

(1) Number of pages _____

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MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. 68, 69, 70	910-911	Press Mis.
Dated	5-4-	1872

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Public Works Department,
5th April 1872.*

No. 63. Read the following endorsement of the Acting Consulting Engineer for Railways, dated Madras, 27th March 1872, No. 157 :—

From the Agent of the Great Southern of India Railway, to the Acting Consulting Engineer for Railways, dated Negapatam, 20th March 1872, No. 4,431.

Your letter No. 108, dated the 16th instant, did not reach me till this morning. It came in a cover with other letters dated the 15th idem. I am sorry I am unable therefore to send you my reply in time for it to reach the Government of India on the 25th idem.

2. Upon this line the Agency Department and the cost of Home Management are the only items which are classed under the heading of "General Charges." The Engineering Department is employed exclusively on the Southern Extension, a Capital work; and the Maintenance, Locomotive, and Traffic Departments are employed exclusively on Revenue work, each being charged direct to its final head of account.

3. The expenditure in England on account of stores for stock has always been excluded from the basis upon which the division of general charges between Capital and Revenue has been calculated by this Company. I enclose copy of two statements (marked A. and B.), the originals of which have been certified by the Government Examiner, which show the basis upon which we at present divide general charges. These statements include the value of stores consumed by Capital and Revenue respectively. Excluding stores the per-centages (based on the cash expenditure of last half-year) would be as shown in statement C :—

Capital	...	...	...	...	37.97
Revenue	...	...	...	...	62.03

I propose that for the remaining portion of the present half-year these per-centages be adopted for dividing the cost of Home Management and Indian Agency between the Capital and Revenue Accounts, and that for the future the per-centages for each succeeding six months be based upon the cash expenditure during each preceding half-year.

4. With regard to paragraph 4 of the Government of India Resolution, I recommend that the date to be fixed when this division of general charges shall cease to be made shall be four years from the date of commencement of actual work upon the Southern Extension. It must be borne in mind that for two years after opening any portion of a line for traffic, the maintenance of such portion is a charge against the Capital Account. Paragraph 4 says, "the cost of all establishments, except those employed wholly in Revenue work, will be debited to the Capital Account in the first instance;" but it does not say when or how often the Capital Account is to be relieved of the portion chargeable to Revenue. I presume that when the per-centages have been sanctioned by the Government of India, the Revenue Account can be debited direct monthly with its known proportion, instead of first taking that proportion into the Capital Account and then correcting the entry by a transfer to Revenue.

*Proceedings of the Madras Government, Public Works Department,
5th April 1872.*

A.

GREAT SOUTHERN OF INDIA RAILWAY.

Statement showing issues of stores on Capital and Revenue Account during the half-year ending 30th of June 1871, on which is based the division of the Stores Superintendence staff between the two Accounts for the half-year ending 30th June 1872.

	RS.	A.	P.	RS.	A.	P.
Capital Account	19,419	10	2	35,974	6	0
Rolling Stock	2,116	10	7			
Works of Construction	11,499	1	8			
Contingencies	540	14	2			
Preliminary Expenses, Southern Extension	1,668	14	9			
Tools and Plant	729	2	8			
Station and office furniture... ..				61,872	9	5
Revenue Account	2,860	12	2			
Traffic Expenses	40,664	4	6			
Locomotive do.	8,410	10	5			
Carriage and Waggon do.	8,670	4	9			
Maintenance do.	1,266	9	7			
General Charges				97,816	15	5
Capital	36					
Revenue	64					

B.

Statement showing Expenditure on Capital and Revenue Account during the half-year ending 30th June 1871, on which is based the division of the Agency expenses for the half-year ending 30th June 1872.

