentioned officer quoting this office reference number under intimation to this office.

APPENDIX 78

DGS&D-190

(Para 8.12)

DIRECTORATE GENERAL OF SUPPLIES & DISPOSALS

Inspection Report (Surplus Stores)

Section.....
 DGS&D S.R. No. & D.A's No.....
 Location of Stores.....

Account Unit.....
 Quantity.....
 Rate per Unit.....
 Book Value.....
 Weight.....

(in tons and decimal of tons)

Full description of the store	Conditions as reported in the S.R.	Brief 1. If similar stores sold state date and realisation. 2. Distinguishing features of the stores in respect of conditions and location. 3. Market rate and demand position. 4. If the stores are to be treated as scrap, the weight and estimated value of scrap may be given	Condition and service-ability	Whether they will be useful to Priorities	Whether fit to be auctioned	Whether fit for tender	Assessed Market value	Remarks
1	2	3	4	5	6	7	8	9

APPENDIX 79

[Para 8.19(2)]

Consolidated Return Recommended for Disposals Wing

DISPOSALS WING

CONSOLIDATED RETURN

Month.....

PART-A

BV/OPP	No. of S/Rs.
(in lakhs)	involved.

1. Surpluses carried over from previous month:
2. Fresh declarations received during the month:
3. (a) Net surpluses disposed of during the month:
(b) Sale value.
4. Surplus Reports struck off from the records:
 - (a) Withdrawn by S/H
 - (b) Returned to S/H for direct disposal etc
 - (c) X-mandated to Auction Cell/Regions:
 - (d) Returned to Headquarters:
5. Net surpluses outstanding at the end of the month:

PART-B

Break-up

6. Break up of net disposal—item 3
 - (a) Disposal through Auction:
 - (i) Scheduled (with No. of auctions)
 - (ii) Offered
 - (iii) Sold (with No. of auctions):
 - (iv) Sale value.
 - (b) Disposal through Tender:
 - (c) Disposal through P.Is:
7. *Break up of outstanding surpluses—item 5*

'A'—Age-wise Break up

- (a) Under 3 months:
- (b) Between 3 to 6 months:
- (c) Between 6 to 9 months:
- (d) Between 9—12 months:
- (e) Between 1-2 years:
- (f) Over 2 years:

BV/OPP No. of S/Rs.
(in lakhs) involved.

'B'—Break-up showing the actual stage of action

(I) Under Action:

- (i) pending for auction in the current month:
- (ii) Pending issued to P.Is:
- (iii) Awaiting indents/replies from P.Is:
- (iv) Pending issue of Tenders:
- (v) Pending opening of Tenders:
- (vi) Tenders under consideration:
- (vii) Tenders finalised and S. Letters issued/
under issue, demanding payment of sale
value:
- (viii) Pending inspection:
- (ix) Pending decision for further action/
mode of disposal:
- (x) Pending X-mandation:
- (xi) Pending withdrawal by/return to S.H.:
- (xii) Pending for any other reason:

(II) Balance outstanding surpluses:

- (i) Programme for auction for next month:
- (ii) Held up for any other reasons:

8. Important sales (BV/OPP exceeding Rs. 2 lakhs):

S. No.	Stores	BV/OPP	Sale value
--------	--------	--------	------------

9. Tenders invited from Trade:

Tender No.	Stores	BV	due date
------------	--------	----	----------

10. Tenders opened:

Tender No.	Stores	BV	Offers recd.	Date of opening
------------	--------	----	--------------	-----------------

11. Tenders finalised:

12. Ad-hoc circulars issued to P.Is:

S. No.	Adhoc Circular No.	Stores	BV/OPP	Indents due on
--------	--------------------	--------	--------	----------------

13. (a) No. of old risk re-sale cases outstanding on:

- (b) No. of cases reviewed during the month:
- (c) No. of cases finalised:
- (d) No. of cases outstanding:

APPENDIX 80

[Para 9.6(2)]

Duties of Dock Inspectors

1. To obtain manifest details from the steamer agents.
2. To watch the progress of the clearance.
3. To keep liaison with the customs, port Trust, steamer agents and clearing agents.
4. To attend survey and inspect post parcels whenever necessary.
5. To arrange for the opening and repacking of stores prior to despatch of the same to various consignees as and when required by the indentors on rare occasions only.
6. Dock spotting.
7. To watch finalisation of bills of entry.
8. To visit clearing agents' godowns for securing the expeditious despatch of those consignments which are stored in the clearing agents' godowns.
9. To verify from Railway records about wagon indents by clearing agents.

APPENDIX 81

[Para 9.8(5)]

Form for Scrutiny of Demurrage Bills

1. Name of the Clearing Agents.
2. Name of Steamer and date of arrival.
3. Abstract Item No. and date.
4. Name of Consignee.
5. No. and date of Clearing Agents Bill/Port Commissioners debit voucher.
6. Amount of demurrage.
7. Last free date.
8. Date of clearance.
9. No. of days for which demurrage has to be paid.
10. Reasons for delay: (Full Particulars).
11. Was it not possible to remove the stores to transit storage depot? If not, state the reasons. What would have been the cost if stores were removed to the transit depot?
12. Attempts made by Clearing Agents to avoid incurring of demurrage.
13. Whether Director (S&D) is satisfied that all steps were taken by Clearing Agents to prevent incurring of the demurrages and that they are not responsible in any way?
14. Steps taken by office of Dir. (S&D) to expedite removal of stores.
15. Whether all steps were taken by the office of Dir. (S&D) to prevent the expenditure and Dir. (S&D) is satisfied that this cannot be attributed to any negligence on the part of any person in his office?

.....
Signature of Director (S. & D.).

APPENDIX 82
 [Para. 9.8(10)]
 Control Chart

Month..... Year.....

(To be completed by Import & Shipping branches daily and submitted to Director)

Date	Handling charges Bills		Stevedoring Freight Bills		Demurrage Charges Bills		Signature of Section Incharge/AD/ Director
	No. pending over 7 days	Date of oldest Bill	No. pending over 2 days	Date of oldest Bill	No. pending over 7 days	Date of oldest Bill	
1	2	3	4	5	6	7	8
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							

APPENDIX 83

(Para 9.10)

D. G. S. & D. Control Chart

Shipping Branch

Clearing Agents Claim

A. Demurrage Bills

Total number and of demurrage cases pending at the end of previous month and their value	Total number of demurrage cases received during the month	Total of columns 1 & 2	Total number of demurrage cases disposed of by the Regional office during the month	Balance of demurrage cases at the end of the month	Total number of pending cases requiring Hqrs. sanction	Remarks
(a) No. (b) Value	(a) No. (b) Value	(a) No. (b) Value	(a) No. (b) Value	(a) No. (b) Value	(a) No. (b) Value	

B. Non-Demurrage Bills

(1) Clearing Agents Bills :

Total No. of bills pending at the end of the last month	Total No. of bills received during the month	Total No. of bills Cols. 1 & 2	Bills disposed of during the month	Bills pending at the end of the month	Remarks
(a) No. (b) Amount	(a) No. (b) Amount	(a) No. (b) Amount	(a) No. (b) Amount	(a) No. (b) Amount	

II. Stevedoring and Freight Bills

Total No. of bills pending at the end of the last month	Total No. of bills received during the month	Total No. of bills Cols. 1 & 2	Bills disposed of during the month	Bills pending at the end of the month	Remarks
(a) No (b) Amount	(a) No. (b) Amount	(a) No. (b) Amount	(a) No. (b) Amount	(a) No. (b) Amount	

APPENDIX 83—contd.

III. Bills of Entry

(1) Total No. of B/Entry pending at the end of previous month	(2) Total No. of B/Entry received during the month	(3) Total (cols. 1 and 2)	(4) Total B/Entry finali- sed during the month	(5) Total No. of B/Entry pending at the end of the month	Remarks
(a) No.	(a) No.	(a) No.	(a) No.	(a) No.	Break up of Col. 5 (i) Below 3 months (ii) Between 3—6 months (iii) Between 6—9 months (iv) Between 9—12 months (v) Above 12 months

APPENDIX 84

(Para. 10.7)

Statement of Cases dealt with by Director (Complaints) during the period
April 1965 to June 1965 by the Director of Complaints

1. No. of complaints received	...	...	...	954
2. No. of these not having a vigilance angle	...	...	...	952
3. Broad categorisation:				
(i) Complaints alleging delay	...	...	...	634
(ii) Complaints alleging wrong judgment or wrong exercise of discretion	...	...	...	9
(iii) Complaints alleging rude or inconsiderable behaviour				1
(iv) Miscellaneous	...	...	...	310
4. No. in each category disposed of by 30th June, 1965:				
(i)	...	...	...	611
(ii)	...	...	...	9
(iii)	...	...	...	1
(iv)	...	...	...	310
				931
5. Manner of disposal:				
(a) No. out of (4) directly looked into by the Complaints Cell	...	...	...	193
(b) No. out of (4) forwarded to concerned authority for action	...	...	...	738
6. Results of disposal:				
(a) No. out of (4) rejected	...	...	...	78
(b) No. out of (4) found wholly or partially valid, and therefore, wholly or partially accepted	...	...	...	853
7. Cases of rejection where reasons of rejection communicated to the complainant	...	...	...	78
8. No. of complaints (other than vigilance) outstanding on 30th June, 1965	...	...	...	23

APPENDIX 85

[Para 10.12(1)]

Duties of Director of Complaints

- (1) To attend to the cases of persistent delay or inaction on the part of the purchase Directorates.
- (2) To attend to complaints relating to wrong decisions, irregularities, procedural difficulties, etc.
- (3) To attend to complaints received by post.
- (4) To attend to complaints received through the Minister of Supply, the Department of Supply and Technical Development and the Director General.
- (5) To attend to complaints in respect of Regional Offices.
- (6) To pass on complaints and grievances involving corruption to the Vigilance Officer.
- (7) To bring to the notice of the Director General short-comings and common lapses in procedure.
- (8) To inspect Regional Public Relations Cells.
- (9) Over all charge of the Complaints and Public Relations Organisation.

