

Public Works (190) Department.

RAILWAY BRANCH.

G.O., No. 743 R

DATED 7- 11 - 1895

[Despatch Abstract.]

Adjustment of the loss of Rs 61982-7-11

to the S. I. Rg. approved by the

Examiner.

Sanctioning the—

BACK PAPERS.

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

FURTHER PAPERS.

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

Form No. 2
(600-20-3-93.)

GOVERNMENT OF INDIA.

P. W. DEPARTMENT.

RAILWAY BRANCH.

EXAMINER, GUARANTEED RAILWAY ACCOUNTS OFFICE,

No. 864

Madras, 11th December 1894.

From

THE EXAMINER, GUARANTEED RAILWAY ACCOUNTS,

Madras,

To The Consulting Engineer for Railways.
Madras

SIR,

I have the honor to forward a note by Mr. Lee Examiner, Railway Accounts Trichinopoly, on the timber sawing account of the locomotive workshops of the South Indian Railway, for reference to the Agent.

The procedure has hitherto been for the Locomotive Superintendent to take stock half-yearly and report results for adjustment in the halfyearly accounts. On the present occasion the stock verifier of the Audit office took stock and he has reported that he found the following quantities in heaps consisting more or less of timber which is not scantling, but which is borne on the books as such viz.—

	Yrs	Book value
(a) Teakwood	475.19.0	77.868
(b) Salim Wood	23.27.0	4420

	Tom.	Book value
(c) Iron wood	37.12.	4383
(d) Trincomelle Wood	14.49	2375
(e) Catamaran wood	9.2	397
(f) Andaman wood	4.35	282

(3) The quantity of timber in the total is in excess of the book quantity and there is thus a set off to the deficiency in value now brought to notice. This difference should be adjusted at once in a rough and ready way as it will take time to open out the heaps and sort the timber into scantling and scrap; and, the Agent should be called upon to submit proposals for carrying this out.

4. The Chief auditor has already taken appropriate measures to put the accounts on a satisfactory footing, but there will always be trouble and confusion unless the Locomotive Superintendent exercises a proper check on this important item of his stores balance.

I have the honor to be,
Sir

Your most obedient servant,

A. G. Ramo
Offg. Examiner. Railway Accts.
Madras.

929.5

929.6

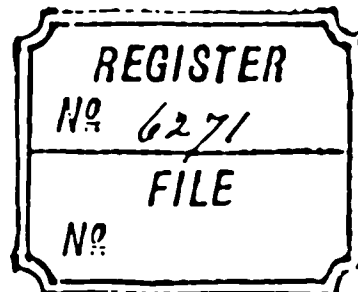
No 3944
17.12.94
Copy to Agent for inquiry & return
Free 15/12
No 3944; 9.5.95
No 3944; 6.6.95
No 3944; 24.1.95
No 3944; 4.12.95
No 3944; 15.4.95
Remained
24
12
3
4
10
4

From

THE EXAMINER,

GUARANTEED RAILWAY ACCOUNTS,

Madras,



To

No. _____

Dated _____ 189 .

No. of Enclosures _____

SUBJECT.

Note on the Timber sawing account of the Locomotive
shops of the South Indian Railway by Mr. Lee.
Examiner, Railway Accounts Trichinopoly.

Until recently I understood that no distinction
was maintained between timber (in balks)
and cut timber, while even the present proce-
-dure is distinctly faulty and incomplete.

The procedure is briefly this. —

1000 c. ft. of log costing at Rs 2.4.0 per c. ft. or
in all Rs 2250 are issued to the saw-mill and,
per facts, are reduced (after being sawn) to
650 c. ft. of cut timber with a value of Rs 2250
irrespective of size or of the charges incurred
in the process of sawing up. The reduction
of the timber log by 35 per cent of its bulk
is purely an arbitrary adjustment, but is
said to be based upon experience. I am not
able to say what has been the experience elsewhere
but I have the timber accounts of the Southern
Maharatta Railway for August last,
before me, and I find that from 3817 c. ft.
of logs the output was 3011 c. ft., usable
off cuttings 284 c. ft. and useless scrap and
saw dust 522 c. ft. Assuming that what
is shown under usable might with greater
safety be classified as scrap then the
percentage of wastage to the cubic contents

of the logs is 21.1 only, while if the off-cuttings be taken as really usable than the wastage percentage is only 13.6. Meanwhile, labour steam and general charges, such as are not allocated to some special work order are all charged to miscellaneous in the general shops accounts.

The Chief Auditor now proposes, after consultation with the Locomotive Superintendent, to introduce a revised form of account which, although not absolutely complete, inasmuch as machine and steam charges are not for the present at any rate be included, will be a very great improvement on the absolute want of system in the past. The basis of the system is the adoption of ratios units (fixed as far as practicable on current market rates) for the division of the total charges against the different classes of outturn. The classes to be adopted as a trial with their respective ratios units are as under:—

	Ratios unit in annual	Ratios unit for working purposes
1 Cut timber	50	10
2 Scrap	10	2
3 Firewood	2.5	.5
4 Sawdust	.25	.05

The sample given below will show clearly how the system is to be worked.

