

APPENDIX IV.

INSTRUCTIONS REGARDING THE PREPARATION OF INDENTS AND THE EXAMINATION OF STORES PURCHASED FROM ABROAD.

(Vide paragraph 313 of this code)

A. Introductory :—

1. Subject to the restrictions imposed by Government of India, and in accordance with the rules laid down in paragraph 65 of chapter IV of the Manual of Office procedure for Supplies and Inspection and Disposals (1960 Edition) the State Government can obtain their requirement of 'Specialized Stores' by an indent direct on the Director-General, India Stores Department, London. In all other cases the indents must be forwarded through the Directorate-General Supplies and Disposals. The following rules shall be observed whenever indents are placed direct, on the Director-General, India Stores Department, London.

B. Foreign Exchange.

2. (a) Before placing an indent on the Director-General, India Stores Department, London, the prior sanction of Government of India, Ministry of Finance (Department of Economic Affairs) should be obtained for all foreign exchange expenditure and commitments. A reference should be made well in advance to the Ministry of Finance (Department of Economic Affairs) when State Government invite tenders and start negotiation with foreign suppliers involving expenditure in order to ensure that the necessary foreign exchange will be forthcoming. Proposals for sanction to the release of foreign exchange for purchase of requirements should give full and clear details of the project or any other purpose for which it is required. With each proposal complete information as in the Proforma that may be prescribed by the Government of India from time to time, should be furnished to Government of India.

(b) The application for proposals along with details of goods to be imported (all in 6 copies) should be sent to Government of India. When sending the application, the indenting officer should furnish a certificate that the quantity required is the barest minimum and inescapable.

(c) The application for the release of foreign exchange so sent is examined in the Central Water and Power Commission, in the case of project requirements to see whether the whole or part of the demand can be met from the surplus available in the country at various project sites. The Ministry of Commerce and Industry departments wing, will examine whether the demand cannot be met from indigenous supplies.

(d) The foreign exchange will be sanctioned in consultation with the Ministry of Finance (Department of Economic Affairs) and on receipt of the clearances from the Central Water and Power Commission in the case of projects.

(e) If release of foreign exchange for the import of spares for maintenance of heavy machinery is required, full particulars regarding the number of machines, etc. should invariably be furnished. Every page of the list of spare parts schedule of goods sent along with the application should be signed by the intending officer. The minimum essential requirement and inescapable certificate should also be furnished along with the application.

C. Import licence:

3. (a) On receipt of sanction of foreign exchange application for granting 'Actual Users' or other kind of Import Licence must be sent to the Chief Controller of Imports and Exports for issue of licences.

(b) The import licence, when issued is valid for one year from the date of issue and can be got revalidated by an application to the Chief Controller of Imports and Exports routed through the Central Water and Power Commission if necessary in the case of projects.

D. Preparation of Indents.

4. After observing the formalities outlined in the previous paragraphs, an indent in form-Director-General, India Stores Department, No. 82' Indent Form-Civil' as reprinted in the Annexure should be carefully filled in as per instructions in the succeeding paragraphs and sent to the Director-General, India Stores Department, London for compliance.

5. Each indent should be confined to each class of stores to one financial year and to one head of Service (vide Instruction (2) of the printed instructions on the Indent).

6. On the first page of the indent the following information should be given—

(i) In clause 9 (a) one or more certificates, as the case may be on page 4 of the indent, will have to be signed by the indenter.

(ii) In clause 11, the Head of Service (Number and description e.g. 259. Public Works —Tamil Nadu State) should be furnished.

(iii) In clause 11 (b) whether the expenditure is 'Voted' or 'Charged' should be noted.

(iv) In clause 12 of the indent of the full particulars required therein should be furnished indicating the name of the department or the title of the officer and also the Indian Port of Landing.

In cases where, on account of emergency, plant and machinery or any other item will have to be ordered pending provision of funds in the budget the following certificates, in addition to those on page 4 of the indent should be recorded by the Indenter.

"I certify that sanction of the competent Financial Authority has been applied for, for the expenditure involved, which is being incurred in anticipation of sanction under paragraph 177 of the Tamil Nadu Public Works Department Code against estimate for the year....."

Signature of Indenter.

In filling up columns 2 and 4 of the Schedule of requirements in the indent the following instructions should be observed. The columns are.....

- (2) Catalogue No.
- (3) Drawing or specification No.
- (4) Manufacturer's part No.
- (a) (i) For main plant and machinery etc.

Columns 2 and 4.—The description of stores required should be self contained. It should be worded in such a way as to give clear indications of the stores required and should avoid reference to catalogues. But in the case of proprietary stores catalogue numbers must be furnished. If the stores required are such as cannot be fully described in detail, e.g. small articles of laboratory equipment, reference to catalogues of well known makers may be furnished in column (2) where absolutely unavoidable. In such cases it should be made clear by the use of an expression such as 'of the type described in Catalogue' that it is not intended to restrict the purchase to any particular make.