APPENDIX 86

[Para 10.12(1)]

Duties of Public Relations Officer

- (1) To furnish information and clarifications to the trade on matters of policy and procedure of purchase, inspection and disposal.
- (2) To furnish information about the authorities from where the drawings and specifications, etc., could be had and to answer routine queries.
- (3) To guide the representatives of the trade regarding filling up the forms for registration and giving them other guidance in this respect.
- (4) To attend to the complaints made by the trade about the loss/misplacement of letters and their tracing.
- (5) In case of serious matters to advise the trade to contact the Director of Complaints.
- (6) To undertake surprise rounds to the Reception Room to see if any party has been made to wait unnecessarily for long hours for no fault of theirs and to help them.
- (7) To inspect the Reception Room to ensure that it is kept clean and properly furnished.
- (8) To look after the amenities to the public.
- (9) To maintain the registers for recording the purpose of visits by the trade and for recording their suggestions.
- (10) To maintain daily statistics of visitors.
- (11) To attend to the position slips through which representatives of the trade are informed of the actual position in respect of a particular outstanding issue and to ensure that the required information is provided to the trade by the due date.
- (12) To bring cases of inordinate delay to the notice of the Director of Complaints for taking up the matter at a higher level.
- (13) To bring to the notice of the Director (Complaints) the slips filling of which was not justified as well as cases wherein more than one slip has been filed.
- (14) To visit the Tender Opening Room and see that the tenders are opened at the scheduled time and to arrange for alternative arrangements if the tender opening officer is not available at the time of opening of tender.
- (15) To pass on urgent communication handed over by the representatives of trade to the officers concerned.
- (16) To supply copies of rate contracts upon requests from indentors.

APPENDIX 87

[Para 10.12(2)]

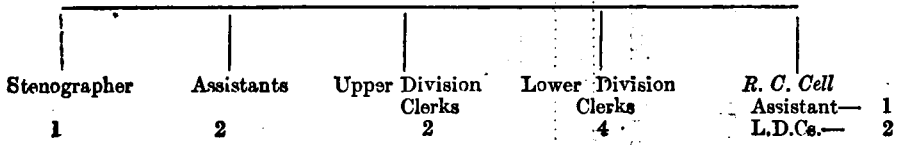
Set Up

of

Directorate of Complaints

Director (Complaints)

Public Relations Officer



APPENDIX 88

[Para 10.14(6)]

Form of Complaints Diary in P.R.O. Cell

(To be filled in Triplicate)

DIRECTORATE GENERAL OF SUPPLIES AND DISPOSALS

PARLIAMENT STREET, NEW DELHI

Name of Directorate

Section

Date

Serial No.	Memo No.	Name of the firm	A/T No. & Date	Nature of complaint	Date by which reply required	Date when memo returned	Date of reply to firm	Remarks
------------	----------	------------------	----------------	---------------------	------------------------------	-------------------------	-----------------------	---------

838

Received by:

Prepared by.....

1. (a) P.A. on..... (b) Signature of P.A.....

2. (a) Section Officer/ADS on (b) Signature of SO/AD.....

APPENDIX 89

(Para 11.2)

Statement of Proposals to delegate Powers to the Supply Officers for making Purchases etc.

Serial No.	Item	Director General/ Additional Director General	Deputy Director General	Director	Deputy Director	Assistant Director	Remarks
1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	
1	General Purchase Powers subject to observance of detailed rules laid down—						
	Existing Powers	20 Lakhs	20 Lakhs	4 Lakhs	1,50,000	30,000	
	Proposed Powers	50 Lakhs	25 Lakhs	5 Lakhs	2,00,000	40,000	
2	Limited Tender (Issue only)—						
	Existing Powers	30 Lakhs	20 Lakhs	4 Lakhs	30,000	10,000*	* If the enquiry is to be issued to all registered suppliers, sanction of Deputy Director will, however, be necessary if the enquiry is to be issued to a few selected suppliers from amongst the panel of registered suppliers.
	Proposed Powers	50 Lakhs	25 Lakhs	5 Lakhs	40,000	15,000*	
3	Purchase of Proprietary articles by Single Tender—						
	Existing Powers	30 Lakhs	10 Lakhs		1,50,000	Nil	These powers are to be exercised in consultation with Finance.
	Proposed Powers	50 Lakhs	25 Lakhs		5,00,000	Nil	

APPENDIX 89—contd.

1	2	3	4	5	6	7	8
4	Negotiated Purchases or purchases where competition is lacking—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Existing Powers	30 Lakhs	20 Lakhs	2,00,000	Nil	Nil	(a) These powers are to be exercised in consultation with Finance.
	Proposed Powers	50 Lakhs	25 Lakhs	5,00,000	Nil	Nil	(b) For undertaking negotiated purchases the prior approval of the Director General (S & D) is necessary.
5	Placing of contractors with unregistered firms—						
	Existing Powers	30 Lakhs	20 Lakhs	1,50,000	30,000	Nil	In such cases safeguards have already been provided—Director can exercise his normal powers.
	Proposed Powers	50 Lakhs	25 Lakhs	5,00,000	40,000	Nil	
6	Waiver of Security Deposits—						
	Existing Powers	30 Lakhs	20 Lakhs	1,50,000	30,000	Nil	Do.
	Proposed Powers	50 Lakhs	25 Lakhs	5,00,000	40,000	Nil	
7	Passing over of lower offers for major variations in specifications—						
	Existing Powers	30 Lakhs	5 Lakhs	4 Lakhs	1,50,000	30,000	These powers are to be exercised in consultation with Finance. Only the Dy. Director General has not been given powers upto his general purchase powers for which there is no justifiable reason.
	Proposed Powers	50 Lakhs	25 Lakhs	5 Lakhs	2,00,000	40,000	

APPENDIX 89—contd.

1	2	3	4	5	6	7	8
8	Price preference to indigenous products over imported stores—	Rs.	Rs.	Rs.	Rs.	Rs.	
	(i) where the price preference is between 15% and 25%:						
	Existing Powers	30 Lakhs	20 Lakhs	Nil	Nil	Nil	(a) Concurrence of Finance is required in all cases.
	Proposed Powers	50 Lakhs	25 Lakhs	5 Lakhs	Nil	Nil	
	(ii) where price preference exceeds 25%:						(b) Approval of Director General (S & D) will be necessary before any offer for indigenous stores is passed over in favour of one for imported stores.
	Existing Powers	30 Lakhs	1,50,000	Nil	Nil	Nil	
	Proposed Powers	50 Lakhs	5,00,000	Nil	Nil	Nil	
9	Relaxation of the delivery clause i.e., clause 11 of the General Conditions of Contract (DGS&D-68), Clause 18 of the conditions of contract governing contracts for Plant and Machinery (DGS&D-71) and Clause 10 of conditions governing contracts for purchase and erection of structures (DGS&D-73)—						
	Existing Powers	30 Lakhs	4 Lakhs	1,50,000	Nil	Nil	
	Proposed Powers	50 Lakhs	25 Lakhs	5,00,000	Nil	Nil	
10	Waiver of the Transit Insurance Clause in the Acceptance of Tender—						
	Existing Powers	30 Lakhs	20 Lakhs	Nil	Nil	Nil	(i) These powers are to be exercised in consultation with Finance.
	Proposed Powers	50 Lakhs	25 Lakhs	5 Lakhs	Nil	Nil	

APPENDIX 89—contd.

1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	(ii) In the case of non-ferrous metals Dy. Directors already enjoy powers of waiver to the extent of Rs. 30,000 which they will continue to exercise.
11. Waiver of liquidated damages for delay in supplies—							
(a) Cases involving actual loss :							
Existing Powers	Full powers where the actual loss does not exceed Rs. 1,000.	20 Lakhs where the actual loss does not exceed Rs. 100.	Nil	Nil	Nil	(i) Full powers mean irrespective of value of contract.
Proposed Powers	Full powers where the actual loss does not exceed Rs. 5,000.	25 lakhs where the actual loss does not exceed Rs. 1,000.	5 Lakhs where the actual loss does not exceed Rs. 100.	Nil	Nil	(ii) Associated Finance will be consulted in cases where the value of the A/T exceeds Rs. 1 crore if open tenders have been invited and Rs. 50 lakhs in other cases, irrespective of the amount or nature of loss.
(b) Cases where higher prices have been paid for earlier delivery which does not materialise :							
(i) Waiver of price differential :							
Existing Powers	Full powers where the actual loss does not exceed Rs. 1,000.	20 Lakhs where the actual loss does not exceed Rs. 100.	Nil	Nil	Nil	

APPENDIX 89—concl'd.

1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	
	Proposed Powers	Full powers where the actual loss does not exceed Rs. 5,000.	25 Lakhs where the actual loss does not exceed Rs. 1,000.	5 Lakhs where the actual loss does not exceed Rs. 100.	Nil	Nil	
	(ii) Waiver of liquidated damages over and above the price differential.						
	Existing Powers	Full Powers in all cases.	4 Lakhs	Nil	Nil	Nil	
	Proposed Powers	Do.	5 Lakhs	2 Lakhs	Nil	Nil	
	(c) Cases where there is potential loss :						
	Existing Powers	Full powers where the actual loss does not exceed Rs. 10,000.	20 Lakhs where the actual loss does not exceed Rs. 100.	Nil	Nil	Nil	
	Proposed Powers	Do.	25 Lakhs where the actual loss does not exceed Rs. 1,000.	5 Lakhs where the actual loss does not exceed Rs. 100.	Nil	Nil	
12	Waiving of recovery in cases of losses arising out of risk purchases:						
	Existing Powers	Losses upto Rs. 1,000.	Losses upto Rs. 100.	Nil	Nil	Nil	
	Proposed Powers	Losses upto Rs. 5,000.	Losses upto Rs. 1,000.	Losses up to Rs. 100.			
13	Sanction for direct purchase by indentors in excess of monetary limit of Rs. 5,000						
	Existing Powers	20,000	10,000	Nil	Nil	Nil	These powers are to be exercised in consultation with Finance.
	Proposed Powers	50,000	20,000	10,000	Nil	Nil	

APPENDIX 90

(Para 11.2)

Delegation of Administrative Powers to D. G. S. & D.

