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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	1450-51	Press
B.P.—No. 418 420		Mis.
Dated	29 5-	1873.

Not to be folded or roughly handled

No. 418. Read the following letter from Lieutenant-Colonel J. H. M. SHAW-STEWART, R. E., Consulting Engineer for Railways, to Colonel G. W. WALKER, R. E., Secretary to Government, Public Works Department, dated Madras, 1st May 1873, No. 243 :—

No. 256, dated 5th April 1873, with enclosures.

WITH reference to paragraph 2 of the Order of Government, No. 833, dated 17th March 1873, I have the honour to submit a report from the Officiating Examiner of Railway Accounts, regarding the discrepancy between the Capital and Revenue Accounts of the Carnatic Railway referred to in paragraph 2 of the Deputy Accountant General's report embodied in the order above quoted.

2. I concur in the views expressed by Mr. Williams.

3. Regarding the division of the general charges of the Carnatic Railway referred to in paragraph 3 of the Order of Government under acknowledgment, the Agent considers that the proposals made in the 2nd paragraph of the letter from the Government of India, No. 1,484 of the 25th October 1872, namely, that the general charges should be apportioned between the two accounts in the ratio of Capital expenditure to Revenue expenditure *plus* earnings, would operate fairly ; but he would prefer that a fixed sum arrived at on the same principle, by taking the sanctioned Capital outlay and the estimated Revenue transactions, should be adopted instead of making the apportionment upon actual results, which he thinks would lead to considerable fluctuation in the amount debitable to Revenue in different half-years.

G. O. No. 2,609, 6th November 1872.

4. The Agent is, however, of opinion that, as there is but little prospect now of construction being commenced before the anticipated amalgamation with the Great Southern of India Railway, and as any rules that may be brought into force for the apportionment of general charges on the Great Southern of India Railway would probably be made applicable also to the Carnatic portion of the united undertaking, it is perhaps superfluous to make now any definite proposals. The Officiating Examiner concurs in Mr. Fisher's views ; and, under the circumstances, I recommend that definite orders on the subject be postponed till after the approaching amalgamation is accomplished.

5. With reference to paragraph 6 of the Deputy Accountant General's report, the Agents of the Railway Companies have been requested to observe the rule regarding unpaid wages therein laid down.

From R. K. WILLIAMS, Esq., Officiating Examiner of Railway Accounts, to Lieutenant-Colonel J. H. M. SHAW-STEWART, R. E., Consulting Engineer for Railways, dated Madras, 5th April 1873, No. 256.

I HAVE the honour to hand you, herewith, for such action as you may consider desirable, and for subsequent submission to Government in reference to their Order No. 833 of the 17th March, the papers noted in the margin in connection with the discrepancy in the Capital and Revenue Accounts of the Carnatic Railway referred to by Captain Filgate, R. E., Deputy Accountant-General, in his report communicated with the Government order above noted.

Statement A, Memorandum of Earnings, Working Expenses, etc.
Statement B, Board of Director's Account.
Do. C, Balance Sheet at 31st December 1867.
Do. D, ,, ,, at 31st December 1869.
Do. E, ,, ,, at ,, ,, 1872.
Letter from the Examiner, to the Agent, Carnatic Railway, No. 211 of the 22nd March.
Letter from the Agent, Carnatic Railway, to the Examiner, Railway Accounts, No. 218 of 25th March.

2. The nature of the statements and the deductions drawn from them are explained in my letter to the Agent, and it only remains for me to refer to one or two points in the Agent's reply.

3. The Agent appears to think that the assets of the Tramway Company remaining after the discharge of the liabilities purchased by the Carnatic Company were not intended to include

any cash balance, and that had the amount now discovered to be due by Revenue to Capital been recovered by the Agents of the Tramway Company and remitted to the Board as ought to have been done, it would have stood in their hands as a cash balance and would thus not have come into the possession of the Carnatic Company ; and upon these grounds considers that the amount should be placed at the disposal of his Board.

4. I am unable to concur in this view, for I consider that the amount due by Revenue was as much an asset purchased by the Carnatic Company as any other item, and that the term assets should be regarded in its usual acceptation, and was intended to include cash as well as other property. From the terms upon which the Tramway was taken over, which in the preamble of the contract with the Carnatic Company are related thus: "That all the assets of the Tramway Company, except the benefit of the guarantee of 3 per cent. and of a provisional contract with the French Government after discharging all existing liabilities of the Tramway Company and the expenses of liquidation, should be transferred to the (Carnatic) Company in consideration," etc. ; it appears to me that the intention was that the Carnatic Company should come into possession of the whole of the property representing the capital which had been subscribed by the proprietors of the Tramway Company, whether appearing as a line of railway, stores in stock, cash in hand, or debts due to the Company, after paying therefrom the existing liabilities in consideration of the £60,000. If this view is correct, even had the money been remitted to the Board as the Agent considers should have been done, the only legitimate application of it would have been for them to have handed it to the Carnatic Railway as a portion of the property purchased by that Company.

5. But even if the Agent's view as to the proprietorship of the amount were accepted, the money belongs to a Company which has been dissolved, and, though the Directors of the Carnatic Company may be the same that sat on the Board of the Tramway Company, it would not appear that they have any really valid claim to the amount.

6. The Agent appears to have misapprehended one portion of my letter, it was not intended to imply that the stores had not been included in the Revenue working charges, but merely that the money for them had not been disbursed. In regard to the statement that "work has also been done representing the expenditure on Capital Account," I should observe that when the Tramway was taken over by the Carnatic Company the value of it stood at over Rupees 7,00,000 in the Company's books, but was re-assessed, so that it, together with the stores and assets less liabilities, should represent the £ 60,000 with which the property was purchased ; and the state of the matter at present is that of the advances made on Capital Account, Rupees 6,332-5-2, the amount now in question, are unaccounted for in the Capital Accounts of the Company, because an asset belonging to the Capital Account has not yet been paid to it. Were the amount made over to the Directors as proposed by the Agent, it would be necessary to increase the debit to construction in the Company's books *pro tanto*.

7. From what I have said it will be apparent that the proper disposition of the item of Rupees 6,332-5-2 would, in my opinion, be to transfer it from Revenue to the credit of Capital, and this is all that is required to adjust the amount both in the Government and Company's books. As regards the further amount of Rupees 93-0-4 standing in excess in the Revenue Account, so much of it as consists of unpaid wages should, in accordance with Government Order No. 833 of the 17th ultimo, be credited to the account originally charged, and the remainder which is comprised of fines there would probably, as Government have hitherto allowed the Companies to retain possession of monies arising from fines, be no objection to the Agents withdrawing and placing to the credit of the Company's private account.

