

(1) Number of pages 12(2) Date of repair 19

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. <u>954</u>	Press Mis.
<u>725-26</u>	
Dated <u>31-3-</u>	<u>1871</u>

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
31st March 1871.*

No. 725. Read the following letter from the Consulting Engineer for Irrigation and Canal Company, to the Secretary to Government, Public Works Department, dated Madras, 8th March 1871, No. 132 :—

In continuation of my letter No. 107,* of the 20th December 1870, I have the honour to submit, for the information of Government, the Revenue Account of the Madras Irrigation and Canal Company for the half-year ending 30th June 1870; showing a loss of Rupees 1,296-8-5 in the half-year.

1 Revenue Account.
1 Application.
* G. O., No. 436, 11th February 1871.

2. The Government in their Order No. 2,034, of the 23rd August 1870, ruled that, in accordance with the Contract, the accumulated receipts of revenue should be remitted to England, towards meeting the interest due on account of the Company's loan, and are not available for current maintenance expenses, and in my letter No. 70, of the 15th September 1870, I showed that the expenditure on maintenance is likely to exceed the receipts for the present, and as the loss for one or two years more may be considerable, I solicit the consideration of Government as to the source from which the advances required by the Agent under Government Order No. 2,034, of 23rd August 1870, to meet the maintenance and repair expenses are to be defrayed.

G. O., No. 2,369, 1st October 1870.

3. The maintenance and repair expenses from the commencement up to June 1870 were met from the Construction Funds, and they amount to Rupees 29,105-3-5. The Agent has now submitted the accompanying application for debiting that sum to Revenue Account and refunding it to the Construction Account; but out of that total the sum of Rupees 17,711-2-10 represents the expenses incurred in those half-years in which there were net profits, and those in which, although there was not a net profit, there were some receipts to be set off against the expenditure; and the remainder, Rupees 11,394-0-7, represents the expenses in the half-years in which there was no revenue, and the balances of expenses uncovered by Revenue when there was a small revenue. In strict compliance with clauses 22 and 23 of the old and 8 and 9 of the Supplemental Contract, which require that the net profits in the Revenue Accounts shall be ascertained half-yearly and disposed of according to the provisions of those clauses, it would appear that the Company can only draw from the Revenue Accounts the former sum, namely, Rupees 17,711-2-10, as it was expended in periods when there were sufficient revenue to cover it, and that the latter sum, namely, Rupees 11,394-0-7, should not be allowed to be drawn from the Revenue Account or to diminish the accumulated profits—but this is scarcely equitable.

4. The profit and loss for the period for which the accounts have now been submitted, namely, 30th June 1870, amount to Rupees 30,122-5-5 and Rupees

Proceedings of the Madras Government, Public Works Department,
31st March 1871.

11,394-0-7, respectively, and if the latter sum is allowed to form a set off against the former the net profit will be Rupees 18,728-4-10;* but this will doubtless be swallowed up by the expenses of the subsequent one or two half-years if that arrangement is permitted by Govern-

RS.	A.	P.	
47,833	8	3	Total Revenue.
29,105	3	5	Charges.
18,728	4	10	Net Profit.

ment. It is as well to mention here that, as explained in my letter No. 107, of the 20th December 1870, the demand of the Company's revenue is usually made in the first half of the calendar years, and, as the accounts are closed half-yearly, the Company is necessarily left without any means of meeting the expenses in each second half-year, and it would seem to be only equitable that the Revenue Accounts should be balanced annually, and if this be done the profit and loss on the past transactions, namely, up to June 1870, will amount to Rupees 25,303-5-4 and 6,575-0-6, respectively, instead of Rupees 30,122-5-5 and 11,394-0-7, as in the other case, the net profit remaining the same, Rupees 18,728-4-10.

Proceedings of the Madras Government, Public Works Department,
31st March 1871.

The Soonkasala and Cuddapah Section Revenue Account of the Madras Irrigation and Canal Company for the half-year ending 30th June 1870.