	RS.	A.	P.	RS.	A.	P.
Capital	56,266	10	7	1,24,717	8	6
Preliminary Expenses, Southern Extension	19,419	10	2			
Rolling Stock	30,306	4	0			
Establishments	1,639	2	10			
Tools and Plant	654	10	8			
Office furniture and fittings... ..	11,605	6	0			
Contingencies	4,825	12	3			
Works of Construction				1,93,657	2	9
Revenue	76,030	1	6			
Locomotive Department	31,047	6	3			
Traffic do.	13,115	5	11			
Carriage and Waggon Repairs	33,301	3	3			
General Charges	45,443	8	6			
Maintenance of Way and Works	1,98,937	9	5			
Less Refunds... ..	5,280	6	8			
				3,18,374	11	3

(Signed) S. M. JOHNSON,
Assistant Controller.

(Signed) J. SMITH,
Chief Auditor.

(Signed) W. S. BETTS,
Agent.

NEGAPATAM,
20th March 1872.

*Proceedings of the Madras Government, Public Works Department,
5th April 1872.*

C.

Statement showing Cash Expenditure during the half-year ending 31st December 1871, upon which it is proposed to base the division of general charges.

Cash expenditure during the half-year as per Appropriation Statement—

Capital	Rupees	77,686	1	5	37-97
Revenue	"	1,26,924	10	3	62-03
		2,04,610	11	8	100-00

(Signed) J. SMITH,
Chief Auditor.

(Signed) W. S. BETTS,
Agent.

NEGAPATAM,
20th March 1872.

From the Agent and Manager of the Carnatic Railway Company, to the Acting Consulting Engineer for Railways, dated Madras, 22nd March 1872, No. 379.

In reply to your office letter No. 62, and with reference to the G. O., No. 732, enclosed therein, I have the honour to state that the total amount of Capital cash expenditure for the year can only be arrived at by estimate, as nothing is being done upon the line yet but preparatory works.

2. In communication with the Examiner of Railway Accounts, it has been considered therefore that the best basis to adopt in arriving at the amount was to take the Budget Estimate for 1872-73, which gives approximately the sum of Rupees 20,00,000 for Capital, and Rupees 30,000 as the Revenue expenditure for the year.

3. Calculating upon these figures, the proportion of establishment and general charges which should be monthly credited to Capital and debited to Revenue Account in terms of the G. O. should be 1-5 per cent.

4. Taking 1st January 1876 as the probable date at which the construction will be completed, the whole Capital of Rupees 80,00,000, will have been expended at about the annual rate herein estimated.

5. It is therefore recommended, for the sanction of Government, that the proportion for the present should be as stated in paragraph 3, and as it is not clearly stated in paragraph 5 of the G. O. under reference how long the proposed division should hold good, it is further suggested that, in the event of an extension of the line being opened for traffic at an earlier date than that named in paragraph 4, this proposed division should be subject to revision.

SUBMITTED to Government.

2. Mr. Betts proposes that the transfer of the establishment charges to Revenue should take place after four years from the date of the commencement of actual work on the Southern Extension. This date may be taken as the commencement of the financial year 1876-77.

3. With regard to the per-centage rate, Mr. Betts suggests that "the percentages for each succeeding six months be based upon the cash expenditure during each preceding half-year." This appears to be about the best arrangement that can be made.

4. The Agent of the Carnatic Company proposes the 1st January 1876 as the date on which the establishments may be transferred from Capital to Revenue. There is no reason to suppose that work will be carried on more quickly on the Carnatic than on the Great Southern of India Extension, and as there is no probability of construction being commenced before the 1st January 1873, it would probably be better to give the 1st January 1877 as the date of transfer.

*Proceedings of the Madras Government, Public Works Department,
5th April 1872.*

5. Mr. Fisher proposes that during the time that establishment charges are debited to Capital, the Capital Account should receive credit for work done on behalf of Revenue at a per-centage rate of 1.5 per cent. This rate is based, says Mr. Fisher, "on the Budget Estimate for 1872-73, which gives approximately the sum of Rupees 20,00,000 for Capital, and Rupees 30,000 as the Revenue expenditure for the year." The actual figures in the Budget Estimate are Rupees 7,55,772 for Capital and Rupees 28,451 for Revenue expenditure, and the per-centages calculated on these amounts would be 96.4 and 3.6; it would however seem better to base the per-centages, as proposed by Mr. Betts, upon the actual cash expenditures during the preceding half-year.