(ii) *Spare parts.*—Indents for spare parts should be compiled from makers, spare parts catalogues, where available, and care should be taken to quote the correct symbol number, type, model and nomenclature or code word applicable, to the particular type of engine or plant. The makers' number of the machine should also be stated. If the above particulars cannot be furnished, the date and source of supply should be indicated.

(b) *Drawing or specification.*—Tracings of drawings only should be sent, if in case, it is not possible, ferro or ozalid prints should be sent along with the indent.

8. In regard to column 5 of the indent the following instructions should be followed.—

(a) When indents are placed for plants and machinery required for a project, compressors, exhaustors and specialised equipment (including plant, machinery and scientific stores), electrical apparatus, the purpose for which it is required should be distinctly mentioned.

(b) In the case of multipurpose projects, when Heavy plant Machinery are indented, a tabulated statement should be attached as an appendix, to the schedule of requirements giving principal technical details such as loss of power, economy in maintenance etc. The indent should also specify whether.....

(i) A warranty certificate should be obtained from the suppliers; and

(ii) Test certificates should be obtained in the case of fragile, electrical and scientific stores.

(c) When proprietary stores are indented with the prior approval of the Head of the Department and when it is desired that supply should be restricted to a particular firm, a proprietary certificate as in the proforma in instruction (6) of instructions to indentors, which should clearly state that, no other make brand will be suitable should be furnished and the reason briefly stated for the information of the Director-General. As a general rule, there should be an element of competition in ordering for stores, and therefore the restriction should be exceptional. n, in

(d) In the case of certain bulky articles such as cast iron pipes specials, asbestos, cement pipes they are sent out unpacked, percentage increase being made to the quantity actually required in order to cover possible damages in transit. The indent should specify whether such a margin for breakage, has been included or not.

(e) When drawings are asked for in indents, they are usually despatched immediately after the plant has been inspected and approved. When advance drawings are required for foundations or other reasons the demand should be noted accordingly. Instructional and erection drawings should always be asked for, when demanding unfamiliar or complicated plant and machinery.

9. (a) The column "Rate per Unit" under the sub-head "Estimated cost" in the percentage Schedule of requirements in pages 2 and 3 of the indent should be carefully filled in. Each item should be separately priced in pounds, sterling, and additions should be made at the end of the indent for the estimated cost of freight and where applicable for departmental expenses etc. No item should be left unpriced, a rough estimate being inserted, where reliable information of the cost is not available.

(b) When sending indents, which are subject to financial limits, a separate limit should be shown for each item. In such cases, it is preferable to state the limit of the sum allotted for each item that should not be appreciably exceeded rather than to impose an absolute limit which must not be exceeded. It is advisable to leave it to the discretion of the Director-General, whether—

(i) any one item should be purchased upto the limit of the amount allotted against the item and the balance of the item referred to India for further instructions; or

(ii) the whole item should be referred to India before any order is placed: or

(iii) the item should be ordered in full when it is known that savings more than covering the excess have been effected in the purchase of other items in the same indent.

10. When correspondence has been exchanged between Indenting Officers and manufactures abroad or direct quotations obtained, it is essential that copies of such correspondence including their quotations and conditions of supply should accompany the indent.

11. The indent after filling in various columns as per instructions above should be sent in quadruplicate as indicated therein, unless and otherwise expressed to the contrary.

E. Period of delivery

12. (a) Indent should be transmitted as early as possible in the financial year on which the funds are provided and wherever practicable should be despatched from India so as to arrive in London, by at the latest, the 30th November. No useful purpose is served by certifying against the grant for a given financial year indents which are sent forward so late that they obviously cannot be complied with and paid for within the financial year.

(b) In the indents which are sent by the date as specified in the previous sub-clause the date or dates by which the stores are required to be landed in India should be stated definitely in the indent. As stated in instruction (2) in the instruction to Indentors on pages 2 to 3 of the indent the words 'immediately' as early as possible "Urgently requires" should be avoided. But a brief explanation of the urgency should however, be furnished in column 10 of the Indent especially in cases where the success or commissioning of a scheme depends upon the early arrival of stores. Delivery date or dates should be indicated in red ink in column 11 of the indent thus.

(i)(date) (meaning thereby the whole quantity is required by the stipulated date): if staggered supplies are required (vide instructions (3) of the indent) the following certificates must be furnished.

(ii)(quantity) by.....date remainder from or Nos..... (month) to.....(month) meaning that so much is required by a particular date and the balance is required by monthly quotas.

