



APPENDIX 5
(See Rule 96)

RULES FOR THE SUPPLY OF ARTICLES FOR THE PUBLIC SERVICE
(STORE RULES) AND INSTRUCTIONS FOR THE GUIDANCE OF
OFFICERS WHO ARE REQUIRED TO MAKE PURCHASES OF STORES
UNDER THE PROVISIONS THEREOF
PREAMBLE TO THE RULES

The policy of State Government is to make their purchase of stores for the public service in such a way as to encourage the development of the industries of this State in particular and the country in general to the utmost possible extent consistent with economy and efficiency, and the following rules, which are applicable to the purchase of stores (other than Printing and Stationery Stores) are prescribed for Madhya Pradesh by the State Government in accordance with this policy. These Rules supersede all previous orders on the subject.

In order to give effect to the above policy, preference in making purchases will be given in the following order –

Firstly – to articles which are produced by Small Scale Industries of Madhya Pradesh and registered as such with the Director of Industries provided the quality is sufficiently good;

Secondly – to articles which are produced by Medium and Large Industries of Madhya Pradesh provided the price and quality is comparable with the article produced outside the State;

Thirdly – to articles which are produced in India in the form of raw materials or are manufactured in India, from raw materials produced in India, provided that the quality is sufficiently good for the purpose;

Fourthly – to articles wholly or partially manufactured in India from imported materials provided that the quality is sufficiently good for the purpose;

Sixthly – to articles manufactured abroad which need to be specially imported.



¹“Competent authority shall give preference to articles manufactured by the Small Scale Industries of Madhya Pradesh registered as such for the concerned articles with the Director of Industries”.

1. The rules express a definite preference for articles which are produced by small scale Industries of Madhya Pradesh.
2. The difference in the character of the preferences which may be given should be carefully noted. In the case of first four categories mentioned in the preamble to condition is that the quality is sufficiently good for the purpose, and for the fifth category that the articles are of suitable type and requisite quality. This means that the articles coming under first four categories should be accepted in the order unless it is considered that the quality is definitely not up to the standard required even though articles manufactured else where and imported articles may be considered to be of better quality.
3. The other kind of preference referred to in the rules is the reservation or certain articles produced or manufactured by the small Scale Industries, to be purchased only through the M.P. Laghu Udyog Nigam Limited.
4. A strict comparison with prices prevailing abroad is not required, but the underlying principle is that the preference to be accorded to Indian products or to imported stocks is to be tempered by the consideration of economy.
5. Every proposal for the grant of price preference, (otherwise than in accordance with these rules), should be referred by purchase officers concerned through proper channel to State Government in Commerce and Industry Department.

Rule 1 – Save as provided in rules 9 and 10 all articles required to be purchased for the public service shall be purchased on the condition that delivery shall be made in India for payment in rupees in India.

6. it should be carefully noted by all purchasing officers that under revised rules the purchase in India of all articles (with the exception of the classes of stores specified in rule 9) required for the Public Service is obligatory.
7. Indents for stores, other than the classes or stores specified in rule 9, should not be sent to the Director General of stores, London, but the stores should be

¹ Substituted vide Commerce and Industry dept. No. F5/7/78/B/IX dt. 29.4.78



obtained by calling for tenders in India in accordance with the provisions of the revised rules.

8. It should be clearly stated in all invitations to tender, issued by purchasing officers in India, that tenderers must provide in their tenders for delivery in India and that payment for the articles will be made in rupees in India.
9. ²With reference to the principles of preference and reservation mention in the preamble, tenderers should be requested to furnish information in regard to the country of manufacture and/or origin of the material used in the manufacture of the articles.
10. Purchasing Officers may exercise full discretion regarding the point or place of delivery to be specified in their invitation to tender. They may specify G.I.F. or F.O.R. Indian port, F.O.R. place of despatch in India or Free Delivery receiving station in India. Where tenders are invited for plant and equipment, in which the erection of the plant at site is to be undertaken by the successful tenderer, appropriate terms in regard to delivery at site should be included in the invitation to tender or in the general specifications.
11. When specifying the point or place of delivery purchasing officers should endeavour to lay down terms which will give all tenderers equal opportunities to put forward their lowest prices. For instance, in many cases tenderes, abroad may be unable to tender for delivery F.O.R. India port or free delivery receiving station in India and may only be able to tender on the basis or delivery G.I.F. Indian port with payment in rupees in India against shipping documents. Such tenders should be considered as coming within the meaning of rule 1 and should be accepted if satisfactory in other respects.
12. Except in special cases full payment for the stores should not be made against shipping documents but only after delivery of stores has been taken by the receiving officers and they are found to be satisfactory in every respect.