6. Orders are required as to the frequency with which Capital is to be relieved of the Revenue portion of expenditure on establishments; it is presumed that the transfers should be made monthly, the monthly Revenue Accounts will otherwise be incorrect.

7. Mr. Betts' view that the Revenue Account can be debited monthly direct with its known proportion, instead of first taking that proportion into the Capital Account and then correcting the entries by a transfer to Revenue, does not appear to be in accordance with the intentions of the Government of India.

(Signed) C. H. P. CHRISTIE, Lieut., R.E.,
for Acting Consulting Engineer for Railways.

No. 69. ORDER THEREON, 5th April 1872, No. 910.

RAILWAY, No. 9.

ORDERED that these papers be forwarded for the consideration and orders of the Government of India, with reference to their Proceedings, dated 5th March 1872, No. 234 A. R.

(True Extract.)

(Signed) J. CARPENDALE, Colonel, R.E.,
Secretary to Government.

No. 70. (DOCKET No. 911, dated 5th April 1872.)
Copy of the above forwarded to the Government of India.
(True Extract.)

Colonel, R.E.,
Secretary to Government.

No. 4431 GREAT SOUTHERN OF INDIA RAILWAY.

AGENT'S OFFICE,
NEGAPATAM, March 20th 1872

From

THE AGENT,

Great Southern of India Railway;

To

The Acting Consulting Engineer
for Railways
Madras

SIR,

Your letter No. 108 dated the 16th instant did not reach me till this morning. It came in a cover with other letters dated the 15th idem. I am sorry I am unable therefore to send you my reply in time for it to reach the Government of India on the 25th idem.

Upon this line the Agency Department and the cost of Home management are the only items which are classed under the heading of "general charges". The Engineering Department is employed exclusively on the Southern Extension, a Capital work; and the Maintenance Locomotives

locomotive, and Traffic Departments are employed exclusively on Revenue work. Each being charged direct to its fiscal head of account.

The expenditure in England on account of stores for stock has always been excluded from the basis upon which the division of General charges between Capital and Revenue has been calculated by this Company. I enclose copy of two statements marked A and B, the originals of which have been certified by the Government Examiner, which show the bases upon which we at present divide general charges. These statements include the value of stores consumed by Capital and Revenue respectively. Excluding stores the percentages (based on the cash expenditure of last half year) would be, as shown in statement C.

Capital — 37.97.

Revenue — 62.03.

I propose that for the remaining portion of the present half year these percentages be adopted for dividing the

~~pm/1/9/12~~

the cost of Home Management and Indian Agency between the Capital and Revenue accounts and that for the future, the percentages for each succeeding six months be based upon the cash expenditure during each succeeding half year.

With regard to paragraph 4 of the Government of India Resolution I recommend that the date to be fixed when this division of general changes shall cease to be made shall be four years from the date of commencement of actual work upon the Southern Extension. It must be borne in mind that for two years, after opening any portion of a line for traffic the maintenance of such portion is a charge against the Capital account. Para 4 says "the cost of all establishments" except those employed wholly

~~1899/1899/92~~

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"in Revenue work will be debited
to the Capital account in the first
instance" — but it does not
say when or how often the Capital
account is to be relieved of the
portion chargeable to Revenue. I
presume that when the percentages
have been sanctioned by the Govern-
ment of India the Revenue —
account can be debited direct
monthly with its known pro-
portion instead of first taking
that proportion into the Capital
account and then correcting the
entry by a transfer to Revenue

I have the honor to be
Yours most ^{truly} old servt.

William B. Peck

Agent

Great Southern of India Railway.

Statement showing Issues of Stones on Capital and Revenue Account during the half year ending 30th June 1871. on which is based the division of the Stones Superintendence Staff between the two accounts for the half year ending 30th June 1872.