Log.	R.	Outturn.	Ratios unit
1000 C. ft. log at 2.2.0 = 2125.	(1)	700 C. ft. cut timber.	10
Sawing charges. <u>375.</u>	(2)	200. Scrap.	2
Total 2500	(3)	75 Firewood —	.5
	(4)	25 Sawdust —	.05

Then multiplying the cubic contents of each class by its respective ratios unit, we have.

- (1) $700 \times 10 = 7000$
- (2) $200 \times 2 = 400$
- (3) $75 \times .5 = 37.5$
- (4) $25 \times .05 = 1.25$

Total 7438.75

Then the cost of (1) = $\frac{7000}{7438.75} \times 2500 = 2353$

Similarly (2) = in the same way 134
 (3) = " " " 12.6
 (4) = " " " 4

Total 2500

while the issue note, say, for (1), is of course per C. ft. Rs $\frac{2353}{700} = 3-5-9$

In connection with the above the Chief Auditor is introducing suitable forms for log registers and timber sawing account, and it is to be hoped that the new procedure will be brought into force as soon as possible.

While looking into the balance of the existing timber account it came to notice that some 475 tons of so called scabbling represented a

a book balance of over 3 1/4 lakhs of rupees in reality the scavenging is nothing better than scrap and would not probably fetch more than Rs 5 per ton as firewood; meanwhile though my recent stock-taking of teak timber there is an excess of about Rs 7000, there is a deficiency under scavenging of some Rs 2000, the net excess of Rs 5000 will therefore not materially reduce the amount to be written off on account of scrap. being shown as scavenging I believe the Chief Auditor is taking action to have the necessary adjustments made but it is somewhat surprising that this heap of scrap should have been so long allowed to accumulate and remain on the books at a fictitious figure.

(True Copy)

NO. 1	TO E. R. S. C. NO. 6271 OF 1894
LETTER NO. 564	D. 14.12.94
C. R.	

M. B. M. J. J.
Chief Accountant

Office of Examiners, By account
Madras

Form No. 7

MADRAS, 5th July 1895

To

Agent, S. I. R.

No. 2185 Reply No. 684, dated 18.7.95

SIR,

Reminders.

Adverting to this Office No. 3944 of 17th Decr: 94 and subsequent reminders, I have the honour to request that you will kindly let me know when a reply to it may be expected in this office.

M. B. M. J. J.

Subject.

No. 684

South Indian Railway Co., Ltd.

AGENT'S OFFICE,

TRICHINOPOLY,

18th July

1895

From

Ag.
THE AGENT,

SOUTH INDIAN RAILWAY,

To

THE CONSULTING ENGINEER

FOR RAILWAYS,

MADRAS.

Sir,

In reply to your letter No. 2185 of the 9th instant giving reference to your endorsement No. 13944, dated 17th December last, forwarding a note by the Examiner of Railway Accounts there on the Teakwood Scrubbing account of the Locomotive Workshops, I have the honor to inform you that the entire subject is now under consideration by the Examiners of Railway Accounts, Madras and Trichinopoly, and the Locomotive Superintendent and Officiating Chief Auditor, and it is hoped definite proposals for settlement of the matter will be submitted at an early date.

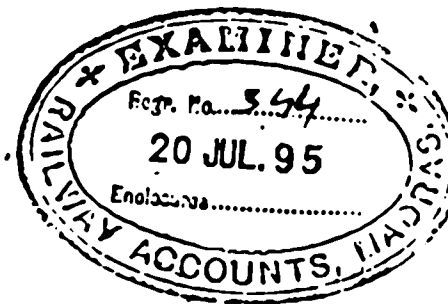
I have the honor to be,
Sir,
Your most obedient Servant
J. H. Le Mesurier

for
Acting Agent

3147
19.7.95

N2

Form No. 21.
208-11-94.



OFFICE OF THE CONSULTING ENGINEER FOR RAILWAYS,
Madras, 20th July 1895.

No. 2346

12-11

OFFICE NOTE.

Letter from the Agent, South Indian Railway, No. 681, dated 18th July 1895, forwarded to the Examiner of Railway Accounts for favour of note.

[Signature]

for E.R.

EXAMINER'S REPLY.

23/7

The amount of the actual deficiency in the Loss Workshop timber bills to be written off has now been definitely ascertained, and the Agent should be asked to submit proposals for the adjustment of the loss without further delay, as it is important that the matter should be settled before the accounts for the past half year are finally closed.

[Signature]
C.R.

Letter to A in No 2384
24/7/95

Dated
Received

No.
ENCLOSURE.

FROM
THE AGENT,
SOUTH INDIAN RAILWAY,
Tiruchinopoly.
TO
THE CONSULTING ENGINEER FOR
RAILWAYS,
Madras.

No 2384 of 24 July 95

Agent S. R.

Sir,

With reference to letter
No 684 of 18th inst.
I have the h. to say
that I am informed
by the Govt. Ex. that
the amount of
the actual deficiency
in the Low Workshop
timber Accts to be
written off has been
definitely arrived
at & I shall be
glad you will submit
proposals for the re-
placement of the loss
without further delay
as it is important that
the matter should be
settled before the re-
cords for the past half
year are finally closed.