(1) *Power to employ (a) Dependents of Deceased Employees of Directorate General of Supplies & Disposals in relaxation of the Recruitment Rules and in consultation with Directorate General of Employment & Training and (b) Persons as had ceased to be in service on grounds of their failure to resume duty after expiry of maximum period of extraordinary leave:*

Introductory—The Administrative Ministry has powers in this regard subject to the following—

- (i) in cases falling under category (a) above, relaxation should be granted only in really deserving cases, where the family of a deceased Government employee stands in need of immediate assistance on account of his sudden death, there being no other earning member of the family.
- (ii) in cases falling under category (b) above, the mode of recruitment through the Employment Exchange should be dispensed with only if the initial appointment was regular. The re-entry of employees in service will be treated as fresh appointment.

Existing Powers of Director General (S&D)—Director General (S&D) does not enjoy any power.

Recommendation—Full powers may be delegated to the Director General.

Justification—Exercise of power to relax the recruitment procedure in the cases mentioned at (a) and (b) is subject to the two conditions mentioned above which have been clearly and unambiguously laid down by the Ministry of Home Affairs. The Director General as Head of the Department can safely be relied upon to exercise this power in a responsible manner.

Method/Procedure of Delegation—The power may be delegated to the Director General by the administrative Ministry in consultation with the Ministry of Home Affairs.

(2) *Power to issue notification regarding promotions, deaths, etc., in regard to Class I Officers:*

Introductory—Under Authentication (orders and other instruments) Rules, 1958, notifications relating to promotions/reversions, deaths, etc., in regard to Class I Officers can be issued by the administrative Ministries or by officers especially authorised under the rules to do so.

Existing Powers of Director General (S&D)—Director General (S&D) does not enjoy any powers at present for issue of such notifications.

Recommendations—The power to issue notifications relating to promotions/reversions, deaths, etc., in regard to Class I Officers may be given to the Director General (S&D).

Justification—This is a routine power to be exercised after decision on the subject has been taken by the competent authority.

Method/Procedure of Delegation—Authentication powers have to be given in consultation with the Ministry of Home Affairs.

(3) *Powers to condone a break in service and relaxation of age-limits for grant of quasi-permanency status in respect of non-gazetted staff:*

(a) Under the Central Clerical Service (Temporary Service) Rules, 1949, the administrative Ministries can condone a break in service for purposes of quasi-permanency provided that:

- (i) such breaks are caused by circumstances beyond the individual's control;
- (ii) in each individual case the break or breaks shall be condoned only for purpose of quasi-permanency in post/grade after the last break;
- (iii) an individual in whose case the condonation of break is agreed to shall be eligible for quasi-permanency from a crucial date after the last break so condoned subject to his fulfilling other conditions of eligibility and suitability;
- (iv) the period of break or breaks in each case will be ignored and service rendered before and after the break will be treated as one spell of service for computing 3 years service for quasi-permanency.

(b) Where no general relaxation of age limits has been made in favour of persons holding non-ministerial and technical posts, relaxation of age limits may be made in consultation with the Ministry of Home Affairs.

Extent of existing powers—The Director General (S&D) has no powers.

Recommendations—It is recommended that full powers may be delegated to the Director General (S&D) to condone breaks in service. Where for age relaxation it is necessary to refer cases to the Ministry of Home Affairs, the reference may be made direct to that Ministry and not through the Department of Supply.

Justification—The principles of condonation have been clearly laid down by the Ministry of Home Affairs. The Director General (S&D) already processes all such cases in his Directorate General. He can well be entrusted with the powers to decide such cases.

Method/Procedure of Delegation—Specific delegation has to be made by the Department of Supply in consultation with the Ministry of Home Affairs.

(4) *Power to order transfers and postings of Directors of the Indian Supply Service and Indian Inspection Service within the Department to posts included within the cadre of the Indian Supply Service and Indian Inspection Service:*

Introductory—Under the administrative instructions, Directors can be transferred within the Department only after obtaining the approval of the Department of Supply.

Existing Powers of Director General (S&D)—At present the Director General (S&D) has no powers to transfer Directors within the Department.

Recommendation—Full powers should be given.

Justification—The transfers and postings of the Directors are made by Department of Supply on the basis of the recommendations of Director General (S&D). This work can be safely entrusted to Director General (S&D) who may decide transfers and postings of Directors.

Method/Procedure of Delegation—The Department of Supply may issue a letter authorising Director General (S&D) to transfer and post Directors from one Directorate to another.

(5) *Power to grant leave to Deputy Director General, Director, Deputy Directors and Assistants Director (Grade I) when substitute is required and empanelled officer is available for posting:*

Introductory—Under SR-208, any leave other than special disability leave, admissible under the Fundamental Rules, may be granted to a gazetted Government servant by a competent authority. The competent authority for granting leave to Deputy Directors General, Directors, Deputy Directors and Assistants Director (Grade I) is the administrative Ministry i.e. Department of Supply.

Existing Powers of Director General (S&D)—Director General's powers are restricted only in those cases where no substitute is required. In case where substitutes are required he has no powers even when empanelled officers are available.

Recommendation—Full powers may be delegated to Director General (S&D) even in cases where substitutes are required provided empanelled officers are available for posting.

Justification—All processing is already done in the Directorate General of Supplies and Disposals. Obtaining the orders of Government is generally a formality which can be dispensed.

Method/Procedure of Delegation—Specific delegation may be made by the Department of Supply to Director General (S&D) in consultation with Ministry of Finance.

(6) *Powers to permit Director General (S&D) to provide secretariat assistance to the Departmental Promotion Committee:*

Introductory—At present, the Ministry provides the Secretariat to the Departmental Promotion Committee constituted for promotion to and confirmation in Class I posts. The Director General (S&D) and Director of Administration are also members of the Committee constituted for the above purpose. The work relating to the Departmental Promotion Committee involves the submission of seniority lists and character rolls of the officers to be considered for promotion or confirmation.

Existing Position—The Ministry is at present doing the Departmental Promotion Committee work relating to Class I posts.

Recommendation—It is recommended that this work be transferred from the Ministry to Directorate General (S&D).

Justification—The work connected with the Departmental Promotion Committee for Class II posts is done by the Office of the Director General (S&D). The seniority lists and character rolls of Class II and Class I Officers are also maintained by that office. As such, this office could well be the secretariat for the Departmental Promotion Committee for Class I posts.

(7) *Powers to refer the following types of cases to other Ministries. Departments:—*

- (a) Relaxation of rules regarding the grant of General Provident Fund Advances upto the officers of the rank of Deputy Director General in consultation with the Ministry of Finance;
- (b) Retention of advances for purposes of purchase of vehicles for more than 2 months;
- (c) Condonation of break in service for pension;
- (d) Investigation of arrear claims over 6 years old.

In these cases the administrative Ministry is not the final deciding authority. Cases, however, are routed through it. These are routine matters with which the administrative Ministry need not be bothered. The Director General (S&D) should be made competent to send references direct to the deciding authority.

Method/Procedure of Delegation—It is necessary to consult Ministries of Home Affairs and Finance. These Ministries may be requested to concur in the proposal and allow direct references to them. Wherever they require the advice of the administrative Ministry, the files may be referred to that Ministry.

(8) *Power to grant conveyance allowance to touring officers:*

Introductory—In their Memorandum No. F.11(5)/E-4(B)/60, dated the 24th May, 1961, Ministry of Finance, Department of Expenditure have prescribed the revised rates of and conditions for grant of conveyance allowance under S.R. 25.

Existing Powers of Director General (S&D)—The Director General (S&D) is at present competent to grant as well as review and re-fix the conveyance allowance to Class III staff only. He does not have the powers to sanction conveyance allowance to Class I and II officers.

Recommendation—It is recommended that subject to the conditions prescribed in the Ministry of Finance Office Memorandum quoted above, the Director General (S&D) may be delegated full powers to sanction conveyance allowance to the Officers. As Ministry of Finance have laid down clearly the general principles and the rates of conveyance are based on the average monthly mileage covered, the Director General (S&D) may be empowered to sanction conveyance allowance for the new posts.

Method/Procedure of Delegation—Ministry of Finance Office Memorandum of 24th May, 1961 delegates powers only to the Ministry and *not* to the Heads of Departments. It will, therefore, be necessary to consult Ministry of Finance before the powers are re-delegated by the Department of Supply to the Director General (S&D).

(9) *Powers to permit non-entitled officers to travel by air:*

Introductory—Under S.R. 48-B(ii), the competent Authority may permit an officer drawing less than Rs. 1,600 p.m. but more than Rs. 1,300 p.m. to travel by air if air travel is urgent and necessary in public interest. [Ref: Ministry of Finance Office Memorandum No. F.4(5)-EIV(B)/64, dated the 19th January, 1965.]

Ministry of Finance in their Memorandum No. 16(6)-Est.IV/58, dated the 27th March, 1958 have clarified that the competent authority to sanction air travel for officers working in the attached and subordinate offices is Deputy Secretary of the Ministry.