Rule 2 – Tenders shall be invited in India and abroad also when considered desirable for the supply of all articles which are purchased under rule 1 to 5 unless the value of the order to be placed is small or sufficient reasons to be record exist which indicate that it is not in the public interest to call for tender no tender which

² Substituted vide Commerce and Industry dept. No. f5/7/78/B/IX dt. 29.4.78



falls to comply with condition as to delivery and payment prescribed in rule 1 shall be accepted.

Provided That Subject to Rule 14

“ Where purchase of items reserved in annexure B for the registered small scale industries of Madhya Pradesh is to be made no tender shall be invited and the rates quoted by the M.P. Laghu Udog Nigam Limited shall be binding on the competent authority”

Note – For the purchase of articles or group of articles costing up to Rs. 250 (Rs. Two hundred and fifty) on each occasion tenders may not be invited, if in the opinion of competent authority which should be recorded in writing, it is not possible to follow the usual procedure.

13. In selecting the tender to be accepted the financial status of the individuals and firms tendering must be taken in to consideration in addition to all other relevant factors. In cases where the lowest tender is not accepted, reasons therefor should be placed on record.
14. The rule authorises the issue of invitations to tender to firms abroad “when considered desirable”. The discretion to invite such tender will vest in the Head of the Department concerned.
15. Tenders should be invited abroad as well as in India, Whenever it is considered necessary or desirable to do so in order to obtain adequate publicity and to ensure economical Purchase. These considerations will apply mainly to the categories of stores which have wither to been obtained by indent on the Director General India Store Department, London, and when dealing with the purchase of such classes of stores it is essential that tenders should be invited abroad in order to obtain wide competition and utilize all possible sources of supply.
16. If the response to any invitation to tender indicates that, owing to inadequate publicity or some other reasons, favorable tenders have not been received, then fresh tender should be invited and measures taken to bring the invitation to tender to the notice of all possible tenders.
17. When the circumstances of a particular case indicate the desirability of obtaining tenders from firms established abroad, who have no branches of agencies in



India, a sufficient supply of tender forms with the relevant documents, specifications and drawings should be sent as soon as possible to the Director General, India Store Department, London. The latter will give such publicity to the demand as he may consider to be most suitable for the purpose, by advertisement in the news papers or otherwise. Demands estimated to cost Rs. 20,000 or over will, as a rule, be advertised by him.

Intending tenders established abroad will be instructed by the Director General, India Store Department, London, to apply to him for the tender forms, copies of which will be supplied by him on payment in sterling of the charges (if any) to be fixed by him in each case. The tenderer will at the same time be instructed to submit their tenders direct to the purchasing officer concerned in India and not to the India Store Department London, and the order will be placed by former direct with the successful tenderer.

18. When it is desired to have the recommendations of the technical advisers of the London Store Department, e.g., the Consulting Engineers. Naval Architects, etc. on the tenders, before a decision is reached as to the placing of the order, it should be stipulated in the invitation to tender that a complete duplicate of the tender should be delivered to the Director General, India Store Department, London, on the same date as that fixed for the submission of the tender in India. The Director General, India Store Department will arrange for examination of the tenders by the appropriate technical authority and will telegraph his recommendations to the purchasing officer concerned in India. For the work connected with this examination of tenders, the Director General India Store Department will make a fixed charge against all Commercial and other departments who are not entitled to utilize the services of the London Store Department free of cost.

19. It should be made clear on every tender form that the stores must be delivered in India, that payment will be made in India in rupees, and that any tender which does not comply with these conditions will not be considered. Tenders abroad should also be required to specify their agents in India through whom delivery will be arranged and payment received, and who, when so required, will arrange for erection at site and for the carrying out of such tests on completion as may be specified in the contract.



20. No account adjustments will be made between the high Commissioners Office and the purchasing department in India for the value of tender forms sent to London and issued on behalf of the purchasing authorities in India and the expenditure on advertisements, postage charges etc. in the High Commissioner's Office.