<u>Capital Account.</u>					
Rolling Stock	19,419	10	2	35,974	6 0
Works of Construction	2,116	10	7		
Contingencies	11,499	1	8		
Preliminary Expenses S. City	540	14	2		
Tools and Plant	1,668	12	9		
Station & Office Furniture	729	2	8		
				61,872	9 5
<u>Revenue Account.</u>					
Traffic Expenses	2,860	12	2		
Locomotive & Co.	40,664	4	6		
Carriage & Wagon ditto	8,410	10	5		
Maintenance ditto	8,670	4	9		
General Charges	1,265	8	7		
				97,846	15 5

Capital - 56.
Revenue - 64.

(signed) S. M. Johnson.
Assistant Controller.

2190 James Smith
Chief Auditor

appto office
negaratus
March. 1842

William Webb

Agnes

Great Southern of India Railway

Statement showing Cash Expenditure during the half year ending 31st December 1871 upon which it is proposed to base the division of General Charges

Cash Expenditure during the half year as per appropriation Statement

Capital Rs 77,686-1-5	-	37.97
Revenue	126,924-10-3	62.03
	204,610-11-8	100.00

Nagapatnam
Chief and stores officer
20th March 1872

William Bell
Agent

M/1590/72

CARNATIC RAILWAY CO., (LIMITED)

AGENT AND MANAGER'S OFFICE,

MADRAS, 22 March 1872.

No. 379.

FROM

J. J. Fisher Esq.

AGENT AND MANAGER, CARNATIC RAILWAY CO.,

MADRAS.

TO

Major G. L. Spender Esq.

CONSULTING ENGINEER FOR RAILWAYS

MADRAS.

SIR,

In reply to your office letter No 62 and with reference to the G.O. No 722 enclosed, therein I have the honor to state, that the total amount of Capital Cash Expenditure for the year can only be arrived at by estimate as nothing is being done upon the line yet but preparatory work.

2. In communication with the Examiner of Railway Accounts, it has been considered, therefore that the best basis to adopt in arriving at the amount, was to take the budget estimate for 1872/73 which gives approximately the sum of Rs 2,000,000 for Capital, and Rs 30,000 as the Revenue expenditure for the year.

3. Calculating upon these figures the proportion of establishment and general charges which should be monthly credited to Capital & debited to Revenue Account in terms

Recd 22 March/72
with No 4431 9203

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terms of the L. O. should be 1.5 per cent.

4. Taking 1st January 1876 as the probable date at which the construction will be completed the whole Capital of Rs 8,000,000. will have been expended at about the annual rate herein estimated.

5. It is therefore recommended for the sanction of Govt. that the proportions for the present should be as stated in para 3. and as it is not clearly stated in para 5 of the L. O. under reference, how long the proposed division should hold good, it is further suggested that in the event of an extension of the line being opened for traffic at an earlier date than that named in para 4. this proposed division should be subject to revision.

I have the honor to be
Sir,

Your most obedt. Servt
for J. Fisher
Agent Manager

See the appointment
ment of Establishment
managerial charges

DAED 22 March 1872
Recd. 22 No. 399

The Consulting Engineer
for Railway

The Agent and Manager
of the Railway Company

From

25

No 157

Submitted to Govern-
ment.

2. Mr Betts proposes that the transfer of the Establishment charges to Revenue should take place ^{after} four years from the date of the commencement of actual work on the Southern Extension. This date may be taken as the commencement of the financial year 1876-77.

3. With regard to the percentage rate Mr Betts suggests that the "percentages for each succeeding six months be based upon the cash expenditure during each preceding half year". This appears to be about the best arrangement that can be made.

Forwarding copy of
 Proceedings relative to the
 appointment of general
 charges between Capital
 and Prudence.

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Govt. of 1872? 31/10/72.

PUBLIC WORKS.

To the Secretary to the Govt
of India

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G. O. 5th April 1872. No. 9001
411

Nos. 68-69970

Charges. Having received
correspondence, submitted by
the Consulting Engineer for
Railways, relative to the
appointment of general
charges to the Capital
and Revenue.