Extent of the Existing Powers of Director General (S&D)—The Director General (S&D) certifies urgency of air travel and the administrative Ministry i.e., Department of Supply thereupon examines and issues the sanction for air travel.

Recommendation—The Director General (S&D) may be given full powers to permit air travel to non-entitled officers.

Justification—On the strength of Director General (S&D)'s certificate that air travel is urgent and in public interest, the Department of Supply sanctions air travel. This being so, the power can be delegated to the Director General (S&D).

Method/Procedure of Delegation—Specific delegation may be made by the administrative Ministry i.e. Department of Supply in consultation with the Ministry of Finance.

(10) *Power to extend the joining time admissible under the rules beyond the maximum of 30 Days:*

Introductory—S.R. 301 lays down that a competent authority may extend the joining time admissible under the rules provided that the general spirit of the rule is observed. At present, only the Ministry is competent to extend the joining time beyond the maximum period of 30 days.

Extent of the Existing Powers of Director General (S&D)—The Director General (S&D) has no powers.

Recommendation—The Director General (S&D) may be delegated full powers under S.R. 301 to extend the joining time beyond the limit of 30 days.

Justification—If an officer is delayed in reporting at a new place beyond the maximum joining time of 30 days admissible under the existing rules on account of circumstances beyond his control, the joining time has perforce to be extended. The Director General (S&D) in such circumstances should himself exercise final discretion to extend the period of joining time. References now being made to the Ministry i.e. Department of Supply on this subject, can in such circumstances, be considered as a mere formality. Grant of the proposed power is a step towards simplifying work.

Method/Procedure of Delegation—Specific delegation may be made in consultation with Ministry of Finance.

(11) *Powers to fix pay of temporary Government servants on transfer from one post to another under F.R. 27:*

Introductory—In their Memorandum No. 6(23)/EIII/62, dated the 22nd June, 1962, Ministry of Finance delegated full powers to the administrative Ministries for fixation of pay of temporary Government servants on transfer from one post to another. The guiding principles for fixation of pay under F.R. 27, has been clearly laid down by the Ministry of Finance.

Existing Powers of Director General (S&D)—Director General (S&D) does not have any powers to fix pay under F.R. 27.

Recommendation—It is recommended that full powers to fix pay of all temporary Government servants other than those in class I under F.R. 27 in accordance with the principles laid down by the Ministry of Finance, should be delegated to the Director General (S&D).

Justification—Since fixation of pay has to be in accordance with the principles laid down, exercise of discretion is not involved. Where relaxation or interpretation of the rules or of the principles of application is involved, a reference has necessarily to be made to Ministry of Finance. Since exercise of the power involves application of simple principles to verifiable facts of record of service maintained by the Directorate General of Supplies and Disposals, the power can be safely delegated to Director General (S&D).

Method/Procedure of Delegation—Specific delegation has to be made by the Ministry i.e. Department of Supply in consultation with Ministry of Finance.

(12) *Powers to purchase Furniture:*

Introductory—In accordance with Ministry of Finance Office Memorandum No. 10(4)-E.Coord./62, dated the 1st June, 1962, administrative Ministries have full powers for purchase of furniture. Para 9 of the same Memorandum permits administrative Ministries to redelegate powers to the Head of Department.

Existing Powers of Director General (S&D)—The Director General (S&D) has powers to purchase furniture upto Rs. 5,000 per annum.

Powers Recommended—It is recommended that full powers should be given to the Director General (S&D) for purchase of furniture.

Recommendation—The annual actual expenditure on purchase of furniture normally exceeds Rs. 5,000 and every time the Director General (S&D) has to approach the Ministry (Department of Supply) for its formal sanction. Since this sanction of the Ministry is only formal and the current policy is to decentralise routine work, there should be no objection to the delegation of these powers to the Director General (S&D), who will exercise them subject to the usual conditions laid down.

Method/Procedure of Delegation—Specific delegation should be made by the administrative Ministry. Concurrence of Ministry of Finance is not necessary.

(13) *Powers to sanction hot and cold weather charges:*

Introductory—Ministries/Departments enjoy full powers to provide air-conditioners and desert coolers during the summer season, meeting the expenditure from their 'contingencies'. In the case of air-conditioners, the administrative Ministries/Departments have to consult the Central Public Works Department before hand as regards the capacity of the machine, its location, availability of power connection, etc. The instructions on this subject are contained in Ministry of Works and Housing's Memoranda No. 16/3/63-Acc./II, dated the 16th December, 1963, 19th December, 1963, 26th December, 1963 and 3rd December, 1964.

Existing Powers of Director General (S&D)—The Director General does not enjoy any power to provide desert coolers and air-conditioners for the offices in his organisation, and the cases of officers drawing Rs. 1,250 and above have to be referred to the Department of Supply for sanction to the hiring of the required number of desert coolers.

Recommendation—Full powers should be delegated to the Director General (S&D), subject to the observance of the rules prescribed by Government from time to time.

Justification—Once the budget provision relating to this item for the central as well as the subordinate offices of the Director General (S&D) has been made, no purpose seems to be served by reserving in Department of Supply the power to grant expenditure sanction for hiring desert coolers beyond burdening the Secretariat with avoidable routine work.

Method/Procedure of Delegation—The administrative Ministry is competent to delegate the powers to the Director General, in terms of para 9 of Ministry of Finance Office Memorandum No. 10(4)E-Coord/62 dated the 1st June, 1962. No reference to Ministry of Finance is necessary.

(14) *Powers to make local purchase of stationery:*

Introductory—The administrative Ministry may make local purchases of stationery upto Rs. 10,000 per annum. Subject to the concurrence of the Controller of Printing and Stationery the administrative Ministry may make local purchase of stationery without any monetary limit.

Existing Powers of Director General (S&D)—The Director General may make local purchase of stationery upto Rs. 5,000 per annum.

Recommendation—The same powers as are now enjoyed by the administrative Ministry, i.e., the Director General (S&D) may make local purchase of stationery upto a monetary limit of Rs. 10,000 per annum, and subject to the concurrence of Chief Controller of Printing and Stationery without any limit.

Method/Procedure of Delegation—Specific delegation has to be made by the administrative department in consultation with the Chief Controller of Printing and Stationery and Ministry of Finance.

(15) *Powers to authorise provisional pay upto 6 months to non-gazetted staff:*

Introductory—The non-gazetted staff in the Directorate General of Supplies and Disposals are on a few occasions transferred from one station to another. Sometimes, the Last Pay Certificate is not promptly issued in such cases and provisional pay has to be authorised.

Extent of the Existing Powers of Director General (S&D)—The Director General (S&D) has no powers.

Recommendation—The Director General (S&D) may be delegated powers to authorise provisional pay up to a period of 6 months in each case.

Justification—The proposed delegation will help in reducing the time now involved in processing a case for grant of provisional pay which often causes hardship to the staff concerned.

Method/Procedure of Delegation—Specific delegation has to be made by the administrative Department in consultation with the Ministry of Finance.

APPENDIX 91

(Para 11.2)

Statement showing the powers which are now exercised by Director General but are proposed to be re-delegated to Director (Administration) for exercise by him on behalf of Director General (S&D) as an internal arrangement. In some cases delegation has also been recommended to Deputy Director (Admn.).

Serial No.	Relevant Rule	Power
(1)	(2)	(3)
1	F.R.9 (17)	To declare a Government servant ministerial or non-ministerial.
2	F.R. 56 (a) & 56 b (i) & b(ii)	To retain in service is non-ministerial (Class III) staff and ministerial (Class III) post-1938 entrants after the age of 58 years and ministerial (Class III) pre-1938 entrants after the age of 60 years.
3	F.R. 110 (c) & 114	To sanction the transfer to foreign service in India and fix pay in foreign service in respect of Class III non-gazetted Government servants.
4	S.R. 4	To accept medical certificate from a female Doctor in respect of female candidates upto the rank of Deputy Director.
5	S.R. 11	To permit undertaking of private work in the case of officers below the rank of Director.
6	S.R. 59, 60 & 62	In the case of a non-gazetted officer to declare his headquarters, to define the area of his duty and to decide whether a particular absence is absence from duty.
7	S.R. 73	To grant daily allowance for a continuous halt for more than ten days and upto a limit of 30 days [Director (Admn.) for Class II and Class III staff and Deputy Director (Admn.) for Class IV staff].
8	Proviso (a) to Rule 128.	To sanction halts at Hill Stations in excess of ten days and upto a limit of 30 days [Director (Admn.) for Class II and Class III staff and Deputy Director (Admn.) for Class IV staff].
9	Proviso (b) to Rule 128.	To intimate that a Government servant who stays at a Hill Station beyond ten days was required to stay on duty or was permitted to stay during holidays [Director (Admn.) for Class II and Class III staff and Deputy Director (Admn.) for Class IV staff].
10	S.R. 190(a) & (b)	To grant travelling allowance to non-officials attending Commissions of enquiry, etc. and to fix their grade.
11	Proviso 2 (1) to S.R. 130.	To disallow in the case of non-gazetted staff travelling allowance in connection with an obligatory examination.
12	S.R. 132	To allow in the case of non-gazetted staff travelling allowance to attend the examination other than those mentioned in S.R. 130 and 131.
13	S.R. 210 & 211	To waive the provisions regarding combination of holidays with leave and joining time.
14	S. R. 233	In the case of non-gazetted officers, to grant leave on report from a medical Committee that there is no reasonable prospect of the Government servant being fit to return to duty.
15	S.R. 265	To decide in a case of doubt whether a particular Government servant is serving in a vacation Department.