Yr
24/7

Replied in AS No 723
30/7/95
" " 813
4-9-95

Reminder

No 2384 of 3-9-95

AM 4
issued 5/9

Kil
24/7

No. 723

South Indian Railway Co., Ltd.

AGENTS OFFICE,

TRICHINOPOLY,

30th July

1895

From

THE AGENT,

SOUTH INDIAN RAILWAY,

To

THE CONSULTING ENGINEER.

FOR RAILWAYS,

MADRAS.

Sir,

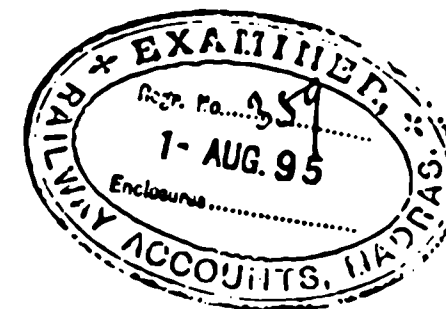
31/7
In reply to your letter No. 2384 of the 24th instant regarding the deficiency in the timber account of the Locomotive Workshops at Megapattam I have the honor to inform you that as a fresh verification of the timber stock has just been made the results of the same is being awaited before submitting proposals for the necessary adjustments in the accounts of the past half year. This it is expected will be done next week.

I have the honor to be
Sir
Your most obedient Servant,
Dandhogan
Ag. Agent.

La



Form No. 21.
100-4-4-11



OFFICE OF THE CONSULTING ENGINEER FOR RAILWAYS,
Madras, 31st July 1895.

No. 2480

OFFICE NOTE.

Letter from the Agent, South Indian Railway, No. 723
dated 30th July 1895, forwarded to the Examiner of Railway
Accounts for perusal of remarks.

CMM ³¹/₇
for E. R.

EXAMINER'S REPLY.

The receipt of the pro-
posals promised to be
submitted by the Agent
within a week may
be awaited.

²/₈
Awaited with
all ²/₈
E. R.
See
etc

From
THE AGENT,
SOUTH INDIAN RAILWAY,
Trichinopoly.

To
THE CONSULTING ENGINEER FOR
RAILWAYS,
Madras.

Dated
Received
No.
169
ENCLOSURE.

Accd
To L. D. S. R.

No. 873

South Indian Railway Co., Ltd.,
AGENTS OFFICE,

TRICHINOPOLY, 4th September 1895.

From

Acting
The AGENT,

SOUTH INDIAN RAILWAY,

To

The CONSULTING ENGINEER FOR RAILWAYS,

MADRAS.

Sir,

Referring to your letter N^o 2384 of the 24th July last, and to my letter N^o 723 of the 30th idem, regarding the deficiency in the timber accounts of the Locomotive Workshops at Nagapattinam, I have the honor to inform you that the verification mentioned in my letter under reference having been completed, the Chief Auditor has submitted the following report on the matter:—

Teak Scantlings. In my letter N^o 15348 of 30th November last, Tons 475 C. ft. 19 of Teak Scantlings of a book value of Rs 77,868/- were reported to be heaped together and to consist, as far as could be seen, of plank, slabs and small pieces.

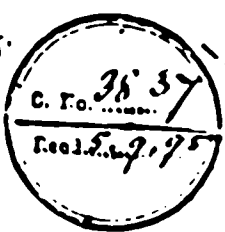
2. This heap of timber has been overhauled by the Locomotive Superintendent, who found that it consisted of 70 tons of good scantlings worth the full book rate, and tons 464 C. ft. 46 of inferior timber.

3. The whole of the latter quantity (Tons 404 - 46 C. ft. 46) has been disposed of for a sum of Rs 2,641-0-10, Tons 120-33-6-0 having been sold in public auction for Rs 1,219-12-0, and the remainder, Tons 284-12-6-0, utilized as Low Firewood for Rs 1,421-4-0.

4. The loss on this account is Rs 61,982-7-11.

Timber other than Teak.

5. Subjoined is a statement of quantities, values, &c. of



1872

2

of timber of other kinds condemned by the Locomotive Superintendent, the value of which has been written down to the firewood rate, Rs 5/- per ton.

Description	Quantity				Book value			Recent value at Rs 5/- per ton			Loss		
	Tons	C. ft.	Ln	ft	Rs	L	P	Rs	L	P	Rs	L	P
Iron wood scantlings	50	49	-	4	6,010	-	11	286	1	3	5,723	15	3
Satin wood	37	47	11	9	7,149	7	1	271	3	2	6,878	3	11
Trineomallus	19	14	4	10	3,079	11	9	98	15	5	2,980	12	4
Andaman wood	12	-	8	2	789	12	1	66	13	-	722	15	1
Andaman wood Log	-	21	2	4	16	14	4	2	1	11	14	12	5
Rosewood scantlings	2	11	7	2	678	5	2	11	2	7	667	5	7
Total	122	44	10	7	17,724	6	4	736	5	9	16,988	-	7

6. Of the above quantity only $23\frac{3}{4}$ Tons now remain on hand.

7. In explanation of the loss in Saw timber, I beg to offer the following remarks:-

8. The verification of timber stock was, for the first time, undertaken by this Department at the stock taking of 30th June 1894, previous half yearly verifications having been made by the Locomotive Department.