21. When considering the desirability of calling for tenders abroad it is important that purchasing officers in India should bear in mind the necessity of allowing sufficient time for the receipt and publication invitation to tender, the receipt of the tender form by tenderers, and the preparation and despatch of the tenders to India.

22. The following is an approximate estimate of the time required ;

Time required for sending the forms from India to London –

By Ordinary Mail - About 18 days

By Parcel Mail - About 27 days

By Air Mail - About 8 days

Time taken in London in advertising and issuing forms of tender ,say 10 days

Time required by tenders to prepare and despatch tenders, average, say 14 days.

Time required for forwarding the tenders to India –

By Ordinary Mail - About 18 days

By Parcel Mail - About 27 days

By Air Mail - About 8 days

If American tenders have to be awaited about three weeks will require to be added to the above figures and in cases of complicated engineering schemes it will be necessary to allow a longer time to tenderers for the preparation of their tenders.

23. Rule 2 does not preclude the use of limited or single tenders, nor does it require that tenders should be called for where it is clearly not in the public interest to do so.

The following procedure for obtaining tenders should be followed as far as practicable: –

Tenders should to obtained –

By advertisement (open tender) –

(2) By Direct invitation to a limited number of firms (Limited tender).

(3) By invitation to one firm only (Single tender, or 'private purchase).'



24. The 'open tender' system i.e. invitation to tender by public advertisement should be used as general rule and must be adopted subject to the exception noted below in all cases in which the estimated value of the tenders to be received is Rs. 25000/- or over.
25. The India Trade Journal Published by the Director General of Commercial Intelligence and Statistics, Calcutta, which is a Government publication should be regarded as the standard medium for public advertisement in India. Advertisements may, however, at the discretion of the purchasing officer be inserted in one or more of the principal newspapers in India.
26. When in the circumstances stated in paragraph 15 it is decided to invite tenders from abroad the procedure described in paragraphs 14 and 18 should be followed.
27. The "Limited tender" system should ordinarily be adopted in the case of all orders the estimated value of which is less than Rs. 25000.
28. For the purposes of the limited tender and single tender procedure the purchasing officers will maintain a list of firms, both Indian and foreign, of known reliability who have been able to satisfy them that they possess the necessary equipment and facilities for the supply of stores which they offer. The list should be subjected periodically to examination and revision, and any application from firm for inclusion in the list should be considered on its receipt. Before the name of a firm is added to the list such enquiries as may be considered necessary should be made by the purchasing officers to ascertain the ability of the firm to execute contracts satisfactorily. From this list the names of firms to be invited to tender should be selected.
29. Such a list is already maintained by the India Store Department and the Director General of Supply and Disposals will, on receipt of a request, furnish purchasing officers with such information as he may possess regarding the capability and standing of any firm approved by him.
30. The 'Single tender' system may be adopted in the case of small orders, or when the articles required are of a proprietary character and competition is not considered necessary. A 'Small order' shall be interpreted to mean for this purpose an order the total value of which does not exceed Rs. 500. In all such cases, however, the purchasing officer should consider whether it is not feasible



to enter into a rate or running contract for the articles in question or to utilize the rate or running contracts entered into be the Director General of Supplies and Disposals.

31. The 'Limited tender' system may, however, be adopted instead of the Open tender' system even when the estimated value of the tenders to be received is not less than Rs. 25000 in the following cases :
- (a) When sufficient reasons exist which indicate that it is not in the public interest to call for tenders by advertisement. In every case the reason must be recorded by the purchasing officer and communicated to the Accountant General confidentially, if necessary.
 - (b) When the indenting officer certifies that the demand is urgent and any additional expenditure involved by the elimination of open competition must be incurred. In all such cases the indenting officer must place on record the nature of the urgency and why the demand could not be anticipated.
32. When tenders are invited by public advertisement the issue of the tender forms need not be restricted to firms whose names are on the list of approved contractors. Firms not on the list should on enquiry, be informed that they are at liberty o payment of the prescribed fee to tender for advertised requirements. When a tender which appears to be satisfactory has been received from an unknown firm steps should be taken before any order is placed to ascertain whether the firms is Capable of executing the work in a proper manner. If the enquiries prove satisfactory, the order or a portion of it, may be placed with the firm. If the order or the portion thereof is satisfactorily executed, the name of the firm should be added to the list of approved contractors.
33. Madhya Pradesh laghu Udyog Nigam Limited, M.P., State Agro Industries Development Corporation Limited and the Small Scale Industries registered with the Directorate of Industries are exempted from payment of a earnest money security deposit for the purpose of participating in Government purchase programme. Tenders from such industries whose competency is certified by the Director of Industries should, therefore, be accepted without security deposits. A competency certificate issued by the Director shall be in force for a period of two years unless it is withdrawn.