APPENDIX 91—*contd.*

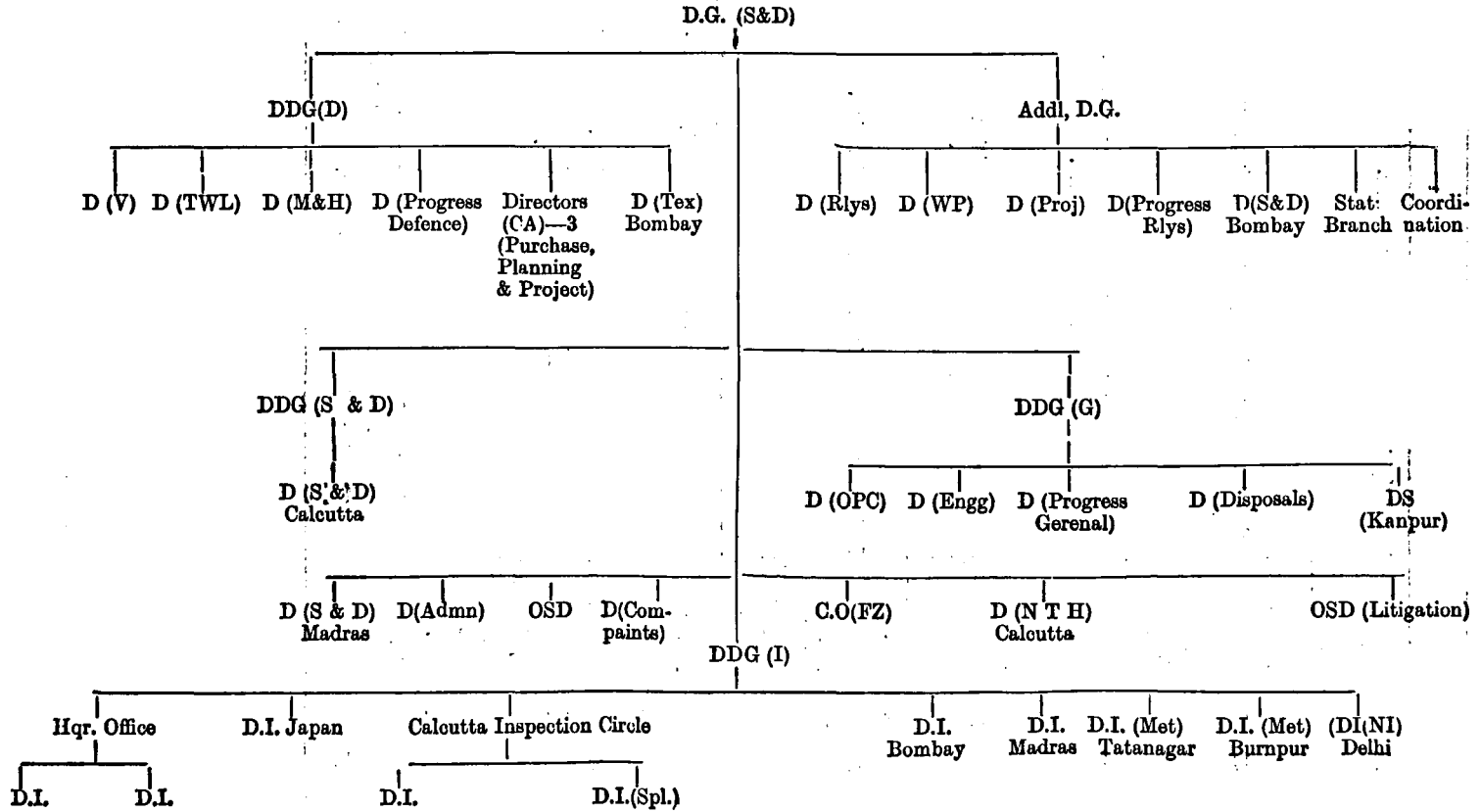
(1)	(2)	(3)
16	S. R. 296	To permit in the case of officers below the rank of Director, Calculation of joining time by a route other than that which travellers ordinarily use.
17	S.R. 302	In the case of Gazetted officers below the rank of Director, to extend joining time within the maximum of 30 days.
18	S.R. 312 (4)	To direct in the case of officers below the rank of Director that an officer on leave shall be considered to be in occupation of a residence.
19	S.R. 313(4), 314 (a) 316, 322 (1) (a) 331 (1)(a) (b) 322(1) (b)	To allot residence when permanent allotment has been suspended to approve sub-tenants, to permit storage of furniture etc. to estimate cost of maintenance and to fix percentage to be adopted for calculation of the above.
20	S.R. 322 (3) & 331(3).	To revise the amount or percentage of rent referred to in S.R. 322 or 331.
21	S.R. 325 & 334	To determine rent etc. in respect of certain services.
22	Rule 15 of GPF Rules.	To grant temporary advances from General Provident Fund officers below the rank of Director.
23	Rule 1 of Appendix 3 of F.Rs. & S. Rs.	In the case of non-gazetted posts to appoint persons above the age of 25 years to pensionable posts, in respect of posts for which Director (Admn.) is the Appointing Authority.
24	Rule 79 of G.F.R.	To alter the date of birth in the Service records in respect of non-gazetted officers.
25	Rules 83 & 84 of GFR.	To sanction investigation of claims for arrears of pay etc. which are not more than six years old.
26	Rule 184 of GFR	To vary the terms of repayment of advances granted to Government servants in exceptional cases.
27	Rule 136 of GFR	To carry out maintenance in respect of buildings.
28	Rule 191 of GFR	In the case of officers below the rank of Director, power to sanction advances for the purchase of conveyance.
29	Rules 199 & 201 to 205 of GFRs.	To sanction the sale or transfer of motor vehicles purchased with advance from Government.
30	Schedule V of D.F.P. Rules and Annexure thereto.	To sanction contingent expenditure (Gen.) to the limit of Re. 2,500 non-recurring in each case and Rs. 500 recurring in each case per annum.
31	..	To incur contingent expenditure on all items given in the Annexure to Schedule V of the D.F.P. Rules to the extent to which head of the department is permitted.
32	Annexure to Schedule V of D.F.P. Rules 1958.	To sanction connection for new telephone in office and residential telephone for officers of the rank of Director and above.
33	Ministry of Finance (Deptt. of Expenditure) O. M. No. F. 21 (2)-EV(E)63, dated 17-4-1962.	To refund medical claims.
34	Rule 5 (2) of C.C.S. (Conduct Rules).	To sanction participation in Radio Broadcasting in the case of non-gazetted staff.
35	Rule 15 of C.C.S. (Conduct) Rules 1954.	To act as the "Prescribed Authority" in respect of movable, immovable and valuable property (movable property exceeding Rs. 1,000). [Director (Admn.) may exercise the power in respect of Class II non-gazetted and Class III staff and Deputy Director (Admn.) for Class IV staff].

(1)	(2)	(3)
36	Ministry of Finance (Deptt. of Expenditure) O.M. No. F. 11 (30)-EIII/61 dated 16-6-1962.	To appoint sweeper on a casual basis.
37	Ministry of Finance (Deptt. of Expenditure) O. M. No. F9 (42) Est. III/61, dated 8-12-1961.	To sanction special pay to staff working on various types of machines
38	Ministry of Home Affairs O. M. No. 46/22/63-Est (A) dated 14-1-64.	To grant special casual leave to officers below the rank of Director who are members of Committees, etc.
39	Ministry of Finance O.M. No. F. 11 (42)-E. III/60, dated 4-9-1961.	To sanction special pay to lower Division Clerks/Upper Division Clerks/Assistants appointed as Cashier.
40	Ministry of Home Affairs O. M. No. 43/1/55-Esta. (A) Part II, dated 11-10-1956.	To accept change in Home Town declaration.
41	Ministry of Home Affairs O. M. No. 46/22/63-Est (A), dated 2-12-63.	In the case of Officers of and below the rank of Deputy Director to sanction special casual leave for appearing in departmental Examinations.
42	Schedule VII of DFP Rules.	To write off finally (to the extent of Rs. 500) the irrecoverable value of Stores or public money lost by fraud, etc.
43	Ministry of Works, Housing and Supply Letter No. E-III-39 (2)/57, dated 1-4-1952.	To incur expenditure on Press notices.
44	Do.	In the case of officers of and below the rank of Assistant Director to grant leave other than special disability leave.
45		To sanction advances of leave-salary.

APPENDIX 92

(Para 12.1)

Existing Set Up of Directorate General Supplies and Disposals



APPENDIX 93

[Para 12.3(1)]

Functions to be performed by Planning and Development Divisions

(a) Drawing up of a comprehensive programme for receipt and bulking of indents for common user items from all the major indentors.

(b) Rationalisation of sizes and specifications and making of advance arrangements for raw materials for planned production upto the optimum capacity.

(c) Examining of the load and capacity of each production unit and recommending placing orders on the basis to ensure timely delivery of stores.

(d) Preparing a standard vocabulary of stores.

(e) Encouraging and maximising indigenous production through standardisation and the conclusion of long term contracts for stores in short supply.

(f) Determining and deciding the extent to which prescribed specifications can be relaxed having regard to limitations of local manufacture.

(g) To make systematic studies of imported stores or stores requiring the use of imported raw materials with a view to getting them manufactured indigenously with indigenously available raw materials.

(h) To assist the likely manufacturers for developing the manufacture of imported stores and to liaise with the National Laboratories and the Department of Technical Development, whose assistance could be taken for developing the know-how for the manufacture of the imported stores.

(i) To go through copies of all indents transferred to I.S.M., Washington/London for investigating the possibility of indigenous manufacture.

(j) To prepare a classified index of all the manufacturing concerns, indicating against each the equipment and technical personnel available with them.

(k) In the case of items being procured for the first time or in the case of developmental items, to assess the reasonable manufacturing cost on the basis of the facts and figures regarding the production process. This exercise could be done by this Division even in respect of stores which are being purchased on a repetitive basis, where the purchase officer feels that the suppliers have increased their prices for not justifiable reasons.