9. This verification, the result of which was reported to you in my letter N^o. 16.15348 of 30th June last, showed that certain quantities of small timber were classed as scantlings. It is impossible to say when this wrong classification was first made but I am of opinion, certainly in the case of Sakh timber, that it had been going on for many years.

10. The system on which the cut timber was charged off to works at that date was the following:-

11. It was estimated that the yield of scantlings would be 65% of the log quantity, and that the addition of 35% to this outturn would fully cover wastage; amounts realized by sale of scrap, sawdust, were

3
were therefore credited to the Log account and the
issue rate modified accordingly.

12. Accounts were opened in the Audit Office
books only for logs of the different descriptions. When
scantlings were issued to a work, 35 per cent of the
quantity issued was added and the work was
charged at the log rate (vide para 11).

13. As will be seen from the subjoined illustration
this resulted in an undercharge of 12.25% on the
log quantity or 13.96% on the quantity charged
to works.

Estimated outturn of log 100 C. ft. = 65 C. ft.
Add 35% of above (estimated wastage) 22.75

Total 87.75 C. ft.

Undercharge equal to
13.96% of 87.75 C. ft. = 12.25

Grand Total C. ft. 100.0

14. The percentage to be added to the assumed
outturn of 65% to bring the latter up to the log
quantity is 53.845% as shown below:-

Estimated outturn of log of 100 C. ft. = 65 C. ft.
Add 53.845% of above 35 C. ft.
Total 100 C. ft.

15. The illustration given in para 13 shows that
all the issues of scantlings to works have been
undercharged 13.96%.

16. In the accounts for June last, I have
provisionally charged Rs 22,657-3-7 of the loss on
Teak scantlings to Capital works, per attached list,
and debited the balance, Rs 39,325-4-4 and Rs 16,988-0-7
(loss on other timber) to stock adjustment account.

17. A Schedule of debits and credits to the Stock
Adjustment account, up to date, is sent herewith.
In this you will observe that against the debits

4
Fl 39,325-4-4 and Fl 16,988-0-7 = (Fl 56,313-4-11) men-
tioned in the preceding para there is a credit of
Fl 19,753-11-10, the net results of the Low. L^y.ber
stock verifications from January, 1893 to June 1895,
the net loss debited to this account therefore our
account of Low. Timber is Fl 36,559-9-1.

18. The system of Timber accounts of both
the Low. and Engineering Workshops have been
revised as from 1st January, last and the
recurrence of undercharges such as those herein
referred to is now impossible.

19. In conclusion, I would add that according
to the Low. Superintendent's latest tests the yield
of scantlings or first class cut timber is 65% of
the log quantity.

I attach copies of the Schedule of debits
and credits to the Stock Adjustment Account and
also of two statements, one showing the sanctioned
and actual expenditure and undercharges in cost
of timber used in the construction of Rolling Stock
and the ^{other} statement of Timber issued for the
construction of Rolling Stock and the undercharge
thereon.

I also send a form of Schedule D em-
bodying the above described adjustments and
if this be returned initialled in token of approval
it will be duly recorded in the Minutes of the
next Official Meeting.

I have the honor
Sir

Your most obedient Servant

J. H. Le Mesurier
for Acting Secy

4 Enclosures

12/

SCHEDULE D.
Stock Adjustment.

Particulars.	EXCESS.		DEFICIENCY.		Remarks.
	Quantity.	Value. Rs.	Quantity.	Value. Rs.	
Other items in detail (continued)					
Depreciation in the value of Timber in Stock in the Locomotive Workshops Negapatam: — <u>Teak</u>					Rs 21,607-3-7 adjusted by debit to Capital Works "Rolling Stock" 56313-4-11 adjusted by debit to stock adjustment
Book value of Tons 404-10-60 ft } Rs 64,623-8-9 Amount realized - 2641-8-10 Difference - - - - - 61,982-7-11					
<u>Timber other than Teak</u> Book value of Tons 122-44-10-7 } Rs 17,724-6-4 Present value - 736-5-9 Difference - - - - - 16,988-0-7					
Total				78,970-8-6	Rs 78,970-8-6 Sanctioned by Genl Engr's letter no. of

Agents Office
Trichinopoly
14 September 1895

J. H. L. Meunier
Selling Agent

813

South Indian Railway
Rule of debits and credits in the Stock Adjustment
Account up to 31st August 1895.