Receipts.	Amount.	Total.	Grand Total.	Payments.	Amount.	Total.	Grand Total.
Amount collected and credited to the Company in the Collectorate books as per Collector's receipts:—	RS. A. P.	RS. A. P.	RS. A. P.	Proportion or share of charges for General Management ...	816 7 6	816 7 6	816 7 6
<i>Kurnool.</i>				<i>Main supply.</i>			
Irrigation ...	6,259 2 11			Soonkasala { Maintenance and repair of works	1,049 6 0		
Special water rates ...	4,324 6 2			Anicut. { Establishment ...	.....		
Produce of land, etc....	868 8 0			Compensation and Remission ...	.....		
Navigation ...	.....			1st Section, { Maintenance and repair of works	8,339 9 10		
Water-power ...	.....			South Main { Establishment ...	1,207 15 2		
Miscellaneous... ..	203 13 2	11,655 14 3	11,655 14 3	Canal. { Compensation and Remission ...	960 12 5	10,508 5 5	
To loss on working expenses... ..	.....	.....	1,296 8 5	Telegraph { Maintenance and repair of works	532 2 9	532 2 9	
				Line. { Establishment ...	.....		
				<i>Building.</i>			
				1st Section. Banker's hut ...	41 0 0	41 0 0	
				8th do. Lock Lascar hut ...	5 1 0	5 1 0	
Total...	.....	.....	12,952 6 8	Total...	.....	.....	12,952 6 8

MADRAS, (Signed) F. G. HANKIN, (Signed) C. A. BADHAM, (Signed) F. H. HENSLOWE,
—, December 1870. Government Examiner. Chief Accountant. Agent and Manager.

*Proceedings of the Madras Government, Public Works Department,
31st March 1871.*

MADRAS IRRIGATION AND CANAL COMPANY.

*Requisition on the Government for Revenue Cash Advance for period ending 30th
June 1870.*

For expenditure in full (as passed) from commencement to 30th June 1870,
the amount being due by Revenue to Capital Rs. 29,105-3-5

MADRAS, (Signed) C. A. BADHAM, F. H. HENSLOWE,
—, January 1871. Chief Accountant. Agent and Manager.
(Signed) F. G. HANKIN,
Government Examiner.

No. 726. ORDER THEREON, 31st March 1871, No. 954.

IRRIGATION, No. 61.

THE Government after further consideration of the original and supplemental Contracts between the Secretary of State and the Madras Irrigation and Canal Company, are of opinion that the provisions for the formation of a Reserve Fund in clause 23 of the former agreement, which are repeated in clause 9 of the latter, will enable the surplus revenue of one half-year to be made use of to meet the cost of the maintenance of the works in subsequent half-years. In the clauses referred to it is said that the reserve is to provide both for making good deterioration of "the said canal and works" and the machinery and conveniences belonging thereto, and for the current expenses of working and using the said canal and works. Such being the case His Excellency the Governor in Council considers that the whole of the revenue realized to the credit of the Company to date may properly be used to cover all ordinary maintenance charges hitherto incurred; and that the balance on the 30th June 1870, being confessedly small, and not in excess of the immediate probable requirements for the maintenance of the canal and works, should be retained as a reserve for maintenance purposes.

2. Under these circumstances the Government direct, with reference to the accounts up to the 31st December 1869, submitted by the Consulting Engineer with his letter of the 20th December 1870, No. 107, and also to the account G. O., No. 436, dated 11th February 1871. for the subsequent half-year now submitted—

I.—That the working expenses for the half-years prior to that ended 30th June 1870, in which the payments debitable to Revenue exceeded the gross income, be carried forward from one half-year to another. It may be here noticed that though this arrangement is not expressly provided for in the Contract, it appears to be more in accordance with the intentions of the contracting parties than that Revenue charges, prior to the realization of revenue, should be debited to Capital, and no third course is available for adoption.

II.—That, in the account for the half-year ended 30th June 1867, the balance to credit of Revenue at the close of that half-year, after providing for all charges up to that date be carried to the credit of the reserve under clause 9 of the supplemental Contract, and that the net profit be entered as nil.

*Proceedings of the Madras Government, Public Works Department,
31st March 1871.*

III.—That in each half-year subsequent to the 30th June 1867 the balance to the credit of Reserve be brought forward as the first entry on the receipt side.

3. The arrangements thus ordered will be continued until the reserve amounts to a sum sufficient to meet the current expenses of the next following half-year, and to cover any outlay required to compensate for deterioration not included in the estimate for current maintenance expenses. The amount thus determined will then be exhibited as the Reserve Fund, and the difference between this and the total excess of receipts over and above payments, will be shown as net profit, and will be applied as laid down in clause 9 of the Contract.

4. The sum to be held as a reserve at the close of any half-year, and to be kept to meet expenditure in the following half-year will need careful consideration, and should be settled by the Consulting Engineer in communication with the Agent and Manager. The circumstances noted in paragraph 2 of Colonel Carpendale's letter of the 20th December 1870, No. 107, may render it necessary to make a considerable difference in the amount reserved at the close of the first and second halves of each year, though, as much of the revenue for any season is not realized until about the middle of the first half of the following year, it may be requisite to determine the reserve with reference to the demands likely to be made upon it before the Company can be placed in funds by the receipt of revenue due, but not perhaps actually collected.