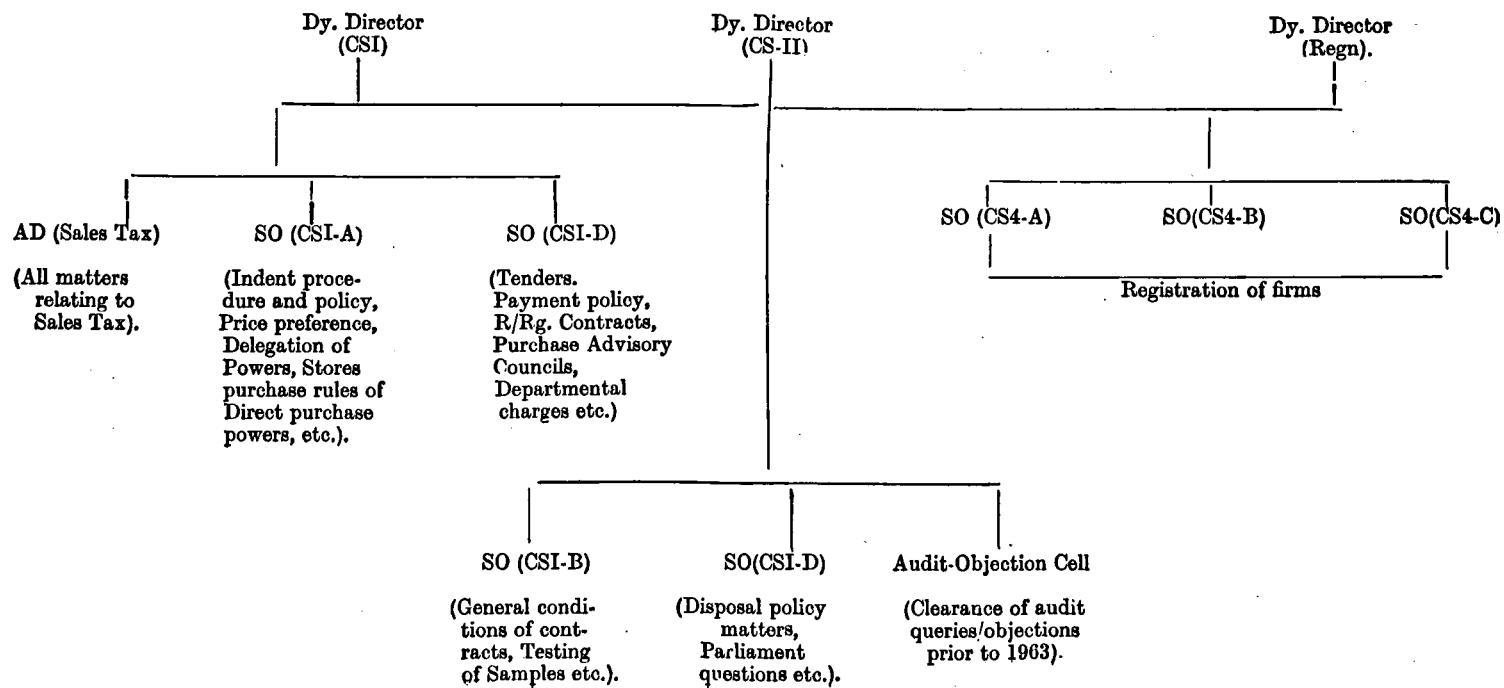
APPENDIX 94

(Para 12.4)

Organisation and Functions of Directorate of Co-ordination

DIRECTOR CO-ORDINATION

(Post transferred to progress Wing)

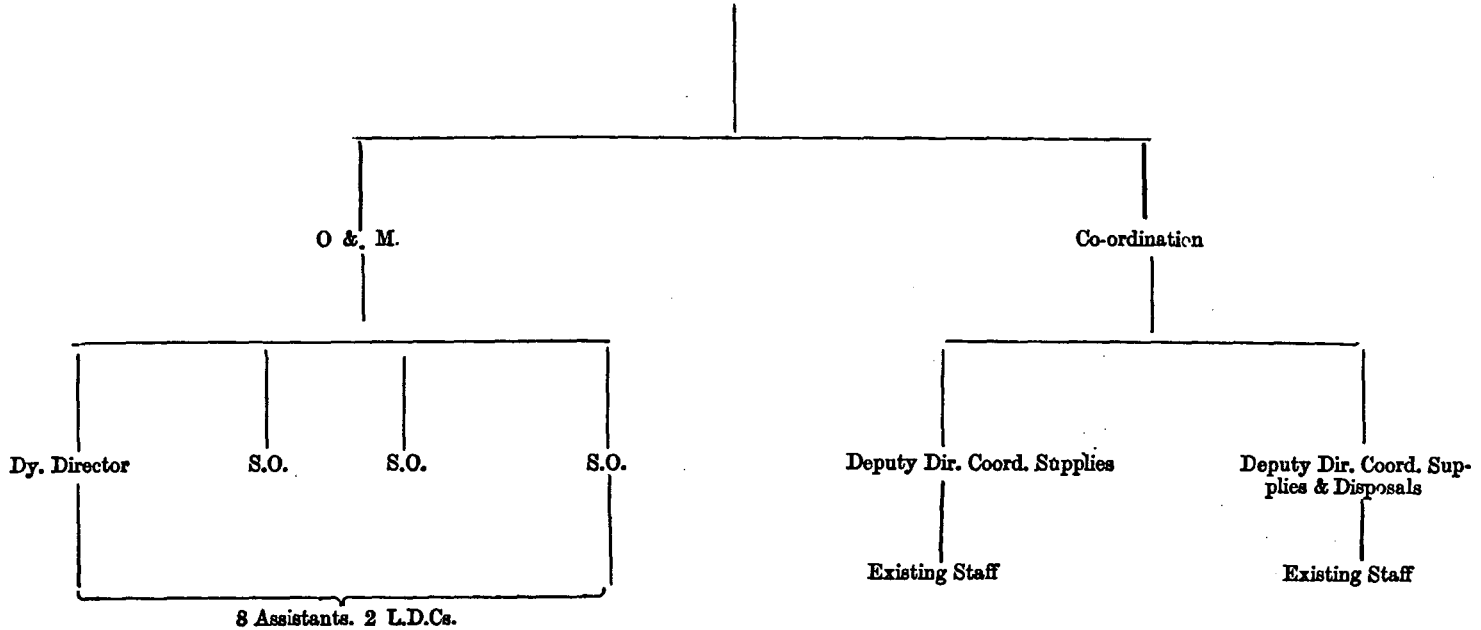


APPENDIX 95

[Para 12.5(1)]

Chart showing Set Up of Proposed O&M and Co-ordination Division

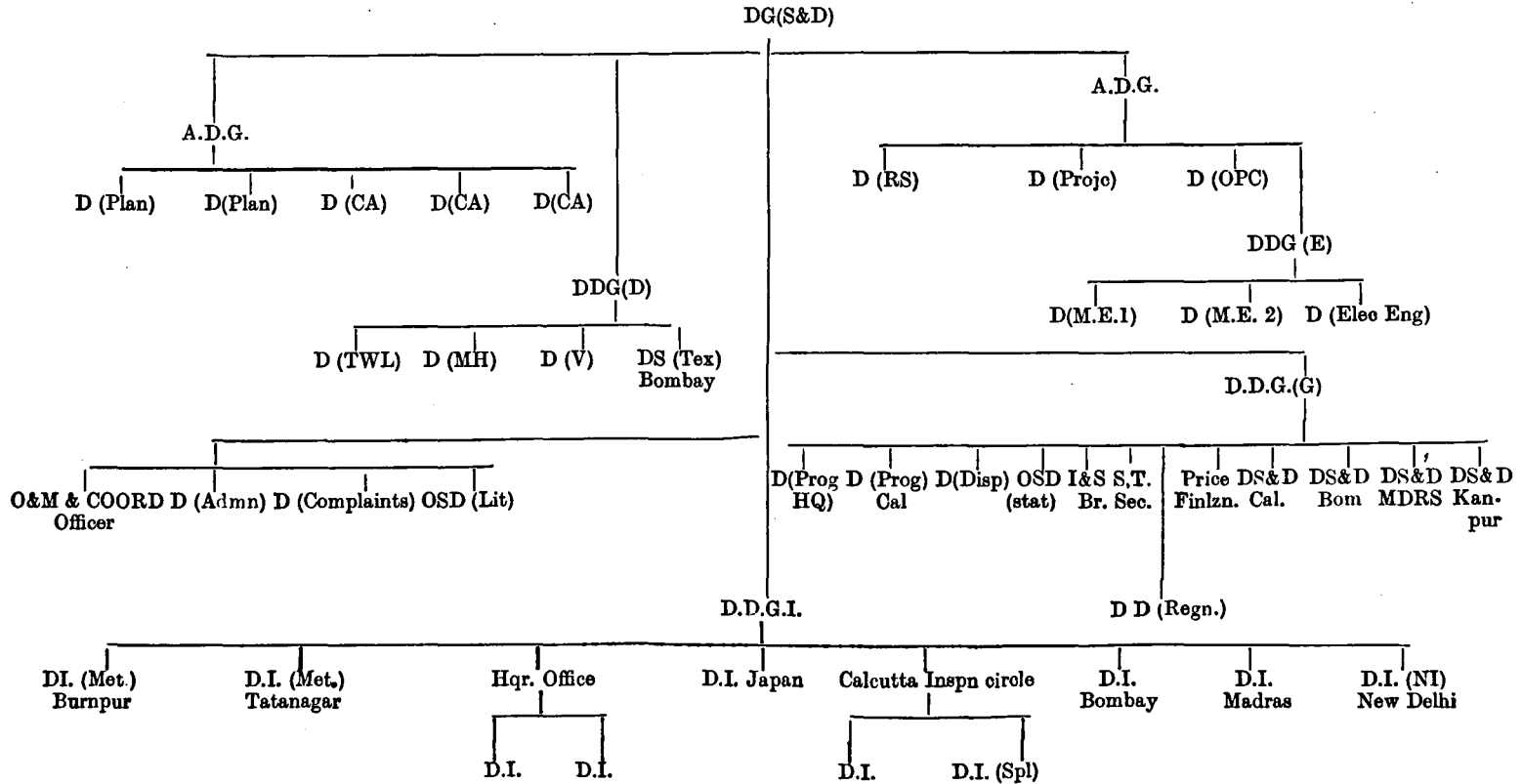
O & M AND CO-ORDINATION OFFICER



APPENDIX 96

[Para 12.8(3)]