	Excess			Deficiency			Net				Remarks.	
							Dr.		Cr.			
<u>General Stores</u>												
Ord. No. 1	3306	6	10	6154	1	10	2847	11	0	.	.	.
" 229	2092	9	4	2772	13	2	680	3	10	.	.	.
" 3	3671	12	4	2761	14	11	.	.	.	909	13	5
" 4	7726	9	11	437	3	7	.	.	.	7289	6	4
" 5	760	14	8	111	0	8	.	.	.	649	14	0
" 6	226	3	10	.	.	.	.	.	.	226	3	10
" 7	1632	3	4	2193	10	9	561	7	5	.	.	.
" 8	2593	14	1	2123	6	1	.	.	.	470	8	0
" 10	795	3	1	1854	11	9	1059	8	8	.	.	.
" 11	3470	6	11	3531	.	10	60	9	11	.	.	.
" 12	237	15	7	481	14	7	243	15	0	.	.	.
" 13 & 14	6687	3	8	6598	7	11	.	.	.	1088	11	9
" Iron shed	1444	9	11	1254	11	6	.	.	.	189	14	5
" Outside	21640	2	4	18437	5	5	.	.	.	3202	12	11
Miscellaneous	1116	12	1	3145	1	2	2028	5	1	.	.	.
Fuel	25901	1	10	.	.	.	.	.	.	25901	1	10
Do.	5865	7	0	.	.	.	.	.	.	5865	7	0
Verification of 30 th June												
Total	89169	8	9	60857	8	2	7481	12	11	45793	13	6
<u>Loco. Stores.</u>												
Carriage Shop	222	15	5	13	12	4	.	.	.	209	3	1
Smithy	3992	6	4	20	8	4	.	.	.	3971	14	0
Foundry	216	10	5	0	2	5	.	.	.	216	8	0
Tool	6122	2	4	670	11	5	.	.	.	5251	6	11
Boiler	624	12	8	13	13	2	.	.	.	610	15	6
Madras Depot	828	0	2	2210	14	1	1382	13	11	.	.	.
Chingleput	111	6	4	34	9	5	.	.	.	76	12	11
Villupuram	97	0	2	96	11	2	.	.	.	0	5	0
Coimbatore	3183	9	0	1868	6	8	.	.	.	1315	2	4
Tanjore	15	4	9	.	15	8	.	.	.	14	5	1
Carried over	13414	3	7	4930	8	8	1352	13	11	11866	8	10
C.O.	89169	8	9	60857	8	2	7481	12	11	45793	13	6

South Indian Railway

Schedule of debits and credits in the Stock Adjustment
Account up to 31st August 1895.

	Excess			Deficiency			Net						Remarks.
							Dr.			Cr.			
<u>General Stores</u>													
Ward No. 1	3306	6	10	6154	1	10	2847	11	0	.	.	.	
" 2	2092	9	4	2772	13	2	680	3	10	.	.	.	
" 3	3671	12	4	2761	14	11	.	.	.	909	13	5	
" 4	7726	9	11	437	3	7	.	.	.	7287	6	4	
" 5	760	14	8	111	0	8	.	.	.	649	14	0	
" 6	226	3	10	.	.	.	.	.	.	226	3	10	
" 7	1632	3	4	2193	10	9	561	7	5	.	.	.	
" 8	2593	14	1	2123	6	1	.	.	.	470	8	0	
" 10	795	3	1	1854	11	9	1059	8	8	.	.	.	
" 11	3470	6	11	3531	.	10	60	9	11	.	.	.	
" 12	237	15	7	481	14	7	243	15	0	.	.	.	
" 13 & 14	6687	3	8	6598	7	11	.	.	.	1088	11	9	
" Iron shed	1444	9	11	1254	11	6	.	.	.	189	14	5	
" Outside	25640	2	4	18437	5	5	.	.	.	3202	12	11	
Miscellaneous	1116	12	1	3145	1	2	2028	5	1	.	.	.	
Fuel	25901	1	10	.	.	.	.	.	.	25901	1	10	
Do.	5865	7	0	.	.	.	.	.	.	5865	7	0	Verification of 30 th June 95
Total	89169	8	9	60857	8	2	7481	12	11	45793	13	6	
<u>Loco. Stores.</u>													
Carriage Shop	222	15	5	13	12	4	.	.	.	209	3	1	
Smithy	3992	6	4	20	8	4	.	.	.	3971	14	.	
Foundry	216	10	5	0	2	5	.	.	.	216	8	0	
Tool	6122	2	4	670	11	5	.	.	.	5451	6	11	
Boiler	624	12	8	13	13	2	.	.	.	610	15	8	
Madras Depot	828	0	2	2210	14	1	1382	13	11	.	.	.	
Chingleput	111	6	4	34	9	5	.	.	.	76	12	11	
Villupuram	97	0	2	96	11	2	.	.	.	0	5	0	
Cuddalore	3183	9	0	1868	6	8	.	.	.	1315	2	4	
Tanjore	15	4	9	.	15	8	.	.	.	14	5	1	
Carried over	134	14	3	4930	8	8	1382	13	11	11866	8	10	
Co.	89169	8	9	60857	8	2	7481	12	11	45793	13	6	

