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MADRAS RECORD OFFICE

Government of Madras

Public Works

DEPARTMENT

G.O. No.

3075

Press

B.P. No.

Mis.

Dated

17 - 11

1876

195

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*Proceedings of the Madras Government, Public Works Department,
17th November 1876. No. 3,075.*

No. 289. Read the following Circular from the Government of India in the Public Works Department, (Account—Irrigation,) dated Simla, 23rd October 1876, No. 66 :—

Provision for Establishment and Plant for Irrigation Works.

Read again—

Public Works Department Circular No. 70 of 1874.

RESOLUTION.—The Government of India having had under consideration the rules laid down for the inclusion of the charges for Establishment and Tools and Plant in estimates of Capital outlay on Irrigation Works, deems it necessary to state precisely the procedure which should be followed in dealing with such charges.

2. The Capital outlay on Irrigation Works is divided into two categories, viz. :—

Direct charges, consisting of—

Works.

Establishment.

Plant.

Indirect charges, consisting of—

Capitalization of abatement of land revenue.

Charge for exchange on payments in England.

Leave and pension allowances.

Interest previous to work being brought into operation.

3. By the rules laid down in Public Works Department Circular No. 70 of 1874, it was required that the estimate for a project should be in two parts—one showing the probable outlay under Works only—and the other the total cost, including, besides Works, all the other charges above described, so as to admit of comparison of the revenue or returns with the total charges.

4. It is, however, found that those rules are not adhered to, owing to a tendency to include in the first part all the direct outlay that will be involved, and there is, in fact, no uniform practice in force in dealing with estimates and according sanctions. In some cases the sum to which the sanction is accorded is the amount for Works and Plant; in others it is the total amount of the direct charges; and occasionally the sanction is for the amount of Works only.

5. But it is necessary that the procedure should be definite, and the following points appear to bear directly on the necessity for including Establishment and Plant as well as Works in the amount requiring specific sanction :—

- (1) the debit to the budget grant of a work (under Capital) consists of the outlay under Works, Establishment and Plant;
- (2) the limit on the total expenditure debitable to Extraordinary is the outlay of those three classes, not the first only;
- (3) in dealing with excesses over estimates, the total outlay under Works, Establishment, and Plant, is a gain the sum used in the calculations to arrive at the amount involved; and explanations on any other basis are not accepted;
- (4) extraordinary expenditure includes outlay on Establishment, as much as on Works, so that both should be treated alike:

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(5) the sanctions given to the general Establishment of a Province are general sanctions, and do not specify its partition among the several works. The cost therefore of the Establishment required on a work can be checked only by subsequent sanctions being entered for it in the estimate for that work; hence to allow the provision for Establishment to be made in any other way than that of a specific sanction might lead to indefinite increases in its amount in an irregular kind of way.

Taking all these points into consideration, His Honor the President in Council is of opinion that the proper plan is to require that the sanction to an estimate should cover the direct charges under all the first three classes. In this view the following rules are laid down for future guidance in supersession of those prescribed in Public Works Department Circular No. 70 of 1874:—

I. The general abstract of an estimate for Capital outlay on Irrigation Works, whether under Ordinary or Extraordinary, should be prepared so as to show the total direct cost of the project distinct from the indirect charges, as follows:—

A.—Direct charges, or charges debitable to Budget Grant— Rs.

I. Works	...	...	...	...	...	...	...	...	...
II. Establishment	...	...	...	...	...	...	...	...	...
III. Tools and Plant	...	...	...	...	...	...	...	...	...

Direct charges ...

B.—Indirect charges, or charges not debitable to Budget Grant—

IV and V are Suspense Account, and receipts on Capital Account which do not enter into estimates, but find a place in the Accounts ...

VI Capitalization and abatement of land revenue ...

VII Charge for exchange on payments in England ...

VIII Leave and pension allowances ...

C.—Interest previous to work being brought into operation

Indirect charges ...

The estimate should be prepared under the classes, main heads, and heads of account given in Public Works Department Circular No. 33 of 1875. And care should be taken to see that the preliminary expenses incurred in the survey of a project are included in the general estimate of the cost of executing the project.

II. The amount of the provision for Establishment will depend upon the circumstance whether the work is to be executed by the existing establishment of the division in which the work is situated, or by an Establishment to be transferred from other works, or whether a separate Establishment is to undertake the construction of the project.

III. The exact sum to be provided for Establishment will be arrived at according to the rules laid down in Public Works Department Resolution Nos. 316—31 A—I, dated 27th September 1875, for the adjustment of charges for Establishment between Capital and Revenue.