(iii) From.....(month) to.....(month) meaning that equal monthly quotas may be delivered as appropriate.

F. *Inspection of Stores at Country of Origin.*

13. Inspection of imported stores in the country of origin during manufacture and before despatch will be arranged by the Director-General, Supplies and Disposals, London. However the following instructions are issued for the information of the departmental officers.

(a) In the case of certain standard stores of reputed make, inspection by Director-General, India Stores Department, London, is not necessary and works test certificate may be accepted. This procedure will apply only in the case of products of well established and reputed firm.

(b) Eventhough all the goods will be inspected by the Director-General, India Stores Department, London, certain items of electrical and mechanical equipment as per the list drawn up by the Director-General, Supplies and Disposals, New Delhi, from time to time must invariably be inspected during manufacture and before despatch.

(c) Inspection at the port of arrival by the Director-General, Supplies and Disposals, New Delhi may be indicated in the indent, should it be considered more effective and advantageous.

(d) Where there are agents of manufactures of the goods to be imported through the Director-General, Supplies and Disposals, London, in India inspection by him would be necessary only in the following cases:—

(i) Stores which have to be inspected during and where the inspection and test of raw materials used in manufacture are considered essential.

(ii) Where the nature of stores is such that full performance tests and thorough inspection has to be carried out at the maker's works.

(iii) Stores in respect of which the cost of Inspection in India to the Department on travelling and other expenses involved is expected to exceed the debit, if any, from the Director-General, India Stores Department, London, if inspection is carried out by him before despatch and the latter course is considered more economical than inspection in India.

G. *Clearance of Shipments.*

14. Generally the clearance and forwarding of stores procured on c. i. f. basis, should be entrusted to the Director of Supplies and Disposals, Madras. The bill of loading and other shipping documents may be forwarded to him for necessary action. If for any reason the Regional Director does not undertake to clear the goods, the State Port Officer or the General-Superintendent, Public Works Workshops and Stores, Madras, should be entrusted with this work.

In case, the goods are to be forwarded to an Inland station the following particulars should be furnished to the clearing agency.

- (1) Name and address of the consignee to whom stores should be despatched including the name of the Railway Station.
- (2) Mode of despatch, i. e. whether by passenger train/Goods Train or freight to pay or freight paid.
- (3) Whether under Railway risk or owner's risk and whether insurance is to be taken.
- (4) Whether customs duty is payable and if at concessional rate, the duty concessional certificate should be forwarded to the clearing agency.

H. *Inspection of Stores on Arrival in India.*

15. The stores should be examined immediately on their receipt at destination, and whenever possible, under the personal supervision of a responsible officer.
16. Particular attention should be given to the instructions on the front of the packing Account, which should be in the hands of the Supervising Officer during the examination of the stores.
17. If the stores are found to be in accordance with the particulars in the Packing Account, a receipt should be furnished in the following terms :—
 "Stores received.....(date) and examined.....(date) found to be correct as to quantity and in accordance with the particulars in this Packing Account".
18. All articles not enclosed in package, or loose bulk consignments, are held to have been counted or weighed by the master of the vessel on shipment; consequently, any discrepancy should first be referred to the Port Officer, with an enquiry whether the ship discharged the full quantity.
19. Should any articles appear to have original defects, samples upon which Judgment may be formed, should in all cases be sent to the Director-General, India Stores Department with the complaint whether they relate to quality or to pattern.
20. If any article not described in the packing account be received, full particulars thereof should be entered in the packing account, and reported by letter to the Director—General India Stores Department.
21. The packing account should in all cases be signed by the senior officer of the department at the station to which the stores are consigned.
22. When any discrepancy, except as provided for in paragraph 23, is found on receipt of the stores, and especially where early replacement is required, it is requested that the earliest possible intimation may be made by letter addressed to the Director-General, India Stores Department, London (Lambeth) and reference to this letter noted on the Packing Account. This letter should quote the Shipping number of packages and name of steamer by which the stores were shipped.

In the case of damage, the report should state whether it is considered to be due to defective packing or to rough handling in transit and in what condition the case containing the stores was received by the consignee. In the case of deficiency it should, in addition state whether the case show any indication of pilfering in transit and whether the weight on receipt agreed with the weight shown on the packing account.

23. When discrepancies are discovered and are considered not of sufficient importance to be reported, having regard to the value, nature of the stores and percentage of loss, the receipt on the packing account should be qualified as follows:—

“Except for sundry trifling discrepancies on which no action is required” report of trivial discrepancies or breakages should be avoided, since correspondence with suppliers in cases in which the value involved is trivial is liable to prejudice the settlement of more important claims.

24. It should invariably be stated in reports and packing accounts whether replacement is required or not. In ordinary circumstances, replacement will not be made unless specially asked for.