C№ 10553.

Govt. of 18 Madras.

PUBLIC WORKS.

Dated 13. XI. 90

Rcvd. 13/11 Encl.

G.O., 13. XI. 1890, No. 1779 R.

Madras Railway

—

Orders of the
Govt of India in regard
to the adjustment of
the Value of old rails
belonging to the —,
sold & in stock,
comm^d to the C. E^r
Rys for information
& guidance.

10/12

No. 1778 R.

Government of Madras.

WORKS DEPARTMENT,

RAILWAY BRANCH.

The Secretary to the Govt: of India

P. W. Department

10 November 1890.

In continuation of P. W. Department telegram dated 8th November 1890, I am directed to forward the six months estimate for the extension of the Mysore State Railway from Ranjingud to Gudalur for 1890-91.

14/11/90 Bs: R

& 14/11/90

S.O. P. 17/11/90

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following paper :—

G.O., dated 15th September 1890, No. 1388, R., Public Works.

From the Consulting Engineer for Railways, to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated 10th September 1890, No. 1983 A.

I have the honor to inform you that after an inspection by the Examiner of Accounts of the returns of the stores in the hands of the Chief Engineer, Madras Railway, it was reported—

(*a*) That owing to the sale of old rails, &c., having been credited to the value of stores without a corresponding reduction having been made in their issue price, the engineering stores stood in the Company's books at Rs. 73,629, whereas the cost price would have been Rs. 3,98,967, showing a difference of Rs. 3,25,337

(*b*) That there were about 7,000 tons of old rails in stock, the value of which was at 33 per ton Rs. 2,31,000, and that these stood at no value in the Company's books.

2. With regard to (*a*) orders have been issued that the stores in hand are to be brought up to the fair market value, and that the difference between the book-value and fair market value is to be credited to revenue earnings, abstract K. The credit will probably be between two and three lakhs of rupees.

3. With respect to (*b*) three courses have been suggested, and I am to ask which commends itself to the Government as the most desirable—

1*st*—To return the old rails into store at their fair market value and to credit the amount to earnings, abstract K.

2*nd*—To return the old rails into store at their fair market value and to form a fund out of the proceeds, to be applied during the next four half-years to the renewal of rails, which is expected to be a very heavy item.

3*rd*—To return the old rails to store at their fair market value and credit the amount to working expenses, maintenance.

The third course is recommended by the Madras Railway authorities, but under the maintenance accounts valueless for comparison with other lines. The second would allow the Engineering department to obtain credit gradually for the value of the stores they have accumulated. The first is the simplest plan and gets rid of the matter at once and finally, and the only objection to it is that it is against the wishes of the Madras Railway authorities.

Order—dated 15th September 1890, No. 1388 R., Public Works.

Ordered to be forwarded for the orders of the Government of India.

[Here enter No. 1389 R, dated 15th September 1890.]

(True Extract.)

(Signed) T. GRACEY, Lieut.-Colonel., R.E.,
Offg. Joint Secy. to Govt., P.W.D.,
Railway Branch.

Endorsement—dated 15th September 1890, No. 1389 R., Public Works.

Forwarded.

(By Order.)

(Signed) T. GRACEY, Lieut.-Colonel, R.E.,
Offg. Joint Secy. to Govt., P.W.D.,
Railway Branch.

Read also the following paper:—

From the Officiating Under-Secretary to the Government of India, Public Works Department (Railway Stores), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, the 25th October 1890, No. 183 R.S.

I am directed to acknowledge the receipt of the Proceedings of the Madras Government, which were forwarded for orders under your No. 1389 R., dated 15th September 1890, on the subject of the adjustment of the value of the old rails belonging to the Madras Railway sold and in stock.

2. In reply, I am to state, with reference to the adjustment of the value of the old rails now in hand, that the Government of India is of opinion that the third course suggested is the proper one to follow, *i.e.*, the old rails should be returned to store at their market value and the amount credited to working expenses under abstract A, maintenance of way, works and stations. This procedure should be regularly observed in future. In this connection, I am to invite your attention to the foot-notes to the various abstracts (A to F) of the standard forms of half-yearly accounts which provide that the value of stores returned to stock may either be deducted from the total outlay of the department in a lump sum or credited to the sub-head of account concerned.

ORDER—dated 13th November 1890, No. 1779 R., Public Works.

Communicated to the Consulting Engineer for Railways for information and guidance with reference to his letter No. 1983 A, dated 10th September 1890.

(True Extract).

Major, R.E.,
Under-Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
„ Examiner, Guaranteed Railway Accounts.

Exd. S. J. Pereira.
Spare Copies

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated November, 13th.

Recd. *Encl.*

G.O., 13th Nov. 1890, No. 1779 R.