Whenever in such cases supplier fails to deliver the stores the Director of Industries should be immediately apprised of it. He may take appropriate action having regard to merits of each case and remove the name of the firm from the list of industrial units qualified for the above concession for a period not exceeding two years.

33. (A) Repeat orders may be placed against a previous order recently placed but in any case not later than six months after the initial order was placed, provided –
- (i) that no Repeat Order shall be placed if the original order was placed to cover an urgent or emergent demand and while placing a Repeat order it is certified to that effect;
 - (ii) that the new demand does not exceed the quantity originally ordered in the case of indents of Rs. 50000 or less in value and 50% of the quantity originally ordered in other cases;
 - (iii) that the officers empowered to place such orders satisfy themselves that there has been no downward trend in the prices since to original order was placed and the placing of the Repeat Order is considered to be in the interest of Government.

Rule –3 Subject to rule 14, articles which are produced or manufactured in Madhya Pradesh should be purchased in preference to articles produced or manufactured in other parts of India.

Provided that the quality is sufficiently good and the price reasonable.

Rule – 4 All articles whether manufactured in India or abroad shall be subject to inspection before acceptance, and articles, for which specifications and/or tests have been prescribed by the Government of India or the State Government shall be, required to conform to such specifications and/or to satisfy the prescribed test or tests which may be carried out during manufacture or before or after despatch from the suppliers premises.

Rules – 5 Subject to rule 14 important plant machinery and iron and steel work shall be obtained only from firms approved by the Director General of supplies and disposals India store department and specified in the list issued by him from time to time.

34. The intention of rule 5 is to ensure that plant, machinery and other engineering equipment e.g., bridge girders, roof trusses which from important components of a projected shall be obtained only from firms which possess workshops and appliances capable of turning out work of the desired standard.



35. The lists referred to in this rule will be maintained and issued from time to time to all purchasing departments by the Director General of Supplies and Disposals, India Store Department. They will include the names of firms in India and abroad which have been approved for the supply of important plant, machinery and iron and steel work.
36. Applications for inclusion in the lists mentioned in this rules should be made to the Director General of Supplies and Disposals, India Store Department, direct by the firm with a full statement of the reasons which in their opinion justify such inclusions.
37. Cases may arise in which tenders may be received from firms whose names do not appear in the lists of approved firms. If the tenders are prima facie satisfactory, they should not be summarily rejected, but a reference should be made to be Director General of Supplies and Disposal, India Store Department, who will, if he considers it necessary, make enquiries in regard to the capabilities and standing of the tendering firms and will intimate the result of the enquiries and sanding of the tendering firms and will intimate the result of the enquiries to the purchasing officer concerned.

Rule – 6. In the case of important construction works let our on contract, articles required for the construction of such works may be supplied by the contracting firm provided than when specifications and/or tests have been prescribed for such articles they shall conform to such specification and/or shall satisfy such tests.

38. The object of rules 4 and 6 is to emphasize the importance of ensuring that articles purchased for the public service conform to the specifications, which may be prescribed by competent authority, and the necessity, for careful inspection of all stores before acceptance. The appropriate specifications should be annexed to or quoted in the invitations to tender and it should be stipulated in the conditions of contract that the articles supplied will be subject to inspection and/or tests prescribed in the specifications before acceptance.
39. When tenders for important construction works are invited the officer concerned should also stipulate in the invitations to tender that the articles required for the constructions of such works must comply with the specifications prescribed for such articles. The articles should be inspected and/or tested in accordance, with the provisions of the specification before acceptance.