Chart showing the proposed set up of the Directorate General of Supplies and Disposals



APPENDIX 97

(Para 12.10)

Net Result on Staff Position

Post	Purchase		Inspection	Planning & Development	Progress	Statistics	Finalisation	OSD	NTH	Non-Departmental orders	O&M Division	Directorate of Complaints	Addition*/reduction in relation to actual strength		
	Hqrs	Regions													
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
A.D.G. .. .. .	..	..	..	(+)1	..	..	..	..	..	..	..	..	(+)1
D.D.G. .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..
Deputy Secretary/Director/CO. (Fz.)	(+)1	..	..	(+)2	(-)1	..	(-)1	(-)1	..	..	(+)1	..	(+)1
Joint Director .. .. .	..	..	..	..	..	..	..	..	(+)1	..	..	..	(+)1
Deputy Director	(+)1	..	(+)1 (2·3) (+)2 (4·37)	..	..	(+)1	(-)1	..	..	..	..	..	(+)4
Assistant Director/Section Officers ..	(+)7	(+)4	..	(+)2	(-)6	(+)2	(-)2	..	..	..	(+)2	..	(+)9
Assistants/U.D.Cs.	(-)115	(-)70	(-)35	..	(-)27	(-)20	(+)4	(+)1	(-)262
L.D.Cs.	(-)71	(-)118	(+)3	(-)30	..	(-)24	(-)29	(+)2	(-)267
Stenographers	(+)43	(+)9	(+)3	(-)1	..	(-)2	(+)2	..	(+)54
Stenotypists	(+)23	(+)3	(+)26

1	2	3	4	5	6	7	8	9	10	11	12	13	14		
Accounts Clerks	(-)	5	..	..	..	..	(-)	5	
Superintendents/UDC Incharge	(-)	33	..	..	..	..	..	(-)	1	..	..	(-)	34
J.F.Os.	(+)	7	..	..	..	..	..	..	(+)	7
T.As.	(+)	5	(-)	5	..	..	..	..	..	..	..
S.E.I.	(+)	5	..	..	..	..	..	(+)	5
E.I.	(+)	8	..	..	..	..	..	(+)	8
M.T.O.	(+)	1	..	..	..	..	..	(+)	1
Computers	(+)	9	..	..	..	..	..	(+)	9
Personal Assistants	(+)	1	..	..	(-)	1	..	..	..	..	..

*Addition/reduction in relation to actual strength

NOTE :—(i) Addition (+).

Reduction (-)

(ii) These figures do not take into account any adjustments necessary in leave reserve.

PART IV

**RESOLUTION CONTAINING THE
DECISIONS OF THE GOVERNMENT
ON THE RECOMMENDATIONS OF
THE STUDY TEAM IN THEIR
INTERIM REPORT**

Department of Supply and Technical Development

RESOLUTION

New Delhi, the 13th October 1965

No. 19(1)/65-PI.—The Government of India in the Ministry of Industry & Supply (Department of Supply & Technical Development) appointed on July 27, 1964, a Study Team under the Chairmanship of Shri A. N. Vidyalankar, Member of Parliament, to examine the organisation, structure, methods of work and procedures of the Directorate General of Supplies & Disposals, particularly with a view to locating the points at which delays occur, where bottlenecks exist and where administrative failures are possible and to suggest measures for improvements so that opportunities for corruption are eliminated.

2. The Study Team submitted its Interim Report to the Ministry of Industry & Supply (Department of Supply & Technical Development) in December, 1964.

3. The recommendations of the Study Team and the decision of the Government thereon are set out in the Annexure.

4. Government wish to place on record their appreciation of the valuable work done by the Study Team.

ORDER

ORDERED that a copy of the Resolution be communicated to all concerned.

ORDERED also that the Resolution be published in the Gazette of India for general information.

N. R. BANSOD, Jt. Secy.

ANNEXURE

Serial No.	Recommendations of the Study Team	Decision of the Government
<i>Chapter III—Organisation—The Purchase Section</i>		
1	The experiment of creating a Planning and Tender Enquiry Cell and Contract Cell under the charge of an Assistant Director of Supplies and Section Officer respectively in a Purchase Directorate whereby the functions of issuing tender enquiries and contracts have been centralized should be continued and extended further.	Accepted.
2	On an experimental basis the following measures should additionally be taken in two Directorates :—	
	(a) A Purchase section should be under the charge of either of an Assistant Director or Section Officer.	Accepted.
	(b) A Section should have 2 to 3 Assistants/U. D. Cs. and 2 L. D.Cs. One stenotypist should be given to the Officer-in-charge of the Section.	Accepted.
	(c) Separate Sections should be organised for Rate and Running Contract items and placed under the charge of Section Officer.	Accepted.
	(d) Assistant Directors should be put in charge of section dealing with procurement of stores which are not on Rate and Running Contracts.	Accepted
<i>Chapter IV—Organisation—Organisation & Methods</i>		
3	O. & M. Unit should be strengthened and should also have a work study team. It should be placed under a whole-time Director who should have 2 Section Officers with 2 Assistants each in addition to the present staff. This Directorate will lay down norms of work, define job content, carry out work studies and case studies with a view to improving procedures, assessing staff requirements and apprising the quantity and quality of work done.	It has generally been agreed that for proper supervision and direction of case studies to be undertaken by the DGS&D, the O&M Unit should be suitably strengthened, and the question of posting a Director should be examined when final proposals on the staffing pattern of the Vigilance, O & M, and Complaints Sections are received.

Planning and Development Division

4 The Planning Directorate should be revived and called the Planning and Development Division. It should attend to the following items of work :—

(a) Drawing up of a comprehensive programme for receipt and bulking of indents for common user items from all the major indentors.

(b) Rationalisation of sizes and specifications and making of advance arrangements for raw materials for planned production up to the optimum capacity.

(c) Examining of the load and capacity of each production unit and recommending placing orders on the basis to ensure timely delivery of stores.

(d) Preparing a standard vocabulary of stores.

(e) Encouraging and maximising indigenous production through standardisation and the conclusion of long term contracts for stores in short supply.

(f) Determining and deciding the extent to which prescribed specifications can be relaxed having regard to limitations of local manufacture.

5 This Division should have a suitable complement of technically qualified staff for systematic studies of imported stores requiring the use of imported raw materials with a view to reduce the burden of Foreign Exchange resources.

6 For the consideration of cases, a standing Development Committee consisting of a representative of Planning and Development Division, Department of Technical Development, Council of Scientific and Industrial Research and Inspection Wing of DGS & D should be formed. The representative of this Division should act as the convenor.

7 This Division should also help in assessing the reasonable manufacturing cost of certain items on the basis of which negotiations could be undertaken with likely suppliers.

The Government had already decided that the Planning Dte. of the DGS & D should be revived. The Study Team would recommend in their final report the precise staffing pattern.

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Serial No.	Recommendations of the Study Team	Decision of the Government
<i>Chapter V—Training of Officers and Staff</i>		
8	For all Assistants, U.D.Cs., J.F.Os. J.P.Os. and Technical Assistants appointed during the last three years training course should be organised each for a period of 2 months for about 1½ hours each day. (The training should be given on (i) the Organisation and Functions of the D.G.S. & D., (ii) The General Principles of Contracts, (iii) Purchase Procedures, (iv) Progressing of Supplies, (v) Settlement of claims of Finalisation, (vi) Audit objection and (vii) Discussion on Typical cases).	Accepted. It was agreed that a full time Section Officer would be necessary to impart the training and an additional post of S.O. be created. It was also agreed that on implementation of all the recommendations of the Study Team the net surplus staff, if any, after taking into account the reduction and additions to the requirements would be surrendered.
9	For all Assistant Directors of Supply who are already employed, seminars and Symposia should be arranged for a period of one month. (During these discussions typical case-studies techniques of supervision, management, work planning and control and public relations should be discussed. Discussions on problems faced by different officers can also take place).	Accepted in principle. It was also accepted that a different course of training, preferably a condensed refresher course, should be organised for the existing Deputy Directors as well.
10	The Training Section should be under the charge of a good Section Officer assisted by one Assistant. The training programme should be administered by the Director O. & M. who should have the syllabus and the instructor papers prepared.	Accepted. The training programme would be administered by the Head of the O. & M. Division in the D.G.S. & D.
<i>Chapter VI—Purchase—Registration of Firms</i>		
11	The registration of the firm should not be held up for non-submission of the Income Tax Clearance Certificate provided, of course bank report is good. Provisional registration should be made on an affidavit that at the time of submission of the application the firm had cleared their previous year's assessment of Income Tax. However, the firm should be required to submit the Income Tax Clearance Certificate positively within one year of the provisional registration failing which the registration should be cancelled.	Accepted.
12	A Small Scale Unit should not route its application for Registration through the Director of Industries of the State but should submit it direct along with a certified copy of the letter from the Director of Industries of the State Registering it as a small scale unit.	Accepted.
13	Large Scale Units should also be told reasons for non-registration as is being done in the case of Small Scale Units, except, of course, where registration has been refused on confidential grounds.	Accepted.

