

Revenue (1898) Department.

CURRENT No. 3325

Read also Cuo. 3222.

From

M. R. J. Ranga Rao Garna
Dy Collector
Buddapah.

Order inis.

Ordered that the
proofs be forwarded to
the Secretary, Indian Income
Commission.

No.

Dated 2 May

Received 5 n

Registered 5 a

Enclosures 1 (2 copies).

Spare copies.

Letter

To the Secretary, I. I. Commr.

Sir,

SUBJECT.

In continuation
of my letter dated 27-4-98
no. 1832, I am directed to
forward the revised proofs
of the notes of evidence given
by Mr. R. N. Arora and
Mr. and J. Ranga Rao.

Returning the proofs of the
Harnie evidence.

*Note complete the 1st list of
proofs received from the
Commr.

rs
6-5-98

M. R. J. Ranga Rao
16/5/98

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Revenue (1898) Department.

MISCELLANEOUS SERIES.

G.O., No. 2031

DATED 9th May 1898.

[Despatch Abstract.]

Stating that the Colls of Vizagapatam should be called upon to submit some additional information as to the terms of the contract entered into with the contractor for the supply of yarn to the Amra's Depots.

BACK PAPERS.

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

FURTHER PAPERS.

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

Revenue (1898) Department.

CURRENT No.

This paper is locked



From The Boardy Revenue
Revenue Settlement, Land
Record and Agriculture,
Madras

No. 2699 his

In Orders

It is not clear whether the ex-
cess was due to the contractor's
laying in a larger quantity than
usual; if so the risk and
loss would be his; if not
he would be entitled ^{at least} to the
actual loss (Rs 456 + 1/2)

sustained by him on resale
the Board thinks he is entitled to
the diff between the contract
Rs 456 + 1/2 the market rates
25-4-98

Say I have puzzled over this
matter for some time but
can't make out what exactly
the arrangement was & what
the grounds on which the Collectr
recommended that the contractor
be let off Rs 456 odd.
The Collectr talks of settling

Dated 20th April 1898

Received 23

Registered 23

Enclosures

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SUBJECT.

Submitting to Government, with
remarks, letter from the collector
of Vizagapatam reporting the
terms of the contract entered
into with the contractor for the
supply of yarn to the weavers
Depots in the District and the
amount due from him for
the quantity of yarn returned
as unused

24/5/98

~~the~~ a sum due to the contractor against the value of the yarn returned. This implies that the yarn was paid for. But if the yarn was paid for how came a sum to be due to the contractor?

In any case, it is not at all clear why Govt should make good to the contractor the difference between the contract price (which includes contractor's profit) & the selling price with respect to the yarn returned.

~~known as a condition of the contract that~~ If the price of yarn had risen would the contractor have made good the difference to Govt?

The contractor was ~~known~~ acting at his own risk in buying in a large stock of yarn & he must have known that the cessation of his own demand would probably cause a fall in the market price. Any loss sustained by the contractor on account of the yarn returned must be considered along with his profit

BACK PAPERS.

G.O.	No.	Department.	Date.
Rev.	134	Rev.	22/5/98
By that sum was due, 1/2 contract price & 1/2 profit			
89			

FURTHER PAPERS

G.O.	No.	Department.	Date.

Apparently he took back the unused yarn as a favour.

The contract had been made in writing.

The contractor must report what he is paid to pay for, whether all yarn delivered or not, according to the supply at each depot, or the yarn actually consumed?

He had also reported what he had to pay for, but this was calculated. This attention should also be called to the fact that his figures at the end of his report was Rs 128.3.3 not 128.3.6

At: at contract made Rs 28924.81
Loss 456.1.6
7283.3

5/5/98

The contractor's report is correct. The contract was made for 100000
J.P.

184.

The contract was not drawn up in writing, as in so important a matter, it should have been, and the terms of the oral contract (which not being reduced to writing w^d always be disputable) are by no means precise. But term (3) places the risk & loss in case of an undue (& I suppose unused) supply on the contractor.

If this means that the Govt paid only for whatever was used, then there is no legal liability on Govt to make good any loss: the contractor w^d regulate the supply carefully & make his profit out of the price he charged on what was actually consumed.

But the contract may have been that Govt paid for all that was delivered or the contract was that when the Govt asked him to take back the unconsumed yarn

Revenue (1898) Department.

CURRENT No. 5056

From

The Board of Revenue
Rev. Settlement, Land Reforms
and Agriculture
Madras

No. 2699 mis.

Dated 20th April, 1898

Received 23rd

Registered 23rd

Enclosures

Spare copies.

SUBJECT.