(True Extract.)

Colonel, R.E.,
Secretary to Government.

To the Consulting Engineer for the Madras Irrigation and Canal Company.
Agent and Manager for do. do.

Exd. S. T. Augustin.

1871

PUBLIC WORKS.

To

THE SECRETARY TO GOVERNMENT
DEPARTMENT OF PUBLIC WORKS
CANAL COMPANY.

1871

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MARCH.

Nos. 725-726

Madras Irrigation and Canal Company.
—Passing orders on the Revenue Account
of the Madras Irrigation and Canal Com-
pany for the half-year ended 30th June
1870.

No. 132.

From

Colonel J. Carpendale R.E.
Consulting Engineer for 1866.

The Secretary to Government.
Department of Public Works.
Fort St. George.

Sir,

In continuation of my letter
No. 436-11 Feb/71 No. 107 of the 20th December 1870 I have
the honor to submit for the information
of Government the Revenue Account
of the Madras Irrigation and Canal
Company for the half year ending 30th
June 1870 shewing a loss of Rupees 1296-8-5
in the half year.

2 The Government in their Order
No. 2034 of the 23 August 1870 ruled that
in accordance with the Contract the
accumulated receipts of Revenue
should be permitted to England, towards
meeting the interest due on account
of the Company's loan, and are not
available for current maintenance
expenses, and in my letter No. 70 of the
15th September 1870 I showed that the
expenditure on maintenance is likely
to exceed the receipts for the present
and

And as the loss for 1 or 2 years more may be considerable, I solicit the consideration of Government as to the source from which the advances required by the Agent under Government Order No. 2034 of 25 August 1870 to meet the maintenance and repair expenses are to be defrayed.

3 The maintenance and repair expenses from the commencement up to June 1870 were met from the Construction funds and they amount to Rspees 29,105-3-5. The Agent has now submitted the accompanying application for debiting that sum to Revenue Account and refunding it to Construction Account but out of that total, the sum of Rspees 17,711-2-10 represents the expenses incurred in those half years in which there were net profits and those in which although there was not a net profit there were some receipts to be set off against the expenditures; and the remainder Rspees 11,394-1-7 represents the expenses in the half years in which there was no revenue and the balance of expenses uncovered by Revenue when there was a small revenue. In strict compliance with clauses 22 and 23 of the old and 8 and 9 of the supplemental Contract

Contract which require that the net profits in the Revenue Accounts shall be ascertained half yearly and disposed of according to the provisions of those clauses, it would appear that the Company can only draw from the Revenue Accounts the former sum vizt Rspees 17,711-2-10 as if was expended in periods when there were sufficient Revenue to cover it and that the latter sum vizt Rspees 11,394-1-7 should not be allowed to be drawn from the Revenue Account or to diminish the accumulated profits, but this is scarcely equitable.

4. The profit and loss for the period for which the Accounts have now been submitted vizt 30th June 1870 amount to Rspees 30,122-5-5 and Rspees 11,394-1-7 respectively and if the latter sum is allowed to form a set off against the former the net profit will be Rspees

* 47833-8-3 Total Revenue 1872-4-10
29105-3-5 - " Charges
18728-4-10 Net profit swallowed up by the expenses of the enterprise

but this will doubtless be equivalent one or two half years if that arrangement is permitted by Government. It is as well to mention here that as explained in my letter No. 107 of the 20th December 1870 the demand of the Company's Revenue is usually made

made in the first half of the Calendar
year as the accounts are closed
half yearly the Company is necessarily
left without any means of meeting
the expenses in each 2nd half year, and
it would seem to be only equitable that
the Revenue Accounts should be
balanced annually, and if this be
done the Profit and Loss on the past
Transactions vizt up to June 1870
will amount to Rupees 25,303-5-4 and
6,575--6 respectively instead of Rupees
30,122-5-5 and 11,394--7 as in the other
Case the net profit remaining the
same Rupees 18,728-4-10.

I have the honor to be,

Sir,

Your most obedient servant,

James W. Colwell R.E.
Consulting Engineer &c.

Ed. M.B.