NOVEMBER.

Madras Railway.

Orders of the Government of India in regard to the adjustment of the value of old rails belonging to the — sold and in stock, communicated to the Consulting Engineer for Railways for information and guidance.

No. 1983 A

Government of Madras.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

To

~~Joint Secy~~ Govt Madras
~~Secy. to the Govt. of India~~

P. W. Department. R^y Branch

~~Simla~~

10th September 1890.

SIR,

I ~~have the honor~~ am directed to inform you that after an inspection by the Examiner of Accounts of the returns of the stores in the hands of the Chief Engineer Madras Railway it was reported

(a) That owing to the sale of old rails having been credited to the value of stores without a corresponding reduction having been made in their issue price, the Engineering Stores stood in the Company's books at Rs 73,629 whereas the cost price would have been Rs 3,98,967 shewing a difference of Rs 3,25,337.-

(b)

(b) That there were about 7000 tons of old rails in Stock, the value of which was at 33/- per ton Rs 2,31,000 and that these stood at no value in the Company's books.

2. With regard to (a) orders have been issued that the Stores in hand are to be brought up to the fair market value and that the difference between the Book-value and fair market-value is to be credited to Revenue Earnings Abstract K.- The credit will probably be between two and three lakhs of rupees.-

3. With respect to (b) three courses have been suggested and I am to ask which commends itself to the Government of India as the most desirable -

1st. To return the old rails into store at their fair market-value and to credit the amount to Earnings Abstract K.

2nd To return the old rails into store at their fair market-value and to form a fund out of the proceeds to be applied during the next 4 half years to the renewal grials which is expected to be a very heavy item

3rd To return the old rails to store at their fair market-value and credit the amount to working expenses maintenance..

The third course is recommended by the Madras Railway authorities but under the maintenance account but under the maintenance account valueless for comparison with other lines.- The second would allow the Engineering Department to obtain credit gradually for the value of the stores they have accumulated.- The first is the simplest plan and gets rid of the matter at once and finally and the only objection to it is that it is against the wishes of the Madras Railway authorities.

Secretary
P.W.D.

B

Sr. 1388 R dy 15th Sept/90.

Ordered to be for-
warded for the orders of the
Government of India.-

H.E. No. 1389 R dy 15th Sept: 1890

Forwarded.

H
W: R

Inf. dept to India
16/9/90.

B

Sr. 1388-89 R dy 15th Sept/90.

29C 22/9/90

No. 183 R.S.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY Stores.

All communications should be addressed to the Secretary.

Ry. 5744/90

To

The Joint Secretary to the Government of Madras
(Railway Branch) Public Works Department.

Simla, the 25th October 1890

Sir,

I am directed to acknowledge the receipt of the proceedings of the Madras Government which were forwarded for orders under your No. 1389 R dated 15th September 1890 on the subject of the adjustment of the value of the old rails belonging to the Madras Railway sold and in stock:-

2. In reply I am to state with reference to the adjustment of the value of the old rails now in hand, that the Government of India is of opinion that the 3rd Course suggested is the proper one to follow: i.e: the old rails should be returned to store, at their market valu

P. W. Cir: 1055

value and the amount credited to working expenses under Abstract A- Maintenance of Railways and Stations. This procedure should be regularly observed in future. In this connection I am to invite your attention to the foot notes to the various Abstracts (A to F) of the Standard forms of Half yearly accounts which provide that the value of Stores returned to Stock may either be deducted from the total outlay of the Department in a lump sum or credited to the Sub-head of Account concerned.

Rec^d 5-11-90

I have the honour to be
Sir
Your most obedient servant

F. D. Hobart

Offg: Under Secretary

No 1388-89 R dy 15-9-90.

Hem 28/10/90

Documents accompanying
Ltr
Copy to Consulting Engineer for information & guidance
Uc
5/11/90

R

No 1779 R

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

UNDER date the 13th November 90
again
READ the following

5/90

Progs: of the Madras Govt: P. W. Deptt: — } No. 1388-89 R dy 15 Sept: 90

Read also the following:

Letter from the Govt: of India P. W. Deptt: — } No. 183 R. S., dy 25 Oct: 1890

Communicated to the Consulting Engineer for Railways for information and guidance with reference to his letter No: 1983 dated 10th September 1890.

10/11/90

Uc
11/90

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W:R

To The Consulting Engr for Rys
1 Extra Rykeels

D 24/11

C№ 10553.

Govt. of 18 | Madras.

PUBLIC WORKS.

Printed

13.XI.90

Dated

13/11

Recd. Encl.

G.O., 13.XI. 1890, No. 1779R.

Madras Railway

Orders of the
Govt of India in regard
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10/11