	Excess		Deficiency		Total				Remarks							
					Dr.		Cr.									
Bought Forward	59	169	89	50	857	8	2	7481	12	11	45793	13	8			
B. F.	15	414	37	49	30	8	8	1382	13	11	11866	8	10			
Loco Stores																
Trichinopoly depot	175	2	6		5	8	2	"	"	"	169	10	4			
Erode	7	11	1		5	6	3	"	"	"	2	4	10			
Madurai	169	4	11		1	15	4	"	"	"	167	5	7			
Tuticorin	148	10	2		7	13	9	"	"	"	140	12	5			
Kollam	1003	6	5		33	8	6	"	"	"	969	13	11			
Kanniyakumari	57	12	7		"	"	"	"	"	"	57	12	7			
Pakkala	497	1	3		"	"	11	"	"	"	497		4			
Thamaraikulam	16	0	5		1	2	6	"	"	"	14	13	11			
Mayavaram	11	5	6		5	4	1	"	"	"	6	1	5			
Timber A	24	444	7	8	46	90	11	10	"	"	19753	11	10			
Do. B	"	"	"	"	58	313	4	11	58	313	4	11	"	"		
	41	945	2	1	65	995	4	11	57	696	2	10	33	646	0	0
Depot Stores																
Trichy depot	521	15	8		27	66	12	7	22	44	13	1	"	"	"	
Villavandi	34	4	4		"	"	"	"	"	"	34	4	4	"	"	
Drindigul	174	9	6		333	1	2	158	7	8	"	"	"	"	"	
Sirumangalam	2172	10	9		780	10	1	"	"	"	1392	0	8	"	"	
St. Thomas Mount	"	2	6		"	"	"	"	"	"	"	2	6	"	"	
	2903	10	7		3880	7	10	2403	4	9	1426	7	6	"	"	
Engineering Stores	167	05	6	10	302	3	8	4	135	28	1	6	"	"	"	
Pakkala Depot V.D.	1332	9	11		4	13	11	"	"	"	1327	12	0	"	"	
Total	152	058	6	2	150	991	11	2	81	129	6	0	82	194	1	0

Verification from Aug 98 to June 1899
B. Depreciation, 1897-1898
Less Provisional debit to Capital 2267.37
5833.44

Verification from Aug 93
 to June 1894
 B. Depreciation 57892.86
 C. Depreciation 2267.37
 D. Depreciation 5833.44

Cr. Balance Rs. 1064-11-0-

sd. W. M. Simpson
 Chief Auditor
 S. J. Rhy

True copy
 J. H. Measner
 for Ag. Agents

W.S.

South Indian Railway

Statement of sanctioned and actual expenditure and undercharges in cost of timber used in construction of Rolling Stock.

Work Orders	Particulars	Amount sanctioned	Expenditure booked already	Undercharge now proposed per statement attached	Total	Actuals compared with sanction	
						Excess +	Short -
L 364 of 90	Erecting Engine and Tender No. 50	11,60,702 - -	11,29,241 14 2	141 15 7	11,29,383 13 9		31,318 2 3
415	- Iron covered goods wagons - 500	10,27,000 - -	10,06,938 3 3	5,251 12 10	10,12,190 - 1		14,509 15 11
457	- Iron ballast wagons - 150	2,10,000 - -	2,00,889 12 6	472 4 3	2,01,362 - 9		8,637 15 3
567	- Goods brake vans - 18	59,184 - -	50,495 8 10	910 6 8	51,405 15 6		7,778 - 6
709	- Third class carriages - 100	3,64,300 - -	5,48,634 4 4	7,073 7 9	5,55,707 12 1	9,257 12 1	
781 of 92	- " - 50	1,82,150 - -					
136 of 91	- Timber trucks bogie - 10	39,900 - -	36,038 1 2	38 6 1	36,076 7 3		3,823 8 9
342	- Passenger brake vans - 18	76,950 - -	64,271 11 5	1,286 12 3	65,558 7 8		11,391 8 4
344	- Horse boxes - 6	24,138 - -	21,454 14 6	400 2 10	21,855 1 4		2,282 14 8
388	- Carriage truck - 1	2,135 - -	1,994 11 1	23 2 4	2,017 13 5		117 2 7
470 of 92	- 2 nd class carriages - 5	24,975 - -	18,738 4 9	356 1 8	19,094 6 5		5,880 9 7
235 of 91	- First and 2 nd class Composites - 10	71,060 - -	56,660 2 2	741 5 4	57,401 7 6		13,658 8 6
1468 of 92	Constructing long frame 3 rd class carriage 40 ft. bogie } - 80	5,27,040 - -	4,26,058 - 3	4,227 3 8	4,30,285 3 11		46,754 12 1
155 of 93	Erecting bogie composite carriages - 20	1,98,560 - -	1,88,672 2 11	1,236 11 4	1,89,908 14 3		8,651 1 9
257	- 4 wheeled coupled bogie engines - 20	4,99,840 - -	4,97,492 6 4	43 10 7	4,97,536 - 11		2,303 15 1
330	- Iron covered goods wagons - 80	1,22,560 - -	1,21,814 7 6	443 3 5	1,22,262 10 11		297 5 1
284	Alteration and conversion of Dubbs Tender into mineral oil carrying tank } - 2	4,178 - -	2,026 14 -	6 2 10	2,033 - 10		2,144 15 2
1259	Erecting mineral oil tank truck - 4	14,496 - -	13,988 10 4	4 6 2	13,993 - 6		502 15 6
	Total	46,09,168 - -	43,85,415 1 6	22,657 3 7	44,08,072 5 1	9,257 12 1	2,10,353 7 -

(True copy) (Signed) W. H. Simpson
J. H. L. Morrison Chief Auditor
for Agent

M.S.