Irrigation & Public Works Dept.
No 954

Proceedings of the Madras Government
Under date the 31 March 1871
Read the following

From the Consulting Engineer } A.E. No 132 of 8 March 1871
466

The Government
after further consideration
of the original and supple-
mental contracts between
the Secretary of State and
the Madras Irrigation and
Canal Company, are of
opinion that the provisions
for the formation of a
Reserve fund in clause
23 of the former agree-
ment, which are repeated
in clause 9 of the latter,
will enable the surplus
Revenue

N.
A.A.
J.D.S.

Pro 28 January 1871 No 375 of 1871
" 17 February 1871 - 25 of 1871

Public Works 1871, the first
of 1871, 1871, 1871, 1871, 1871
No 1101

The Consulting Engineer
2506

To
The Secretary to Govt
P.W.

Read 87
1871 of 8 March 1871
Enclosure 2

Submitted with certain
remarks Revenue
Account of the Madras
Irrigation & Canal
Company for the half
year ending 30 June 1871

No 954-31 of 1871

10726

107 March 1871 No 2506

Revenue of one half year
to be made use of to meet
the cost of the maintenance
of the works in subsequent
half years. In the clauses
referred to it is said that
the reserve is to provide
both for making good
deterioration of the said
canal and works" and
the machinery and con-
veniences belonging thereto,
and for the current expenses
of working and using the
said Canal and works. Such
being the case His Excellency
the Governor in Council
considers that the whole
of the Revenue realized
to the credit of the Company

to

§
The date may properly be
used to cover all ordinary
maintenance charges hitherto
incurred; and that the
balance on the 30 June/70,
being confessedly small
and not in excess of the
immediate probable
requirements for the
maintenance of the Canal
and works, should be re-
tained as a reserve for
maintenance purposes.

2. Under these cir-
cumstances the Govern-
ment direct, with reference
to the accounts up to the
31 December 1869, submitted
by the Consulting Engineer
with his letter of the

25th

20 December 1870, 1871 and
also to the account for the
subsequent half year now
submitted.

L. O. No. 436 of 17 Feb 71

I. That the working expenses
for the half years prior to that
ended 30 June 1870, in which
the payments debitable to
Revenue exceeded the gross
income, be carried forward
from one half year to another.
It may be here noticed that,
though this arrangement
is not expressly provided
for in the contract, it
appears to be more in
accordance with the in-
tentions of the contracting
parties than that Revenue

Charges

8
9
charges, prior to the realiza-
tion of Revenue, should
be debited to Capital,
and no third course is
available for adoption.

II. That in the account
for the half year ended
30 June 1871, the balance
to credit of Revenue at
the close of that half
year, after providing
for all charges up to
that date be carried to
the credit of the Reserve
under Clause 9 of the
Supplemental Contract,
and that the net profit
be entered as nil.

III

III. That in each half year subsequent to the 30th June 1867 the balance to the credit of Reserve be brought forward as the first entry on the receipt side.

3. The arrangements thus ordered will be continued until the Reserve amounts to a sum sufficient to meet the current expenses of the next following half year, and to cover any outlay required to compensate for deterioration not included in the estimate

for

10
for current maintenance expenses. The amount thus determined will then be exhibited as the Reserve fund, and the difference between this and the total excess of receipts over and above payments, will be shown as net profit, and will be applied as laid down in clause 9 of the contract.

4. The sum to be held as a Reserve at the close of any half year, and to be kept to meet expenditure in the following half year will need careful consideration, and

Should

Should be settled by the
Consulting Engineer in com-
munication with the
Agent and Manager. The
circumstances noted in
para 2 of Col. Larpendale's
letter of the 20th December/72.
No 107, may render it ne-
cessary to make a con-
siderable difference in
the amount reserved at
the close of the first and
second halves of each year,
though, as much of the
Revenue for any season
is not realized until
about the middle of
the first half of the
following.

11/12
year, it may be requisite
to determine the reserve
with reference to the
demands likely to be made
upon it before the Com-
pany can be placed
in funds by the receipt
of Revenue due, but not
perhaps actually collected.

A.B.

21
To the Engineer, Madras & Co. Ltd.
two enclosures
Agent & Manager D.S.

Dec/21/4/71

Nov 1871

G. O. of 1187 B Madras.

PUBLIC WORKS.

The Consulting Engineer
for the Madras Irrigation
and Canal Company

Further Re. 1048 of 14. 4. 71
1210 of 1-5-71
1271 of 9-5-71

Date

Reet.

G. O. 31 months No. 954.

Nos. 725 & 726

Madras J. V. Canal Co.

Passing orders on the
Revenue accounts of the
Madras Irrigation & Canal
Company for the half
year ended 30th June 1870.