8. With reference to the call made upon the Examiner in the order before quoted to report what steps were taken in connection with these discrepancies upon receipt of the orders of the 7th June 1870, No. 1,414, I have the honour to state, for the information of Government, that efforts appear to have been made from time to time, as the current duties of the office would permit, to investigate the matter, but it was one of extreme intricacy requiring great research in the Company's books, and thereby involving great labour, and it is only now after Mr. Quinlan, Assistant Examiner's, attention has been largely occupied with it for a considerable time that a satisfactory result has been obtained.

9. I may mention that the completion of the adjustments here referred to will have the effect of bringing the books of the Carnatic Company into a satisfactory state.

10. A copy of these papers has been forwarded to the Accountant-General, Public Works Department.

Proceedings of the Madras Government, Public Works Department,
29th May 1873.

CARNATIC RAILWAY COMPANY.

STATEMENT A.

Memorandum of Adjustment between the Earnings, Working Expenses, and Government Revenue Account from 31st December 1867 to 31st December 1872.

Half-year ending	Earnings per Published Revenue Accounts.	Working Expenses per Published Revenue Accounts.	Government Revenue Account.
	RS. A. P.	RS. A. P.	RS. A. P.
30th June 1868	26,999 14 5	22,130 7 10	
31st Dec. ,, ...	18,721 13 4	22,962 4 0	
30th June 1869	29,319 12 10	20,054 5 8	
31st Dec. ,, ...	19,126 4 4	19,044 10 9	
	94,167 12 11	84,201 12 3	
Deduct outstandings (*a*) and Revenue Establishment (*b*)	(*a*) 1,685 5 7	(*b*) 1,754 5 4	
Amount debitable (*c*) and creditable (*d*) to Govt. Rev. Account ...	(*c*) 92,482 7 4	(*d*) 82,447 6 11	
Balance of Govt. Rev. Account ...	.....	10,035 0 5	10,035 0 5
	.....	92,482 7 4	
Balance of Govt. Rev. Account per books on 31st Dec. 1869 ...	.....	.....	14,894 7 8
	.....	.....	4,859 7 3
Over-payment to this account in above period	1,685 5 7	1,754 5 4	
Balances brought down	19,869 6 4	13,674 0 8	
30th June 1870	15,546 10 10	26,233 14 4	
31st Dec. ,, ...	19,779 3 6	13,399 12 9	
30th June 1871	15,820 4 7	9,707 11 9	
31st Dec. ,, ...	19,955 8 5	10,361 9 11	
30th June 1872	14,828 15 7	12,797 4 10	
31st Dec. ,, ...	1,07,485 6 10	87,928 11 7	
Deduct outstandings (*e*) and Revenue Establishment (*f*)	(*e*) 1,527 14 1	(*f*) 879 10 11	
Amount debitable (*g*) and creditable (*h*) to Govt. Rev. Account...	(*g*) 1,05,957 8 9	(*h*) 87,049 0 8	
Balance of Govt. Rev. Account ...	.....	18,908 8 1	
		1,05,957 8 9	
Balance of Govt. Rev. Account per Co's. books on 31st Dec. 1872 ...	35,370 9 9	.....	
Deduct Balance on 31st Dec. 1869	14,894 7 8	.....	
	20,476 2 1		
Less due to Madras Railway Co. ...	1 11 9	20,474 6 4	
Correct Balance as above	.....	18,908 8 1	
Over-payment to Govt. Rev. Account in this period	.....	.....	1,565 14 3
Total over-payment ...	.....	.....	6,425 5 6
Deduct amount shown to be due to Board of Directors of the late Tramway Co. per Statement B ...	.....	.....	6,332 5 2
Difference equals erroneous payment on account of unpaid wages, fines, etc., per balance sheet for December 1872, which shows the cash liabilities in excess of the assets by this amount	.....	.....	93 0 4

MADRAS,
1st March 1873.

(Signed) F. P. QUINLAN,
Asst. Examiner of Railway Accounts.

(Signed) R. K. WILLIAMS,
Offg. Examiner of Railway Accounts.

STATEMENT B.

Board of Directors Tramway Company.

Dr. *Cr.*

1868.					RS.	A.	P.	1868.					RS.	A.	P.
January ..	To Traffic Manager per balance sheet on 31st Dec. 1867				869	5	1	January...	By Government mileage allowance per balance sheet on 31st December 1867				1,567	11	4
Do. ...	,, Suspense Account (unpaid wages) per do. ...				75	11	7								
Do. ...	,, Arbuthnot and Co. for remittance in part of sale proceeds of stores sold to the Abyssinian Expedition.				3,254	3	10	Do. ...	,, Arbuthnot and Co. per do. do. ...				720	2	5
March ...	,, Do. for remittance in full of do.				12,388	10	1	Do. ...	,, Do. for refund of Government duty on stores.				15	12	0
Do. ...	,, Do. for do. in part of cash balance on 31st December 1867				432	14	1	Do. ...	,, Do. for value of stores sold to the Abyssinian Expedition				15,611	1	8
April ...	,, Traffic Manager for outlay on culverts (Capital)	1,036	14	1				June ...	,, Do. for refund credited to stores				30	8	3
June ...	,, Do. do. do. ...	11	0	3				Do. ...	,, Traffic Manager for sale of stores				16	15	3
1869.								December.	,, Do. for do.				1	2	0
					1,047	14	4	1869.							
February...	,, Arbuthnot and Co. for remittance in full of cash balance				237	4	4	February .	,, Arbuthnot and Co. for refund of Government duty on stores				2,066	14	4
March ...	,, Do. for expenditure on new rolling stock	2,000	0	0				June ...	,, Traffic Manager for refund of amount expended by him on new rolling stock ...				33	2	0
June ...	,, Do. do. do. ...	2,500	0	0				October ..	,, Arbuthnot and Co for value of materials sold and credited to "expenditure represented by property"				42	8	0
October ...	,, Do. do. do. ...	992	0	0											
					5,492	0	0	December.	,, Do. for refunds credited to stores ...				32	1	0
March ...	,, Traffic Manager for do. ...	33	2	0				.....	,, Do. for home expenditure payable to Board as per Revenue Accounts, half-year ending June 1868	4,020	15	4			
July ...	,, Do. do. do. ...	0	5	6											
August ...	,, Do. do. do. ...	0	4	6											
					33	12	0	.....	,, Do. do. Dec. 1868 ...	4,160	12	0			
May ...	,, Arbuthnot and Co. for remittance on account of home expenditure, half-year ending June 1868 ..	611	9	8				.....	,, Do. do. June 1869 ...	2,500	0	0			
,, ...	,, Do. do. Dec. 1868 ...	4,160	12	0				.....	,, Do. do. Dec. 1869 ...	2,500	0	0			
June ...	,, Do. do. June 1869 ...	2,500	0	0									13,181	11	4
September.	,, Do. for July, August, and September 1869	1,250	0	0				.....	,, Do. for difference between value of stores expended on revenue and stores purchased from Revenue funds from January 1868 to 31st December 1869				6,666	12	7
October ...	,, Do. do. October 1869	416	10	8											
November.	,, Do. do. November 1869	416	10	8											
1870.															
January ...	,, Do. do. December 1869	416	10	8											
					9,772	5	8								
					33,654	1	0								
	Balance due to Board erroneously paid over to Govt.				6,332	5	2								
				Total...	39,986	6	2					Total...	39,986	6	2

MADRAS,
1st March 1873.