South Indian Railway
Statement of teak timber issued for Construction of Rolling Stock
and undercharges thereon.

Work Order	Particulars	Teak timber originally charged		Undercharge @ 13.96 per C.ft.	
		Quantity		Quantity	
		C. ft.	Amount	C. ft.	Amount
L 364	Erecting Engine and Tender	150	528 1,017	73.01	1 41 15 7
415	" Iron Covered goods wagons	500	17951 37,620	5 7	250 5.96 5 251 12 10
567	" Iron Ballast wagons	150	1607 3,382	15 9	220.62 47 2 4 3
709	" Goods brake vans	18	3042 652	9 9	424.66 91 0 6 8
136	" Third Class Carriages	100	24309 50,669	10 10	3393.54 707 3 7 9
342	" Timber trucks bogie	10	129 274	14 9	18.01 3 8 6 1
342	" Passenger brake vans.	18	4535 9,217	8 4	633.09 12 86 12 3
47	" Horse boxes.	6	1424 2,866	9 7	198.79 40 0 2 10
235	" Carriage truck	1	81 165	12 8	11.31 2 3 2 4
146	" 2 nd Class Carriages	5	1266 2,550	14 1	176.73 3 56 1 8
155	" First and 2 nd Class Composites	10	2685 5,310	6 9	369.24 74 1 5 4
25	Constructing long frame 3 rd Class Carriages 40 ft bogie	143.65	30,281	15	2005.35 4227 3 8
33	Erecting bogie Composite Carriages	20	4127 8,858	15 2	576.13 123 6 11 4
28	" 4 wheeled Coupled bogie Engines	20	163 312	12 5	22.75 43 10 7
330	" Iron Covered goods wagons	80	1518 3,174	13 11	211.91 443 3 5
125	Alteration and Conversion Dubbs Tender into mineral oil carrying Tank	2	26 44	4 1	3.63 6 2 10
1259	Erecting mineral oil Tank Truck	4	13 31	6 4	1.81 4 6 2
Total		77726	162,301	158	10850.54 22,657 3 7

W.S.S.

True Copy
J. H. Le Meunier
for Ag Agent

(Signed) W. H. Simpson
Chief Auditor

Work
Order

L 364 of 90

415

457

567

709

136 of 91

342

344

388

470 of 92

235 of 91

1468 of 92

155 of 93

257

330 of 93

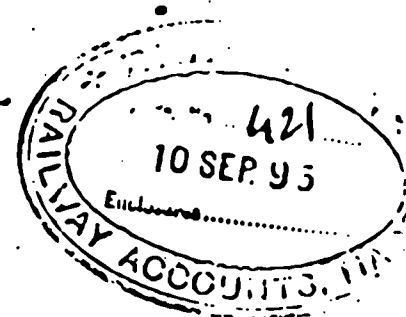
284

1259

M. G. S.

3837 C. 1005
8/3 4-7-95

Form No. 21.
No. 2-2-22.



OFFICE OF THE CONSULTING ENGINEER FOR RAILWAYS,

Madras, 6th September 1895

No. 2853:

OFFICE NOTE.

Letter from the Agent, South Indian Railway, No. 813

dated 1st September 1895, forwarded to the Examiner of Railway

Accounts, for favour of remarks.

D. M. G.
for E. R.

EXAMINER'S REPLY.

The adjustments proposed in the Agent's letter
come under two heads, -

(1) Timber other than teak. Rs 16988-0-7

A quantity of various kinds of special timber, such as
bam wood, satinwood &c was purchased as an experiment
some 8 years ago. Little or no use appears to have been made
of this timber, it has been rapidly undergoing deterioration
in the store yards, and at the last inspection it is found
to be fit for nothing but firewood, and has to be disposed of
as such with the result of a loss on book value of Rs 16988-0-7.
No explanation is given as to why this timber could not be
made use of, or whether the greater part of the loss might not
have been avoided by better storage, but taking the facts

23
9

As they stand, the case is clearly one of depreciation due to storage, and the loss resulting therefore must be cleared through the Revenue Account as a stock adjustment under Clause 54 of the S. & R. Co. Contract. I also feel that the loss was unavoidable. The Comptroller can sanction his write off of loss in book value, vide Appendix A Section 4.6 of the Special Orders Manual.

(2) Slack Timber Loss Rs 61,982-7-11

The accumulated loss in this case is due to an erroneous system of pricing the output of sawmills from the saw mills, the result of which has been that the more useful sawmills have been for some time past put down to work at too low rates, while the smaller & less useful pieces, slabs, plancks & offcuttings, which have accumulated to a large extent in stock, have come to be borne on the store books at an excessive value.

No adequate steps seem to have been taken by the Comptroller to verify the rates at which he was turning out and issuing his sawmills, or to check results by a proper comparison of the value of the balance of his stock in hand.

When the accumulated heaps of the smaller pieces are at length opened up, sorted, and properly valued, it is found that of 475 tons of lumber at a book value of Rs 77,880/- only 70 tons are said to be worth the full book value, and the balance 405 tons is practically useless except as firewood, and as such it is when disposed of or utilized with a resulting loss of Rs 61,982-7-11.