- 14 A fresh Inspection Report should not be necessary for registration for additional allied items or new items provided of course, a firm is considered capable of manufacturing certain stores on the basis of the previous Inspection Report. The Deputy Director (and not the Section Officer) should decide whether the firm would be capable of manufacturing the items for which registration is sought with the equipment available with it at the time of first registration or whether a fresh Inspection report is necessary. Accepted. The Inspection Wing would be consulted before taking a decision whether or not a fresh capacity report is necessary.
- 15 The existing instructions enabling a Small Scale Unit which in the absence of testing facilities of its own can get its stores tested in a nearby Laboratory, to be registered need to be reiterated. Accepted. Necessary instructions to this effect have already been issued.
- 16 The staff for registration and for inspection of stores should be separated as far as possible. Accepted. The D.G.S. & D. will try to implement this decision in one or two circles on an 'experimental basis.'
- 17 For maintaining a check by the supervisory officer, all applications for Registration should be diarised separately and the diary closed every week to know the position of outstandings. Accepted.
- 18 The circulation of a weekly statement of firms which registered during the previous week should be discontinued as the trade-lists are not being properly maintained and tenders are not issued to many firms who are registered for months. The Registration Section should send a memo instead indicating the items for which the firm has been registered to the sections concerned so that immediate action can be taken to amend the trade-lists failing which responsibility should be fixed. The matter would be considered further.
- 19 The D.G.S. & D. should amend those clauses of standard terms and conditions which are not in accordance with normal trade practice, are generally unacceptable to suppliers and are in fact amended in individual cases generally. Accepted.
- 20 These terms and conditions should be scrutinised by a Committee consisting of the representatives of the D.G.S. & D., Finance and Law, who should consult the representatives of trade. It has been decided that no separate Sub-Committee should be constituted. The Study Team should examine in detail the terms and conditions of contracts as are applicable to specific commodities or stores and associate in their examination officers from the Ministry of Law, Department of Supply and Ministry of Finance as and when required.
- 21 Except when a case falls under above a firm habitually asking for a change in the D.G.S. & D. standard terms and conditions should be struck off the Government registration. Accepted.

Serial No.	Recommendations of the Study Team	Decision of the Government
22	For the proper maintenance of performance cards the section should be strengthened by four additional clerks.	It has been decided that the Study Team should review this recommendation in the light of the report of the Staff Inspection Unit in which they had recommended that performance cards alongwith other items could be maintained by utilising power sam machines installed by the D.G.S. & D.
23	The performance cards should also show quantities accepted under deviation under price reduction. The firm in whose case the stores accepted by and large are under deviation should not be given contracts by D.G.S. & D. as they are instrumental in eliminating genuine suppliers by cutting prices.	Accepted.
24	There should be an annual review of performance cards by the Deputy Director of Registration during the period January to March reviewing previous year's performance.	Accepted.

Chapter VII—Purchase

A—Cotton Textiles

25	The Director of Supplies (Tex.), Bombay should be given the following enhanced powers :—	DS (Textiles), Bombay should be empowered to plan procurement of indents not exceeding Rs. 20 lakhs in value, and concurrence of local Finance should be obtained in respect of indents above Rs. 4 lakhs.
	(a) Full powers to advertise demands against indents exceeding four lakhs.	
	(b) Full discretion to issue routine amendments to contracts not falling within his purchase powers <i>e.g.</i> ,	
	(i) Change of consignee's address.	Accepted.
	(ii) Change of the Inspecting Officer.	Accepted.
	(iii) Change in despatch instructions.	It has been decided that the Director of Supplies (Tex.) should be delegated powers of D.D.G. and where financial implications were involved, he could amend the contract in consultation with local Finance where such consultation was normally required.
	(iv) Acceptance of stores under deviation with price reduction in respect of quantities accepted.	Enhanced powers had already been given to Director of Supplies (Tex.) for finalising cases involving acceptance of cotton textile under deviation with suitable price reduction on the basis of recommendations of the inspectorate concerned.

- (v) Granting extension of delivery period where indenter has concurred and there is no downward trend in prices (to be issued in consultation with his associated finance). Accepted.
- (vi) Full powers to provide for the Rate of Excise Duty where at the time of placement of the contract provision for payment of Excise Duty at the prevailing rates is made and where supplies have been made in time. Accepted in respect of excise duty relating to finished products against contracts not exceeding Rs. 30 lakhs in value.
- 26 The delegations at (i) to (r) in 25 should be made to the other Regional Offices as well as to the Directorate at Headquarters. Accepted in so far as Directors at H. Qrs. and Regional Offices at Bombay and Calcutta are concerned. The Regional Offices at Kanpur and Madras have no accredited Finance; hence the enhanced powers should not be delegated to them.
- 27 Rate/Running Contracts should be concluded for items of repetitive nature such as Sewing Cotton, Buttons, Dusters and Towels. The scope of Rate Contracts with Khadi and Village Industries Commission should be extended to cover the entire country instead of Delhi and New Delhi. Accepted.
- 28 The Defence specifications for various Textile items should be reviewed by the proposed Planning Development Division and relaxed under certain conditions. Accepted in principle.
- B—Machine Tools & other Engineering and Technical Stores*
- 29 Duplicate tenders should not ordinarily be referred to the indenter for scrutiny and for recommending the offer acceptable to him. Accepted.
- 30 Where on account of certain reasons a reference is inescapable it should be made only with the approval of D.D.G. Accepted.
- 31 This aspect should be borne in mind by O. & M. Unit when doing case studies and by superior officers when writing confidential reports. Accepted.
- C—Post-Tender Negotiations—Counter-offers & Scrapping of Tenders*
- 32 D.G.S. & D. should avoid post-tender negotiations and counter-offers. If in exceptional cases negotiations and counter-offers have to be resorted to that should be done on a rational basis after the cost structure of the items has been properly worked out. Accepted in principle.
- 33 The practice of asking the last supplier (if he has not quoted against a tender) the reasons for not quoting and inviting him to quote should be banned altogether. Accepted except that there would be no ban to ask the last supplier the reasons for not quoting.
- 34 Scrapping of tenders should be done with the prior approval of the Deputy Director General. Suitable instructions relating to scrapping of tenders have already been issued by the Department of Supply.

*Chapter VIII—Inspection**A—Reconsideration of Policy*

- 35 Firms having adequate quality control and highly qualified technical officers, should be allowed to supply stores without inspection subject to a suitable guarantee to be furnished by them subject to the following safeguards :—
- (a) No relaxation be allowed in case of safety items.
 - (b) Where allowed, quality certification from the firm should be compulsory.
 - (c) An adequate warranty from the firm should be insisted upon.
 - (d) A judicious selection of firms should be done by a committee consisting of the D.D.G. (Inspection), the D.D.G. (Supply) and a representative of the Ministry of Supply not below the rank of Deputy Secretary.
 - (e) The entire matter should, in the first instance, be given an experimental trial for one year after which the position should be reviewed.

Necessary instructions relating to waiver of physical inspection and acceptance of stores on manufacturer's warranty have already been issued by the Department of Supply in October 1964.

B—Jute

- 36 Based on the past performance of the suppliers of Jute Goods the condition of inspection before supply should be waived. The selection of such firms should be left to a committee consisting of the Director General of Supplies and Disposals Deputy Director General of Supplies and Disposals and a representative of Department of Supply. The firm, so selected should also be asked to come under the appropriate I.S.I. Certification scheme. The firms should give a suitable guarantee regarding their goods which may be drafted by Government.

Accepted in principle.

Chapter IX—Inspection (Miscellaneous)

- 37 Steps should be taken to lay down uniform inspection procedures and norms for the more important stores. The above work should be entrusted to a suitably qualified officer, say a Director of Inspection. If norms are laid down, additional staff can be given as and when there is increase in work load so that inspection work does not suffer.

Accepted in principle.

- 38 Immediate arrangements should be made to diarise all the requests that are received at a central place and show how they have been distributed. Disposal of a request should also be entered in the Diary. This Diary should be checked every week by the Director of Inspection who would know the state of work load with each Inspector. Accepted.
- 39 The diaries of Inspectors should also indicate the results of inspection i.e., quality of stores inspected and the quantity that was passed and rejected and these diaries should be checked by the Group-in-Charge every week instead of every month as done presently. Besides, advance weekly programme of Inspection should be drawn up for each Inspector keeping in view the work load pending with each Inspector and approved by the Officer-in-charge of the group. Accepted.
- 40 A statement indicating the pending work with each Inspector should be prepared in the prescribed form. Accepted.
- 41 The Inspection staff should spend more time in inspection rather in office. Small sub-centres of Inspection where firms are located at long distance from the Inspection office should also be opened, to obviate the necessity of all Inspecting Officers going to the Central Office every day in afternoon. Only Group Officer should go to the Central Office every day and get orders on various cases. Ordinary clarification should be obtained in the sub-centre. The suggestion that Inspection staff should spend more time in inspection rather in office has been accepted in principle.
- 42 The Inspecting Officers should be made sufficiently mobile and to do that the following should be done:—
- (a) an imprest should be maintained in each Inspection Office so that T.A. advances can be given out of the imprest to the Inspecting Officers proceeding on tour. Accepted. Imprests should be maintained in the Inspection Directorates at Bombay, Calcutta, Madras and New Delhi, to start with. It should be extended to other Regional Offices later, on review of the working of this system in the Directorates of Inspection.
- (b) Priority should be given to the Inspecting Officers for getting various types of vehicles from Government quota. Matter is under consideration.
- (c) The Inspecting Officers should be permitted to travel by Air wherever they cannot get rail bookings expeditiously and there is a likelihood of delay on this account. Government should authorise the director of Inspection to give this permission. Not Accepted.