(Signed) R. K. WILLIAMS,
Offg. Examiner, Railway Accounts.

(Signed) F. P. QUINLAN,
Asst. Examiner, Railway Accounts

INDIAN TRAMWAY COMPANY.

STATEMENT C.

Balance Sheet on 31st December 1867.

Dr. *Cr.*

	RS.	A.	P.	RS.	A.	P.		RS.	A.	P.	RS.	A.	P.
To Expenditure represented by property.	4,31,040	5	8				By Board of Directors, London... ...	2,35,195	0	7			
,, Do. not do. ...	74,249	4	11				,, do. Store Account	3,86,403	8	2			
,, Carriages and Wagons	86,848	9	11				,, Capital raised in India	75,164	0	0			
,, Engines	48,509	13	5	6,40,648	1	11	,, Revenue Advances to Capital ...	33,259	6	3			
	.....			89,373	13	1	Total Capital withdrawals...	.....			7,30,021	15	0
,, Stores...	.....			7,30,021	15	0	,, Profit and Loss	942	12	8			
Total Construction and Stores...	.....						,, Traffic Manager	869	5	1			
,, Government Mileage Allowance ...	1,567	11	4				,, Fines	393	12	5			
,, Arbuthnot and Co.	720	2	5	2,287	13	9	,, Suspense Account	75	11	7			
							,, Transfer Fees	6	4	0	2,287	13	9
Total...	.....			7,32,309	12	9	Total...	.....			7,32,309	12	9

MADRAS,
1st *March* 1873.

(Signed) R. K. WILLIAMS,
Offg. Examiner, Railway Accounts.

(Signed) F. P. QUINLAN,
Asst. Examiner, Railway Accounts.

INDIAN TRAMWAY COMPANY.

STATEMENT D.

Balance Sheet on 31st December 1869.

Dr. *Cr.*

	RS.	A.	P.	RS.	A.	P.	
To Expenditure represented by property ...	1,32,045	12	0				
,, Do. not do. ...	73,849	4	6				
,, Carriages and Wagons	86,848	9	11				
,, Engines	49,063	1	1				
,, Rolling Stock, new	7,787	2	5				
,, Stores to reduce Debit Balance ...	9,738	5	8				
				6,59,332	3	7	
,, Stores	.....			57,343	13	2	
Total Construction and Stores...	.....			7,16,676	0	9	
Assets assumed by the Carnatic Railway Company.							
To Government Revenue Account	14,894	7	8				
,, Traffic Cash Account	1,685	5	7				
	16,579	13	3				
,, Arbuthnot and Company... 8,990 4 6	.....						
,, Traffic Manager 655 0 7							
	9,645	5	1				
				26,225	2	4	
Total...	.....			7,42,901	3	1	

				RS.	A.	P.	RS. A. P.
By Board of Directors, London				2,56,443	8	10	
,, Do. Store Account				3,91,400	13	1	
,, Capital raised in India...				75,164	0	0	
Total Capital withdrawals...				.....			7,23,008 5 11
Liabilities accepted by the Carnatic Railway Company.							
By Net Revenue Account				9,966	0	8	
,, Revenue Establishment				1,754	5	4	
				11,720	6	0	
,, Madras Railway ...	2,267	14	11				
,, Revenue Advance Account.	5,082	10	4				
,, Suspense Account ...	538	7	5				
,, Traffic Manager ...	181	12	8				
,, Unpaid Wages	78	6	1				
,, Fines	23	3	5				
,, Income Tax	0	0	4				
				8,172	7	2	
							19,892 13 2
Total...				.....			7,42,901 3 1

MADRAS,
1st *March* 1873.

(Signed) R. K. WILLIAMS,
Offg. Examiner, Railway Accounts.

(Signed) F. P. QUINLAN,
Asst. Examiner, Railway Accounts.

CARNATIC RAILWAY.

STATEMENT E.

Balance Sheet on 31st December 1872.

Dr. *Cr*

	RS.	A.	P.	RS.	A.	P.	
To Ballast and Permanent-way ...	2,56,600	0	0				
,, Establishment	2,66,311	12	11				
,, Rolling Stock	1,37,804	7	0				
,, Preliminary Expenses	1,06,054	2	8				
,, Stations and Buildings	59,723	13	8				
,, Construction of Line	61,000	0	0				
,, Electric Telegraph	6,000	0	0				
,, Plant	3,287	10	9				
				8,96,781	15	0	
	51,035	4	3				
,, Stores	1,529	0	8				
,, Stores in Transitu				52,564	4	11	
				1,235	0	0	
,, Home Payments Account	.....						
				9,50,581	3	11	
Total Capital Expenditure...	.....						
,, Government Revenue Account ...	35,370	9	9				
,, Traffic Cash Account	1,527	14	1				
				36,898	7	10	
Cash Assets.							
,, Capital Advance Account	477	13	4				
,, Bank of Madras	251	0	5				
,, Chief Engineer	236	11	1				
,, Cash	172	6	8				
,, Superintendent of Line	5	3	3				
				1,143	2	9	
Total ...	.....			9,88,622	14	6	

				RS.	A.	P.	RS. A. P.
By Board of Directors, London ...				7,28,945	14	8	
Do. Store Account ...				20,484	9	4	
,, Government Capital Account ...				2,07,483	1	1	
				.....			9,56,913 9 1
Total Capital wtihdrawals ...				29,591	11	8	
,, Net Revenue Account				879	10	11	
,, Revenue Establishment				1	11	9	
,, Madras Railway Company							30,473 2 4
Cash Liabilities.							
,, Revenue Advance Account ...				675	7	10	
,, Guarantee Fund				300	0	0	
,, Fines				227	11	9	
,, Wages Unpaid				32	12	6	
,, Refunds to Government				0	3	0	
							1,236 3 1
Total ...				.....			9,88,622 14 6

MADRAS,
1st *March* 1873.

(Signed) R. K. WILLIAMS,
Offg. Examiner, Railway Accounts.

(Signed) F. P. QUINLAN,
Asst. Examiner, Railway Accounts.

From R. K. WILLIAMS, Esq, Officiating Examiner of Railway Accounts, to J. T. FISHER, Esq., Agent and Manager of the Carnatic Railway Company, dated Madras, 22nd March 1873, No. 231.

I HAVE the honour to forward, herewith, certain statements drawn up in connection with the excess amount standing in the treasury to the credit of the Company's Revenue Account, and the unaccounted for difference between the Rupees 6,00,000 advanced by the Secretary of State and the amount debited to construction and stores.