Submitting to Govt., with
remarks, letter from the Collector
of Vizagapatam reporting the
terms of the Contract entered
into with the Contractor for the
supply of yarn to the weavers'
depots in the district and the
amount due from him for the
quantity of yarn returned as
unused.

Order

7

the contractor did so as a
favour, but on business
terms i.e. at the prevailing
price on the date he took
back the stuff.

Seeing that the contractor
was to regulate his supply by a week's
requirement so as to minimize
his risk of loss, it seems
more probable that the
contract ~~was~~ ^{was} the
former of the two constructions
given above. If so Govt
should repudiate liability.

On the second construction
the contractor should be in-
demnified as proposed by
the Board. It would probably
be difficult to prove that
this was not the contract.

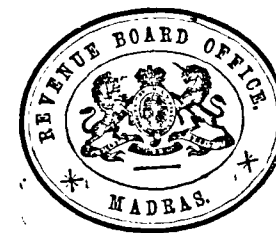
G.P. 4/576

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.



Proceedings of the Board of Revenue
(Revenue Settlement, Land Records and Agriculture),

Dated 20th April

1898.

No. 2699 his

READ

The following letter from the Collector of Vizagapatnam
Reference on Current no 494 dated 3rd April 1898:-

In reply to Board's Proceedings No 1869

Miscellaneous, Revenue Settlements, and dated 14th
March 1898. I have the honor to report that no
written contract was entered into with the Contractor
for the supply of yarn to the Weavers' Depots in
the District; the terms of the oral contract
entered into with him are.

- (1) That the contractor should supply yarn to
the three Depots in the District at the rates
specified in my letter to the Joint Secretary
No. R. C. 3975 dated 14th February 1898
- (2) That the supply should be in reasonable
quantities and should not fall below
nor exceed one week's requirements at

Coming to the Collector, G.O.
RD. 534 R. 29.3.98.

each depot,

- (3) that it would be at his own risk and loss if he laid in a large supply of yarn, as the depots might be closed at any time without notice.

The Contractor who afterwards agreed to take back the balance of yarn remaining unused at the depots after their closure, took it back but claimed the difference between the then market rate and the Contract price as shown in my previous letter to the Board.

The actual price of the quantity of yarn returned as unused at contract rates is Rupees 4076-8-11. From this amount a sum of Rupees 2,892-4-0 being the cost of yarn supplied and consumed at the depots, had to be paid to the Contractor; that being deducted Rupees 1184-4-11, the balance still due by the Contractor, was ordered to be collected from him. But he paid Rupees 600 and claimed the rest 584-4-11 as loss sustained by him. I found however, on enquiry that the real loss sustained by him was Rupees 456-1-8 and accordingly recommended that the amount might be sanctioned

If my recommendation is approved only Rupees 128-3-3 remains to be collected from the Contractor.

Resolution.

Submitted to Government, with reference to its order No 534 Revenue, dated 9th March 1898. The Collector has not reported the actual price paid by the Contractor for the quantity of yarn returned to him, as unused; but the Board apprehends that the Contractor's statement, which there would be no means of verifying, would be practically valueless.

2. The concluding para of the Collector's letter is not very clear, but the Board understands that at the time when the unused yarn was returned to the Contractor there was a running account showing a sum of Rupees 2892-4-0 due to the Contractor by the Government. Hence the sum was set off against the value of the yarn returned.

3. The difference between the Contract rate, and the market rate at the time when

When the yarn was returned appears to be fairly due to the Contractor; as also does the compensation of 4 Annas a bundle in respect of the bundles having been opened for examination.

(True copy and Extract)

P. V. Laxminarayan
Secretary

To

The Secretary to Government, Revenue
Department

The Collector of Vizagapatam

B.P. 2699 (Cus. 3056)
20-4-98

G.O. No. 2031 of 9th May 1898.

The Collector should be called upon to report whether in the oral agreement entered into with the Contractor, it was stipulated that the latter should be paid for all yarn delivered not exceeding a week's supply at each depot or only for the yarn

actually consumed. In the former case it should be reported whether the amount of yarn delivered was more than a week's supply at the time of delivery. The Govt. considers

that, in so important a matter, the contract should have been reduced to ~~documentary~~ writing.

RS
7-5-98

MS
9.5.98

To the Board of Rev (Rev. Secy).

Heard
11/5/98

When given for copying _____
When copied _____
When examined _____
When signed _____ } 189 .

READ AGAIN G.O., No. _____ DATED _____
189 ,

CURRENT No. _____

ENCLOSURES TO G. No. _____

ORDER OF GOVERNMENT A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
IN ORIGINAL.

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