40. All purchasing officers should pay special attention to these points, and should take steps to ensure that adequate inspection arrangements are made in cash case.
41. When articles are obtained from abroad which require inspection and/or test during manufacture and before shipment, arrangements should be made by the purchasing officer concerned for such inspection and/or tests to be carried out by the India, Store Department, London, Any further inspection and tests considered necessary or desirable after receipt of the articles in India should be arranged for by the purchasing Department. The services of the India Store Department can be utilized in connection with such inspection and tests.
42. As soon as a contract for articles which require inspection and/or test during manufacture or before shipment from abroad has been awarded, four complete copies of the accepted tender with specifications, drawings, conditions of contract, and all other relevant documents, should be sent to the Director General, India Store Department, London, with complete instructions for inspection and the full address of the manufactures. The contractors should be informed that inspection during manufacture or before shipment will be carried out by Director General, India Store Department, London, and he should be asked to instruct his representatives in the country of manufacture to communicate direct with that officers.
43. With regard to the inspection of articles obtained or manufactured in India all purchasing officers can, if they so desired, utilize the service of the India Store Department for the inspection and/or test during manufacture and before desptach.
44. In the case of orders for plant and machinery, whether purchased in India or obtained from abroad, from abroad, which include creation and test at site of work, arrangements for inspection and test after erection at site can also be made througth the India Store Department.
- Rule 7 . – Indenting officers in the case of purchases in India above ³[Rs. 50000]each in values must use the agency of the director General of supplies and disposals unless they can show that they can themselves

³ The words and figures Rs. substituted with Rs. 50000 vide Commerce and Industry dept. No. 1156/3829II/8/B/IX dt. 28.8.73



purchase the materials more cheaply, or in a case of urgency more expeditiously.

⁴“Provided that where purchases are made through the M.P. Laghu Udyog Nigam Limited: the above restriction shall not apply.”

45. The intention of rule 7 is that the agency of the Director General of Supplies and Disposals should be utilized when the value of a purchase made at one time exceeds Rs. 50000 irrespective of whether such a purchase is of a single article or of a number of articles of the same kind when a number of diverse articles are included in the indent, the limit of Rs. 50000 shall apply to each such articles or group of articles of one kind included in the demand.

Rule 8. – Nothin in these rules shall be deemed to prohibit the purchases of articles by one department from another.

Rule 9. – The articles enumerated in a Annexure ‘A’ or any other articles of a special or unusual character may, when suitable and economical purchases cannot be made in accordance with the preceding rules be obtained without reference to those rules subject to the following conditions –

- (a) where the value of the purchase exceeds Rs. 5000 the purchasing officer shall place on record his reasons for not effecting the purchase in accordance with the preceding rules.
- (b) The purchasing officer may at his discretion either obtain the article that he requires by indent on the India Store Department, London, or purchases it direct from manufacturers or dealers abroad subject to the limits prescribed in rule 12 of these rules. Where resort is had to direct purchase from manufacturers or dealers abroad, tenders shall. Whenever practicable, be first obtained.
- (c) When articles are purchased abroad under this rule through the agency of India Store Department, London, payment shall be made by the Department. In other cases payment shall be made –
 - (i) in countries other than Great Britain and Northern Ireland, direct to the suppliers by the purchasing officers;

⁴ Proviso to Rule 7 Substituted vide Commerce and Industry dept. No. F5/7/78/B/IX dt. 29.4.78



(ii) in Great Britain and Northern Ireland, through the High Commissioner for India.

46. Rule 9 is in the nature of an exception to the principle enunciated in rule 1. Before availing himself of the discretion given by the rule it will be incumbent on every purchasing officer to take all possible steps to assure himself that the stores of the requisite qualities cannot be obtained in India at suitable prices in accordance with the provisions of rule 1. In order to ensure that the underlying principles of the rules are not violated, a copy of all orders for stores placed abroad whether on the London Store Department or directly on the suppliers, under the rule, should be forwarded to the Director General of Supplies and Disposals, India Store Department for sorting, and also for the purpose of compilation and publication of a list every two months of all such orders placed abroad.

47. If orders are placed abroad under the provisions of rule 9 on the basis of delivery free on board vessel at port of Despatch, arrangements for the shipment of stores should be entrusted to the Director General, India Store Department, London.

The indenting officer should inform the supplier of the arrangement and should send a copy of his order to the Director General, India Store Department London, for information.

48. It will be noted that under the rule "articles of a special or unusual character" may be obtained by indent on the India Store Department, London Or purchased direct from manufactures or dealers abroad. It should be clearly understood that the expression 'articles of a special or unusual character" is not to be taken as covering generally the case of a special or unusual character" is not to be taken as covering generally the case of a articles not produced or manufactured in India, such as locomotive, boilers, plant, machinery, etc. The expression 'Articles of a special or unusual character" is intended to give purchasing officer liberty to obtain direct from manufacturers or through the Director General, India Store Department, London, articles such as spare of replace, parts of non standard appliances and other articles which cannot conveniently be obtained by calling for tenders on a rupee basis. For example, a purchasing officer may require a replace part for a machine tool of a particular type and make, The



manufacturer may not be represented in India, and he may be unable to tender for delivery and payment in India. Again, a special type of machine may be invented and produced by a manufacturer who is not represented in India and who will only agree to supply his machine on his won conditions of sale.