2. The statement marked A exhibits the earnings and the working expenses from the commencement of the Government guarantee to the late Tramway Company down to the 31st December last, and after making allowance for the unrecovered earnings and the unpaid Revenue Establishment liabilities at that date compares the amount thus ascertained as that which should stand to the credit of Revenue in the treasury with the amount actually there, the result obtained being that up to the 31st December 1869 a sum of Rupees 4,859-7-3, and from that date to 31st December last a further sum of Rupees 1,565-14-3, making a total of Rupees 6,425-5-6, would appear to have been overpaid to or short withdrawn from Government. Of this sum Rupees 93-0-4 seem to be composed of unpaid wages and fines paid into treasury, but not taken as earnings in the Revenue Account, leaving Rupees 6,332-5-2 to be explained.

3. Statement B was prepared from the accounts of the late Tramway Company kept by Arbuthnot and Co., the Agents, upon the principle that all sums creditable to any construction head or to stores belonged to the Board of Directors, or, in other words, to the Capital Account of the Company, and shows that at the 31st December 1869 Rupees 6,332-5-2 were due to that account.

4. Statement C is a classified balance sheet of the Tramway Company's accounts at the 31st December 1867.

5. Statement D is a balance sheet of the Tramway Company's accounts on the 31st December 1869, and Statement E a similar balance sheet for the Carnatic Railway at the 31st December last. These show that at each date the capital assets were deficient and the Revenue assets in excess by the sum of Rupees 6,332-5-2, and go in support of the correctness of Statements A and B.

6. In Statement B on the credit side there stands a sum of Rupees 6,666-12-7 being the difference between the value of stores expended on Revenue and the stores purchased from Revenue Funds from January 1868 to December 1869, and this reduced by off-sets contained in the items on the other side would appear to be the cause of the difference of Rupees 6,332-5-2, which is identical with the amount to be explained of the excess standing at the credit of the Revenue Account. It would, therefore, seem that Revenue during 1868 and 1869 received stores from Capital to this extent for which it has not yet paid; and that the action now necessary to adjust the matter is to make a transfer for the amount in the Company's accounts with Government, a corresponding entry being at the same time made in the Government books.

7. Another call having been made for the explanation of these discrepancies, I beg the favor of your acknowledgment of the figures given in the statements, and of an expression of your views regarding the adjustment of the item of Rupees 6,332-5-2 at your earliest convenience to enable me to reply to the call with as little delay as possible.

From J. T. FISHER, Esq., Agent and Manager of the Carnatic Railway Company, to R. K. WILLIAMS, Esq, Officiating Examiner of Railway Accounts, dated Madras, 25th March 1873, No. 248.

I HAVE the honour to acknowledge the receipt of your letter, dated the 22nd instant, No. 231, and, in reply, to submit the following observations.

2. From the accounts accompanying your letter under reply, it is clear that the amounts Rupees 6,332-5-2 and Rupees 93-0-4 were monies which should have been remitted to the Directors of the Tramway Company prior to the transfer of the undertaking to the Carnatic Company on the 1st January 1870.

Proceedings of the Madras Government, Public Works Department, 29th May 1873.

3. Although it was understood that the £60,000 purchase money for the corpus of the Tramway was to purchase the assets of the Company less the liabilities, still I think that was intended to mean the assets remaining to be realized, and not a cash balance the property of the Board and which in reality ought to have been in their hands.

4. It is scarcely correct to assume that Revenue has received stores from Capital for which it has not yet paid; every fraction of expenditure in stores on Revenue Account has been duly charged, and work has also been done representing the expenditure on Capital Account. I think, under these circumstances, the amount overpaid to the credit of the Revenue Account by the Agents of the Tramway Company ought to be replaced at the disposal of the Board to be dealt with at their discretion.

5. I may here mention that the Board have been anxious to establish for the benefit of their employès a benevolent fund of some kind, similar to that in existence on the East Indian Peninsular, the Madras and some other Railways, and I think probably if these monies were returned to them they would appropriate it to purposes of that kind; there can be no doubt there will, in the very nature of things, be many claims upon them for charitable donations, and I am of opinion not only that it is expedient that they should make what provision they can legitimately to meet claims of such a nature, but that it is their bounden duty to do so.

6. I think, therefore, the Government should treat this matter in a liberal spirit, and that they should replace the amount at the disposal of the Directors for the purposes herein mentioned.

No. 419. ORDER THEREON, 29th May 1873, No. 1,450.

RAILWAY, No. 59.

IT seems clear from the report of the Examiner as to the nature of the discrepancy of Rupees 6,332-5-2 between the Capital and Revenue Accounts of the Carnatic Railway Company that the correct method of adjustment is by the transfer of the amount to the credit of Capital. With regard to the item of Rupees 93-0-4 which appears as an excess in the Revenue Account it will be necessary to refund so much of the amount as represents unpaid wages to the credit of the account originally charged in the manner laid down by the Government of India; while the remainder which is due to fines may be dealt with in accordance with the usual procedure.

2. His Excellency the Governor in Council observes with satisfaction that the adjustment of these items is all that is needed to bring the Carnatic Company's books into order.

3. For the reasons adduced by the Consulting Engineer, it seems expedient to defer final orders on the subject of the apportionment of the general charges of the Company between Capital and Revenue until the impending amalgamation with the Great Southern of India Railway has been carried into effect, when the ratio to be adopted might be settled on a consideration of the circumstances of the entire line.

4. A copy of these Proceedings will be forwarded to the Government of India with reference to their letter No. 113 A. G. R., dated 26th February 1873.

(Here enter No. 1,451, dated 29th May 1873.)

(True Extract.)

Colonel, R.E.,
Secretary to Government.

To the Consulting Engineer for Railways.
" Examiner of Railway Accounts.

Exd. E. C. Shunker.

PUBLIC WORKS DEPARTMENT,
OOTACAMUND, 29*th May* 1873.

No. 420.

No. 1,451.

FROM

COLONEL G. W. WALKER, R.E.,
Secretary to the Government of Madras,
Public Works Department.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
Public Works Department.

RAILWAY, No. 60.

SIR,—I am directed to forward a copy of the accompanying Proceedings containing the views of His Excellency the Governor in Council on the subjects referred for consideration in your letter No. 113 G. R., dated 26th February 1873.

I have the honour to be,
Sir,
Your most obedient servant,

Colonel, R.E.,
Secretary to Government.

Exd. E. C. Shunker.

Govt. of {1873} Madras.

PUBLIC WORKS.

To

THE SECRETARY TO THE GOVERNMENT

OF INDIA.

Dated May 29th

Read. Encl.

G. O., 29th May 1873, No. 1,451.

MAY

No. 420

Forwarding copy of Proceedings on the subject of the discrepancies between the Capital and Revenue Accounts of the Carnatic Railway Company.

S.R. 81.