As this loss has been brought out as the result of a depreciation carried out in 1894, it is perhaps open to question to decide that the whole loss should now be written off through the Revenue Account as a stock adjustment under Clause 54 of the S. & R. Co. Contract.

I am not at all satisfied that this loss was not avoidable - the loss, being should explain why these words were purchased, why to large & quantity as 122 tons remained in store & was then used as firewood. I cannot justify whether this 122 tons was timber in log or in sawmilling & a correct explanation -

See Auditor's report - all sawmilling except 0.21.2.4 of Andaman wood log 7/4

I agree with C.R. that the works which have been undercharged in the past should be charged with the deficiency as noted above. Does C.R. refer to India or the local forest?

I agree to the Local forest (Ind) C.R. I don't think it is worth the trouble to do. I don't think it is worth the trouble to do. I don't think it is worth the trouble to do.

As however it is very clearly shown that the loss is a mere nominal one, and has arisen only through mistakes in undercharging the rates of goods sawmilling by 13.96%, the present course would seem to be to authorize the readjustment of these undercharges on all issues of timber during the period the loss has been accumulating.

Taking out the issues of sawmilling to works for the period in question, and readjusting the undercharges on this basis, the present deficiency would be distributed as follows:-

To Capital works	Rs 22,657-3-7
Revenue works	39,325-4-4
Total to be adjusted	Rs 61,982-7-11

These works have in the past been undercharged for the timber issued to them to this extent, and there seems to be no objection to sanction being given to the readjustment of the charges. There are sufficient savings on the estimates of the Capital works to meet these charges, while the Revenue portion will be dealt with as a stock adjustment & cleared through the current half year accounts.

It is within the powers of the Comptroller to sanction the loss being written off to works as proposed, but as the transaction is a very large one, and as the deficiency to be readjusted has arisen from defects of system, it seems advisable that the order of Govt. should be obtained thereon.

It is very satisfactory that an arbitrary and haphazard method of pricing sawmilling should have been adopted in the first instance, and still more so that this system should have been followed so many years without

despatch steps being taken to check results. The
now in this case has, I consider, arisen from the
failure to simplify and economize accounts work by
adopting rough & approximate methods of pricing
materials, which it was hoped would thoroughly well
meet all practical requirements. These approximate
methods though often giving fairly good results for a
time are apt, as in this case, to accumulate considerable
discrepancies in a number of years, if not watched with
exceptional care and attention.

All that can now be done to put matters right
in this respect has been done; revised rules for pricing
the outcome of the same will have been drawn out
and brought into force with the full concurrence of
both the Audit & Loco Depts of the Railway, and these together
with a regular inspection & valuation of stock balances,
which has been arranged for, will prevent any
recurrence of similar discrepancies.

(W) Allen
C.R.

EX-101
10/11/95

The main object of
changes and this adjust-
ment is a sufficient proof
of his former slack supervision.

F. H. Cott 27/9/95

Form No. 1.

MADRAS, 9th October 1895.

To

Agent, S. I. R.

No. 3176 Reply No. 950, dated 21.10.95

SIR,

With ref. to your letter
No. 813 d. 13/9/95 relating
to the deficiency of timber in
the Loco Workshop account at
Mysore. I have the honor
to request that the Loco
Dept. may be asked to ex-
plain why the "timber
other than Teak" was pur-
chased and why so large
a quantity as 122 tons
remained in store was
then used for firewood.

2 As regards the Teak timber
which you will be asked
separate orders will
be issued separately.

Subject

From 28/10/95

Deficiency in the value of
teak timber in the accounts of the Lo-
comotive Workshop at Nampalam.

5
Owing to a faulty system
of accounting in the office of the Lo-
comotive Superintendent South Indian
Railway, a large accumulation of refuse
timber has been borne on the books of
the Company at a fictitiously high va-
-lue in consequence of the same timber
being issued to works at too low a
rate. On the occasion of a recent
stock taking it was found that the re-
-fuse timber was overvalued to the
amount of Rs 61,982. The matter is
fully explained in a Note by the Govt.
examiner of Railway Accounts who pro-
poses to adjust this loss (which is a
nominal one) by charging off the de-
-ficiency to those works which have
been undercharged in the past. It is
considered that this proposal will
best meet the case.

2. The matter of the timber other
than teak dealt with in the Examiner's
first para is under correspondence
with the Agent, South Indian Railway.

The adjustment of the
loss of 61,982/- requires
sanction of the local govt.
& is submitted for the
approval of His Excellency
the Governor. Will 15
10/95

approved

W
24 Oct

Notes may
be made

Will 24/10/95

15/10 R28/10

13/-

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following

Letter from the same } H.E. no. 861, 9/14, Dargle
G. Ry. Acad. —

Letter from the Agent
S. O. Ry. _____ } ——— 8/13 9 4 Sept 95

Spoke by the way by "air" ————— 23rd —

Sanction is
accorded to the ad-
justments of the Co. &
Rs 61,982.71 as proposed
by the Examiner.

$\frac{30}{10}$ R

200 The nymphs. 9 R₂ } Despidia Roffin
- 6 - Embos R₂ ends } 2. 16 98-

13/-
№ 743. P. dated 7.11.95

25/11