49. It should be noted that the inclusion of 'Scientific Instruments' in item (viii) of Annexure 'A' under this rule is not intended to permit the purchase of drawing, surveying and other mathematical instruments, either from manufactures or dealers direct or through the Director General, India Store department, London, Indents for such instrument should be placed with the mathematical Instruments officer of the Survey of India Department.

Rule 10 – The purchasing officer shall obtain by indent on the India Store Department London all particles not produced in India and required to be purchased for the public service, stocks or which are not available in the country or could not be made available within the time such articles are required to be brought into services.

In all such cases the purchasing officer shall before forwarding the indent, place on record his reasons for not effecting the purchase in accordance with the preceding rules and also sign on the indent a certificate in the following form –

"I certify that from enquiries made, I am satisfied that the article/articles included in this indent is/are not at present available in stock in India and cannot be made available within the time such articles are required to be brought into service.

Dated -----

Purchasing Officer

Rule 11 – Forecast of requirement which may be obtained by indent on the India Store Department, London in cases in which stores are to be obtained through the India Store Department' London: every effort should be made to foresee requirements, so that the indents may be despatched in ample time. It should be borne in mind that Government



stores are now liable to customs duty in exactly the same manner as private merchandise and that duties will be charged to the indenting department concerned. The forecast of expenditure on imported stores should accordingly, include customs duties.

Rule 12. – Time required to obtain stores from England it may be assumed that the time required from the transmission of and indent upon the India Store Department London, to the receipt of the stores is – Urgent telegraphic indents not less than three months. Ordinary indents six to ten months according to the article demanded.

For special stores E.G., large girders, rolling stock, etc. up to one year in ordinary time.

Note – When ordinary stock articles conforming to well recognised standards are required within a shorter period than three months and the purchase is being made through the India Store Department in accordance with rule 9, the indenting officer shall, if he desires, that the procedure indicated in the resolution in the Department of Commerce and Industry No. 6862-6869-37, dated the 13th September, 1911, be adopted, state the fact clearly in his telegraphic indent.

⁵Rule 13. – “Financial limits on powers of officers to make purchase in India and Abroad a Department of officers financial powers in the matter of the purchase of stores ordinarily extended to the limits to which it or these is empowered to enter into contract. But in the case of purchase made in India under clause “Fifthly” and “Sixthly” of paragraph 2 of the preamble the limits up to which power to purchase any one articles or any number of similar articles purchased at one time extend are as follows” -

(A) Civil Department

| | | |
|-------|---|------|
| (i) | The administrative departments of Government | 2000 |
| (ii) | Heads of departments and other officers of or above the rank of Collector whom the State Government may select. | 1500 |
| (iii) | Other officers authorised to incur expenditure | 100 |

Note – The following officers exercise enhanced powers up to the money limits noted against each -

⁵ Rule 13 Substituted vide Commerce and Industry dept. No. F5/7/78/B/IX dt. 29.4.78



| | | |
|------|--|-------------|
| (1) | All Inspectors and Inspectresses of Chools, Madhya Pradesh and Principal, Prantiya Shikshan Mahavidyalaya, Jabalpur. | 500 |
| (2) | Principal, Mahakoshal Mahavidyalaya, Jabalpur | 5000 |
| (3) | Officers Commanding of Senior Divisions and Group Commanders of Junior Division of N.C.C. Units | 250 |
| (iv) | State Government | Full powers |

(B) Public Works Department

| | | |
|-------|---|-------------|
| (i) | Executive or Assistant Engineer holding charge of Division. | 1000 |
| (ii) | Superintending Engineer | 5000 |
| (iii) | State Government | Full powers |

Note 1. – The money limits are inclusive of all incidental charges involved in effecting a purchase and these powers are subject to the rules of the budget system. No sanction will be given which will involve expenditure from the budget grant of any future year.

Note 2. – The rule does not override the provisions of Financial Rule 100 in respect of contingent expenditure nor does it confer upon the officers concerned power to incur such expenditure to the extent detailed therein without the sanction of the competent authority.