No. 256

EXAMINER RAILWAY ACCOUNT'S OFFICE,

Madras, 5th April 1873.

From

THE EXAMINER RAILWAY ACCOUNTS,

MADRAS,

To The Consulting Engineer for Railways

Sir,

I have the honor to hand you herewith for such action as you may consider desirable and for subsequent submission to Government in reference to their Order No 833 of the 17th March, the papers noted in the margin in connection with the discrepancy in the Capital and Revenue Accounts of the Carnatic Railway referred to by Captain Pelgate R. E., Deputy Accountant General in his report communicated with the Government Order above noted.

Statement A, Memo of Earnings, Working Expenses &c.
Statement B, Board of Directors' Account.
Statement C, Balance Sheet at 31st December 67.
Statement D, Balance Sheet at the 31st December 69.
Statement E, Balance Sheet at the 31st December 72.
Letter from the Examiner to the Agent, Carnatic Railway No 231 of the 22nd March
Letter from the Agent, Carnatic Railway to the Examiner, Railway Accounts No 248 of the 25th March.

The nature of the statements and the deductions drawn from them are explained in my letter to the Agent, and it only remains for me to refer to one or two points in the Agents' reply.

3. The Agent appears to think that the Assets of the Tramway Company remaining after the discharge of the Liabilities, purchased by the Carnatic Company were not intended to includes any cash balances; and that had the amount now discovered to be due by Revenue to Capital been recovered by the Agents of the Tramway Company and remitted to the Board as ought to have been done, it would have stood in their hands as a cash balances and would thus not have come into the possession of the Carnatic Company; and upon these grounds considers that the amount should be placed at the disposal of this Board.

4. I am unable to concur in this view for I consider that the amounts due by Revenue was as much an asset purchased by the Carnatic Company as any other item and that the term Assets should be regarded in its usual acceptation and was intended to include cash as well as other property. If am the terms upon which the Tramway was taken over which in the preamble of the Contract with the Carnatic Company are related thus." That all the Assets of the Tramway Company except the benefit of the guarantee of 3 per cent and of a provisional contract with the French Government" after discharging "all existing Liabilities of the Tramway Company and "the expenses of liquidation, should be transferred to "the (Carnatic) Company in consideration" &c., it appears to me that the intention was that the Carnatic Company should come into possession of the whole of the property representing the Capital which had been subscribed by the Proprietors of the Tramway Company whether appearing as a line of Railway, stores in stock, cash in hand or debts due to the Company, after paying therefrom the existing Liabilities, in consideration of the £ 60.000. If this view is correct, even had the money been remitted to the Board as the Agent considers should have been done, the only legitimate application of it would have been for them to have handed it to Carnatic Railway as a portion of the property purchased by that Company.

5. But even if the Agents view as to the proprietorship of the amount were accepted, the money belongs to a Company which has been dissolved, and though the Directors of the Carnatic Company may be the same that sat on the Board of the Tramway Company, it would not appear that they have any really valid claim to the amount.

6. The Agent appears to have misapprehended one portion of my letter; it was not intended to imply that the stores had not been included in the Revenue Working charges, but merely that the money for them had not been

3 disbursed. In regard to the statement that
"work has also been done" representing the expendi-
ture on Capital Account" I should observe that
when the Tramway was taken over by the Carna-
tic Companys the value of it stood at over £7,000 000
in the Companys books, but was reassessed,
so that it together with the stores and assets less
liabilities should represent the £ 60.000 with which
the property was purchased, and the state of the
matter at present is, that of the Advances made
on Capital Account Rs. 6.332. 5. 2, the amount
now in question, are unaccounted for in the Capi-
tal Accounts of the Company, because an asset
belonging to the Capital Account has not yet
been paid to it. Were the amount made over
to the Directors as proposed by the Agent, it
would be necessary to increase the debit to Construction
in the Companys books pro tanto.

7 From what I have said it will be
apparent that the proper disposition of the item of
Rs 6332. 5. 2 would in my opinion, be to transfer
it from Revenue to the credit of Capital, and this
is all that is required to adjust the amount both
in the Government and Companys books. As
regards the further amount of Rs 93—4 standing
in

excess in the Revenue Account so much of it
as consists of Unpaid Wages should in accord-
ance with Government Order No. 833 of the 17th
ultimo be credited to the Account originally
charged and the remainder which is comprised
of fines there would probably, as Government
have hitherto allowed the Companies to retain
possession of monies arising from fines, be no
objection to the Agents withdrawing and placing
to the credit of the Companys private Account.

8. With reference to the call made upon
the Examiner in the order before quoted to report
what steps were taken in connection with these
discrepancies upon receipt of the orders of the 7th
June 1870 No. 1414, I have the honor to state, for
the information of Government, that efforts appear
to have been made from time to time as the
current duties of the Office would permit, to in-
vestigate the matter, but it was one of extreme
intricacy requiring great research in the Companys
books and thereby involving great labor, and it is
only now after Mr. Quinlan Assistant Examiners
attention has been largely occupied with it for a
considerable time that a satisfactory result has
been obtained.

9. I may mention that the completion of

EXAMINER RAILWAY ACCOUNT'S OFFICE,
Madras, 2nd March 1873.

No. 231

From

THE EXAMINER RAILWAY ACCOUNTS,
MADRAS,

To The Agent & Manager
Carnatic Railway

SIR,

I have the honor to forward herewith certain statements drawn up in connection with the excess amount standing in the Treasury to the credit of the Company's Revenue Account and the unaccounted for difference between the Rs 600 000 advanced by the Secretary of State and the amount debited to Construction and Stores.

The statement marked A exhibits the earnings and the working expenses from the commencement of the Government guarantee to the late Tramway Company down to the 31st December last, and after making allowance for the unrecovered earnings and the unpaid Revenue Establishment liabilities at that date compares the amount thus ascertained as that which should stand to the credit of Revenue in the Treasury with the amount actually there, the result obtained being that upto the 31st December 1869 a sum of Rs 4859-7-3 and

2. the adjustments here referred to will have the effect of bringing the books of the Carnatic Company into a satisfactory state.

10. A copy of these papers has been forwarded to the Accountant General P. W. D.

I have the honor to be
Sir
Your most Obedient Servant

R. Williams
Offg. Examiner Railway Accounts,
Madras.

From
The Examiner
Railway Accts
Madras

To
The Consulting Engineer
for Railways

Dated 2nd March 1873

Ref 7. 1873

No 256
P.W. 2722 3
Explaining the discrepancy in connection with the Capital and Revenue Accounts of the Carnatic Railway at 31st December 1872

from that date to 31st December last a further sum of Rs 1565-14-3 making a total of Rs 6425-5-5, would appear to have been overpaid to or short withdrawn from Government. Of this sum Rs 93-0-0 seem to be composed of unpaid wages and fines paid into Treasury but not taken as earnings in the Revenue Account, leaving Rs 6332-5-2 to be explained. —

3. Statement B was prepared from the accounts of the late Tramway Co. kept by Arbuthnot & Co., the Agents, upon the principle that all sums creditable to any Construction head or to Stores belonged to the Board of Directors or in other words, to the Capital Account of the Company, and shows that at the 31st December 1869 Rs 6332-5-2 were due to that account. —

4. Statement C is a classified Balance sheet of the Tramway Company's accounts at the 31st December 1867.

5. Statement D is a Balance sheet of the Tramway Company's accounts on the 31st December 1869, and Statement E a similar Balance sheet for the Carnatic Railway at the 31st December last. These show that at each date the Capital assets were deficient and the Revenue assets in excess by the sum of Rs 6332-5-2 and go in support of the correctness of Statements A and B. —

6. In statement B on the credit side there stands a sum of Rs 6666-12-7 being the difference between the value of Stores expended on Revenue and the stores purchased from Revenue funds from January 1868 to December 1869 and this reduced by offsets contained in the items on the other side would appear to be the cause of the difference of Rs 6332-5-2 which is identical with the amount to be explained of the excess standing at the credit of the Revenue Account. — It would therefore seem that Revenue during 1868 and 1869 received stores from Capital to this extent for which it has not yet paid and that the action now necessary to adjust the matter is to make a transfer for the amount in the Company's accounts with Government, a corresponding entry being at the same time made in the Government Books. —

7. Another call having been made for the explanation of these discrepancies I beg the favor of your acknowledgement of the figures given in the statements and of an expression of your views regarding the adjustment of the item of Rs 6332-5-2 at your

earliest convenience, to enable me to reply to the call with as little delay as possible.—

I have the honor to be, &c.,

(Sd) R. K. Williams
Offg Examiner Railway Acct
Madras

(True Copy)

R. Kwilliams
Offg Examiner Railway Accounts,
Madras.

Dr 272/73

B S 20 6

Carnatic Railway Company, Limited.
Agent & Manager's Office.—
Madras, 25th March 1873.

No. 248

To
The Offg Examiner of Railway Accounts
Madras.

Sir,

I have the honor to acknowledge the receipt of your letter dated the 22d instant, No 231, and in reply to submit the following observations.

From the accounts accompanying your letter under reply it is clear that the amounts Rs 6332-5-2 and Rs 93-0-4 were monies which should have been remitted to the Directors of the Tramway Co, prior to the transfer of the undertaking to the Carnatic Company on the 1st January 1870.

Although it was understood that the £ 60000 purchase money for the corpus of the Tramway was to purchase the assets of the Company less the liabilities, still I think that was intended to mean the assets remaining to be realized and not a cash balance the property of the Board and which in reality ought to have been in their hands.—

It is scarcely correct to assume that Revenue has received stores from Capital for which it has not yet paid; every fraction of expenditure in stores on Revenue Account has been duly charged, and work has also been done representing the expenditure on Capital Account. I think under these circumstances the amount overpaid to the credit of the Revenue Account by the Agents of the Tramway Co. ought to be replaced at the disposal of the Board to be dealt with at their discretion.

I may here mention that, the Board have been anxious to establish for the benefit of these employés a benevolent fund of some kind, similar to that in existance on the East Indian Peninsular, the Madras and some other Railways, and I think probably if these monies were returned to them they would appropriate it to purposes of that kind — there can be no doubt there will, in the very nature of things be many claims upon them for Charitable donations, and I am of opinion not only that it is expedient that they should make what provision they can legitimately to meet claims of such a nature, but that it is their bounden duty to do so.

I think therefore the Government should treat this matter in a liberal spirit and that they should replace the amount at the disposal of the Directors for the purposes herein mentioned. —

I have the honor to be, &c.,

(Sig.) Jos. J. Fisher
Agent & Manager

(True Copy)

R. Kuriians
Offg. Examiner Railway Accounts,
Madras.

8 A

Carnatic Railway Co.ᵗᵈ

Memorandum of Adjustment between the Earnings, Working Expenses, and Government Revenue Account from 31st December 1867 to 31st December 1872.

Half-year ending	Earnings per published Rev. Accts	Working Expenses per ditto	Government Revenue Acct
	Rs A P	Rs A P	Rs A P
30th June 1868	26.999 14 5	22.130 7 10	
31st Dec.ʳ —"	18.721 13 4	22.962 4 •	
30th June 1869	29.319 12 10	20.064 5 8	
31st Dec.ʳ —"	19.176 4 4	19.044 10 9	
	94.167 12 11	84.201 12 3	
Deduct Outstandings & Revenue Establishments (a)	(a) 1.685 5 7	(b) 1.754 5 4	
Amount debitable & (c) creditable to Govt Rev. Acct. (d)	(c) 92.482 7 4	(d) 82.447 6 11	
Balance of Government Revenue Account		10.035 • 5	10.035 • 5
		92.482 7 4	
			14.894 7 8
Balance of Govt Revenue Account per Books on 31st December 1869			4.859 7 3
Over-payment to this account in above period			
Balances brought down	1.685 5 7	1.754 5 4	
30th June 1870	19.869 6 4	13.674 • 8	
31st Dec.ʳ —"	15.546 10 10	26.233 14 4	
30th June 1871	19.779 3 6	13.399 12 9	
31st Dec.ʳ —"	15.820 4 7	9.707 11 9	
30th June 1872	19.955 8 5	10.361 9 11	
31st Dec.ʳ —"	14.828 15 7	12.797 4 10	
	1.07.485 6 10	87.928 11 7	
Deduct Outstandings and (e) Revenue Establishments (f)	(e) 1.577 14 1	(f) 879 10 11	
Amount debitable & (g) creditable to Govt Rev. Account (h)	(g) 1.05.957 8 9	(h) 87.049 • 8	
Balances of Government Revenue Account		18.908 8 1	
		1.05.957 8 9	
Balance of Government Revenue Account per Company's Books on 31st December 1872	35.370 9 9		
Deduct Balance on 31st December 1869	14.894 7 8		
	20.476 2 1		
Less due to Madras Railway Co.ᵗᵈ	1 11 9	20.474 6 4	
		18.908 8 1	
Correct Balance as above			1.565 14 3
Over-payment to Govt Revenue Account in this period			6.425 5 6
Total Over-payment Rs			6.332 5 2
Deduct amount shown to be due to Board of Directors of the late Steamway Company per Statement B			93 • 4
Difference equals erroneous payment on account of Unpaid Wages, Fines &c per Balance sheet for December 1872 which shows the cash liabilities in excess of the Assets by this amount.			