⁶Rule 14. – Articles included in Annexure B which is subject to revision from time to time, produced or manufactured by Small Scale Industries of Madhya Pradesh registered as such, with Director of Industries for concerned articles shall be purchased through the M.P. Laghu Udyog Nigam Ltd. Only at the rates fixed by them. No tenders for purchase of such articles shall be called by the competent authority separately.

Note 1. – The M.P. Laghu Udyog Nigam Ltd. Shall circulate lists of Small Scale Industries products intended to be marketed through the Nigam to the Heads of Departments and the Industries organisations from time to time.

Note 2. – The M.P. Laghu Udyog Nigam limited shall float tenders keeping in view the demands of various departments, for items of standard specifications only. However,

⁶ Substituted vide Commerce and Industry dept. No. f5/7/78/B/IX dt. 29.4.78



in case any department requires an item of particular specifications suiting to their requirements, the M.P. Laghu Udyog Nigam shall invite tenders accordingly.

Note 3. – The respective purchasing departments shall nominate their representatives on the Laghu Udyog Nigam Marketing Committee for opening tenders and finalisation of rates.

Note 4. – The rates decided by the Marketing Committee of Laghu Udyog Nigam shall be binding on the purchasing departments.

In case the purchasing authority is not satisfied about the quality of items or competence of manufacturer the matter shall be decided by a Joint Committee consisting of the Nominees of the purchasing officer, the Director of Industries and the Laghu Udyog Nigam.

Note 5. – The aforesaid Marketing Committee may enter into negotiations with the tenders, if necessary.

Note 6. – The rates thus arrived at by the Marketing Committee of the Laghu Udyog Nigam shall be binding on the purchasing departments and all other departments requiring such items of the same, specifications. No tenders shall be separately floated by the individual departments or the same items.

In case of any dispute in regard to the rate with the purchasing department, the matter shall be referred to the Government (Commerce and industry Department in consultation with Finance Department) for decision.

Note 7. – While distributing the orders amongst the tendering units, the capacity, location and past performance of the unit along with the destination of the supplies shall be considered.

Note 8. – Normally, the inspection of goods shall be made at the indenting stores. However, where necessary inspection may be arranged at the manufacturing works.

Note 9. – In case of disputes between the manufacturing unit and the purchasing departments, where supplies have been inspected at work, the matter shall be referred to the Marketing Committee of Laghu Udyog Nigam for arbitration whose decision shall be final and binding on both the parties. In all other cases the decision of the purchasing departments shall be final and binding.

Note 10. – “All payments shall be routed through the M.P. Laghu Udyog Nigam. The Departments should remit payment to Laghu Udyog Nigam within 21 days of the



receipt of material. In case of delay, the Laghu Udyog Nigam shall charge 1.5% p.m. interest on payment, due from the date of receipt of material.

Or

The M.P. Laghu Udyog Nigam Limited, may authorise such of the SSI Units, who may desire to raise direct bills on the Indenting Department / Departments and receive payments directly, and may do so, after executing necessary agreement with the Nigam.

Note – Orders will however continue to be received directly by the M.P. Laghu Udyog Nigam from Indenting Officers/Purchasing Officers as provided in Rule 14, Similarly the procedure for placement of orders with the SSI units will also be continued as per existing practice under rules.

Note 11. – The Laghu Udyog Nigam shall release payment to the supplying small Scale Industries within 10 days of the receipt of payment from the purchasing department.

50. ⁷"The Intention of rule 14 is that items, reserved for purchase, from the Small Scale Industries, shall be purchased from these industries only. Whenever such items are required to be purchased indent should be placed with the Laghu Udyog Nigam without inviting tenders and reasonable time should be given to them for making the supply. Only if the M.P. Laghu Udyog Nigam certify their inability to make the supply the purchase should be made from other sources in accordance with these rules.

51. The purchasing authority while sending the bills to Treasury shall record a certificate on it to the effect that provisions of Rule 14 have been fully complied with."

Rule 15. – Power to Sanction departures from the rules. The State Government have power to sanction departures from the rule in cases in which departure is in the public interest. Applications for sanction in such cases should be made to the State Government in he Commerce and Industry Department.

⁷ Substituted vide Commerce and Industry dept. No. f5/7/78/B/IX dt. 29.4.78