(Sig.ᵈ) F. P. Quinlan
Aff.ᵗ Examiner Railway Accounts,
Madras

Madras
1st April 1873

P. Kunhiguppu
Comp.ᵈ Off.ᵍ Examiner Railway Accounts,
Madras

2122/73

Qw 8722/73

Board of Directors — Tramway Company

Dr. (B) 9 Co

1868					1868						
Jan[y] 4	To Traffic Manager per Balance Sheet on 31st December 1867			869	5	1	Jan[y]	By Govt Mileage Allowance per Balance sheet on 31st Dec[r] 1867		1.567	11 4
"	" Sub Imprest Account (Unpaid Wages) per do			75	11	7	"	" Arbuthnot & Co do do		720	2 5
"	" Arbuthnot & Co. for remittance in part of sale proceeds of stores sold to the Abyssinian Expedition			3.254	3	10	"	" Do for refund of Govt duty on Stores		15	12 -
March	" Dr for remittances, in full of do			12.388	10	1	June	" Do for value of stores sold to the Abyssinian Expedition		15.611	1 8
"	" Do for do in part of cash balance on 31st Dec[r] 67		1.036.14.1	482	14	1	"	" Do for Refunds credited to stores		30	8 3
April	" Traffic Manager for outlay on Tramcars (Capital)		11...3				Dec[r] 1869 Febry	" Traffic Manager for sale of stores		16	15 3
June	" Dr do do							" Do for do		1	2 -
1869								" Arbuthnot & Co for refunds of Govt duty on Stores		2.066	14 4
Febry	" Arbuthnot & Co for remittances in full of cash balances		2.000...	1.047	11	4	June	" Traffic Manager for refunds of amounts expended by him on New Rolling Stock		33	2 -
March	" Dr for expenditure on New Rolling Stock		2.500...	257	4	1	Dec[r]	" Arbuthnot & Co. for value of Materials sold & credited to Estimate Expenditure represented by Depreciation		42	8 -
June	" Dr do do		992....					" Do for Refunds credited to stores		32	1 -
Oct[r]	" Dr do do		33.2..	5.492	-	-	Dec[r]	" Do for Home Estimate Expenditure payable to Board as per Rev. Acts Half year ending June 68	4.020.15.4		
March	" Traffic Manager for do		.5.6					Do Dec[r]	4.160.12.-		
July	" Dr do do		.4.6	33	17	-		Do June 69	2.500...		
August	" Dr do do							Do Dec[r]	7.500...	13.181	11 4
May	" Arbuthnot & Co. for remittances on account of Home Expenditure Half year ending June 1868		611.9.8					" Dr for differences between value of stores expended as per Revenue and stores purchased from Revenue Funds from January 68 to 31st Dec[r] 69		6.665	12 7
"	" Dr do Dec[r]		4.160.12.-								
"	" Dr June 1869		2.500...								
June	" Dr for July, August & September		1.250...								
Sept[r]	" Dr do October		416.10.8								
Oct[r]	" Dr do Nov[r]		416.10.8								
Nov[r]	" Dr do Dec[r]		416.10.8								
Jan[y] 1870				9.772	5	8					
				33.654	1	-					
	Balances due to Board erroneously paid over to Govt & Co			6.332	5	2					
				39.986	6	2				39.986	6 2

Malta
1st April 1870

Compared

(Sig[d]) J. P. Quintano
Sig[g] Examiner Railway Accounts
Malta

(Sig[d]) J. P. Quintano
Sig[g] Examiner Railway Accounts
Malta

Cw 2722/73

Indian Railway Company

Balance sheet on 31st December 1867

Dr

	Rs	A	P	Rs	A	P
To Expenditure represented by Property	4.31 040	5	8			
Do not do	74.249	4	11			
" Carriages and Wagons	86.848	9	11			
" Engines	48.509	13	5			
				6 40 648	1	11
" Stores				89.373	13	1
Total Construction & Stores				7 30 021	15	-
" Govt Mileage Allowance	1.567	11	4			
" Arbuthnot & Co.	720	2	5			
				2.287	13	9
				7.32.309	12	9

Cr

	Rs	A	P	Rs	A	P
By Board of Directors London	2.35.195	-	7			
" Do Store Account	3.86.403	8	2			
" Capital paid in India	75.164	"	-			
" Revenue Advances to Capital	33.259	5	3			
Total Capital Withdrawals				7.30 021	15	-
" Profit and Loss	942	12	8			
" Traffic Manager	869	5	1			
" Fines	393	12	5			
" Suspense Account	75	11	7			
" Transfer Fees	6	4	-			
				2 287	13	9
				7 32 309	12	9

Madras
1st April 1873

R. Cunliffe
Offg. Examiner Railway Accounts
Madras

Comp'd

(Sgd). F. P. Quinlan
Offg. Examiner Railway Accounts
Madras

11 (2)

Indian Steamway Company

Balance Sheet on 31st December 1869

Dr. | Cr.

Dr.	Rs.	A.	P.	Rs.	A.	P.	Cr.	Rs.	A.	P.	Rs.	A.	P.
To Expenditure represented by Property							By Board of Directors London	2.56.443	8	10			
" Dr. not do	4.32.045	12	-				" Dr. Store Account	3.91.400	13	1			
" Carriages and Wagons	73.849	4	6				" Capital raised in India	75.164	-	-			
" Engines	86.848	9	11				Total Capital Withdrawn				7.23.008	5	11
" Rolling Stock New	49.063	1	1				Liabilities accepted by the Carnatic Railway Co.						
" Stores to reduce debit Balances	7.787	2	5				" Net Revenue Account	9.966	-	8			
" Stores	9.738	5	8	6.59.332	3	7	" Revenues Establishment	1.754	5	4			
Total Construction and Stores				57.343	13	2		11.720	6	-			
				7.16.676	-	9							
Assets assumed by the Carnatic Railway Company													
" Govt Revenue Account	14.894	7	8										
" Traffic Cash Account	1.685	5	7										
	16.579	13	3										
" Arbuthnot & Co. 8.990 4 6							" Madras Railway	2.267	14	11			
" Traffic Manager 655 - 7	9.645	5	1	26.225	2	4	" Rev. Advance Account	5.062	10	4			
							" Suspense Account	538	7	5			
							" Traffic Manager	181	12	8			
							" Unpaid Wages	78	6	1			
							" Fines	23	3	5			
							" Income Tax	-	-	4	8.172	7	2
											19.892	13	2
				742.901	3	1					742.901	3	1

Madras
1st April 1873.

R. Knillingys
Offg. Examiner Railway Accounts
Madras.

Compd Rs

(Sigd). F. P. Dunlan
Asst Examiner Railway Accounts
Madras

12 (E)

6c

Carnatic Railway

Balance Sheet on 31st December 1872

Dr

	Co	A	P	Rs	A	P
To. Ballast & Permanent Way	2.56.600	.	.			
" Establishment	2.66.311	12	11			
" Rolling Stock	1.37.804	7	.			
" Preliminary Expenses	1.66.054	2	8			
" Stations and Buildings	59.723	13	8			
" Construction of Line	61.000	.	.			
" Electric Telegraph	6.000	.	.			
" Plant	3.287	10	9	8.96.781	15	.
" Stores	51.035	4	3			
" Stores in Transitu	1.529	.	8	52.564	4	11
" Home Payments Account				1.235	.	.
Total Capital Expenditure				9.50.581	3	11
" Government Revenue Account	35.370	9	9			
" Traffic Cash Account	1.527	14	1	36.898	7	10
Cash Assets						
" Capital Advance Account	477	13	4			
" Bank of Madras	251	.	5			
" Chief Engineer	236	11	1			
" Cash	172	6	8			
" Superintendent of Line	5	3	3	1.143	2	9
				9 88.622	14	6

	Rs	A	P	Rs	A	P
By Board of Directors London	7 28.945	14	8			
" Do Store Account	20.484	9	4			
" Government Capital Account	2.07.483	1	1			
Total Capital Withdrawals				9.56.913	9	1
" Net Revenues Account	29.591	11	8			
" Revenue Establishment	879	10	11			
" Madras Railway Company	1	11	9	30.473	2	4
Cash Liabilities						
" Revenues Advance Account	675	7	10			
" Guarantee Fund	300	"	"			
" Fines	227	11	9			
" Wages Unpaid	32	12	6			
" Refunds to Government	"	3	"	1.236	3	1
				9 88.622	14	6

Madras
1st March 1873.

Compared

P. Kindersley
Offg. Examiner Railway Accounts,
Madras.

(Sig.) F. P. Quinlan
Asst. Examiner Railway Accounts,
Madras

PW 2722/73

Pub 2722/73
Ord 4229 dated 29th May 73
Ex 4784 dated 30th

Railway Department.

CONSULTING ENGINEER'S OFFICE,

No. 243.

From

LIEUT.-COLONEL J. H. M. SHAW STEWART, R.E.,
Consulting Engineer for Railways,

To

COLONEL G. W. WALKER, R.E.,
Secretary to Government,
Public Works Department,
Fort Saint George.

SIR,

With reference to paragraph 2 of the Order of Government No. 833 dated 17th March 1873, I have the honour to submit a report from the Officiating Examiner of Railway Accounts, regarding the discrepancy between the Capital and Revenue Accounts of the Carnatic Railway referred to in paragraph 2 of the Deputy Accountant General's report embodied in the Order above quoted.

No. 256 dated 5th April 1873 with enclosures.

2. I concur in the views expressed by Mr. Williams.

3. Regarding the division of the

the general charges of the Carnatic Railway referred to in paragraph 3 of the Order of Government under acknowledgment, the Agent considers that the proposals made in the second paragraph of the letter from the Government of India No. 1149-84 of the 25th October 1872, namely, that the general charges should be apportioned between the two accounts in the ratio of Capital expenditure to Revenue expenditure plus earnings, would operate fairly; but he would prefer that a fixed sum arrived at on the same principle, by taking the sanctioned Capital outlay and the estimated Revenue transactions, should be adopted instead of making the apportionment upon actual results, which he thinks would lead to considerable fluctuation in the amount debitable to Revenue in different half-years.

G.O. No. 2269 6th November 1872.

4. The Agent is however of opinion that, as there is but little prospect

prospect now of construction being commenced before the anticipated amalgamation with the Great Southern of India Railway, and as any rules that may be brought into force for the apportionment of general charges on the Great Southern of India Railway would probably be made applicable also to the Carnatic portion of the united undertaking, it is perhaps superfluous to make now any definite proposals. The Officiating Examiner concurs in Mr. Fisher's views; and, under the circumstances, I recommend that definite orders on the subject may be postponed till after the approaching amalgamation is accomplished.

With reference to paragraph 5. 6. of the Deputy Accountant General's report, the Agents of the Railway Companies have been requested to observe the rule regarding unpaid wages therein laid down.

I have the honour to be
Sir
your most obedient servant

Madras
1st May 1873

W. Stewart Lt. C.E., R.E.
Cons. Engineer for Railways

No. 1450 Dt. 29.

Con. The Railway Supdt.
Nilgiri Railway.

From The Consulting Engineer for Railways.
No. 2438 Dt. 31st May 73.

Forwarded for information.

It seems clear from the report of the Examiner as to the nature of the discrepancy of Rupees 63332-5-2 between the Capital and Revenue Accounts of the Carnatic Railway Company that the correct method of adjustment is by

The

P.W. 1873 Dept.

RAILWAY DEPARTMENT.

1873.

From No. 2722

The Consulting Engineer for Railways,

To

The Secretary to Government,
P. W. Department,
Fort Saint George.

Dated 1st May 1873
Recd. 2 " "

No. 2433

No. 1450-1451-29th May 73.

Submitting with remarks a report from the Off. Exr of Rly Accounts regarding certain discrepancies between the Capital and Revenue Accounts of the C. Rly.

No. 1418
Dispd to Audr 3rd June 73

the transfer of the amount
to the credit of Capital
With regard to the
item of Rupees 93-0-4
which appears as an
excess in the Revenue
Account it will be
necessary to refund so
much of the amount
as represents unpaid
wages to the credit of
the account originally
charged, in the manner
laid down by the Govern-
-ment of India; while
the remainder which
is due to fines may be
dealt with in accordance
with the usual pro-
-cedure.

His

His Excellency
the Governor in Council
observes with satisfaction
that the adjustment
of these items is all
that is needed to
bring the Carnatic
Company's books into
order.

For the reasons
adduced by the Con-
-sulting Engineer it
seems expedient to
defer final orders on
the subject of the ap-
-portionment of the
general charges of
the Company between
Capital and Revenue
until

until the impending amalgamation with the Great Southern of India Railway has been carried into effect, when the ratio to be adopted might be settled on a consideration of the circumstances of the entire line.

A copy of these Proceedings will be forwarded to the Government of India with reference to their letter No 113 A.J.R. dated 26th February 1873.

G.W.W.

To
The Chief Engr for Railways
Ry: Railway dept
Dept. 4-6-73.

No 4457

To
The Secretary to the Government of India.

Sir,

I am directed to forward a copy of the accompanying Proceedings containing the views of His Excellency the Governor in Council on the subjects referred for consideration in your letter No 113 G. P. dated 26th February 1873.

G.W.W.

Dept. 4-6-73. with 30 enclosures 7 pp. No 1442/13

Chargeable

Govt. of {1873} Madras.

PUBLIC WORKS.

To Accountant General for Railways & Superintending Engineer

Dated

Rec'd. Encl. 5

G. O. 29 dated 8-1450-1451.

Rec. 118-117 1121

Carnatic Railway Co:-

Forward copy of Rec: on the subject of the discrepancies between the Capital and Revenue Accounts of the Carnatic Railway Company

Recommends in letter from the Engineer for remarks on the remarks reported from the Dept. Examiner as to the discrepancies between the Capital & Revenue Accounts of the Company