IV. The provision for Tools and Plant for a work will consist of the probable actual charges for that work. In all cases the provision for any special machinery, or the like, that may be required for a work, should be shown as a special item.

*Proceedings of the Madras Government, Public Works Department,
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V. The estimates for Establishment and Tools and Plant will be prepared in detail, so as to show exactly how the sum provided under these two heads in the general abstract estimate of the project is arrived at.

VI. In according sanction to the estimate for a project, the amount sanctioned will be the aggregate of the direct charges, the indirect charges being only noted in the letter of sanction. The precise manner in which the estimate will be sanctioned will be expressed as follows:—

The estimate for the project is sanctioned under the head direct charges for Rupees, viz.:—

I. Works	...	...	...	...	...	...	...	Rs.
II. Establishment	...	...	...	...	...	...	...	...
III. Tools and Plant	...	...	...	...	...	...	...	...
Total	...	...	...	...	...	...	...	...

The indirect charges will be in addition as follows, viz.:—

[Here give detail.]

The estimated total cost under Capital will be ...

VII. In case of Works debitable to the Ordinary Grant the estimates for such Works can be sanctioned by Local Governments and Administrations, provided the amount of the estimate under Works only is not in excess of the amount up to which Local Governments and Administrations are invested with powers to sanction estimates under Chapter XVI, Section I, paragraph 55 of the Code. Cases of excess outlay over estimate for Ordinary Works will be dealt with similarly. In other words, the provision for Establishment, Tools and Plant and indirect charges will not be taken into account in considering whether an estimate for Ordinary Works, or excess outlay over such estimate, is within the competency of the Local Governments or Administrations to sanction and pass.

VIII. In cases of estimates sanctioned by the Government of India, savings under Establishment and Tools and Plant cannot be applied by Local Governments and Administrations to meet excess outlay on works. Nor in such cases can any increase be made to the provision for Establishment and Tools and Plant by transfer from Works without the sanction of the Government of India previously obtained.

IX. There will practically be three limits in the charges for Establishment, viz.:—

A.—The specific sanction of the Government of India based on the usual application in tabular form and modified from time to time by transfer of Establishment or otherwise on competent authority.

B.—The Budget grant for Establishment for the work.

C.—The provision for Establishment made in the general estimate for the Works concerned.

X. For Tools and Plant the limit will be—

A.—The provision in the general estimate for the project.

B.—The sanctions to estimates for Tools and Plant, the aggregate of which must not be in excess of the provision made in the general estimate.

C.—The Budget grant for Tools and Plant for the Works.

GOVERNMENT OF INDIA
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
Irrigation. P.W.D.

To

The Governments of Madras, Bombay, Bengal, North-Western Provinces, and the Punjab, in the Public Works Department, General and Irrigation Branches.
The Chief Commissioners of Oudh, Central Provinces, British Burmah, Mysore and Coorg, and Assam.
The Resident at Hyderabad.
The Agents to the Governor General for Central India and Rajpootana.
The Superintendent of Port Blair, and Chief Commissioner, Andaman and Nicobar Islands.

Circular No. 66 of 1876.

Dated SIMLA, October 23, 1876.

Received

seen
No 3075 17/11/76
Communicated to the Officers
concerned for information
guidance
11/11

7/11/76
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25-11-76

Provision for Establishment and Plant for Irrigation Works.

Proceedings of the Madras Government, Public Works Department,
17th November 1876. No. 3,075.

The Governments of Madras, Bombay, Bengal, North-Western Provinces, and the Punjab, in the Public Works Department, General and Irrigation Branches.
The Chief Commissioners of Oudh, Central Provinces, British Burmah, Mysore and Coorg, and Assam.
The Resident at Hyderabad.
The Agents to the Governor General for Central India and Rajpootana.
The Superintendent of Port Blair, and Chief Commissioner, Andaman and Nicobar Islands.

ORDER.—Ordered that this Circular Resolution be communicated to all Local Governments and Administrations for information and guidance.

(Signed) J. J. McLEOD INNES, Colonel, R.E.,
Dy. Secy. to the Govt of India.

No. 290. ORDER THEREON, 17th November 1876, No. 3,075.

IRRIGATION, No. 27.
Account.

COMMUNICATED to the officers concerned for information and guidance.

(True Extract.)

Major-General, R.E.,
Secretary to Government.

To the Chief Engineer for Irrigation.
,, Examiner of Public Works Accounts.
To all Superintending and District Engineers.

289/90

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Govt. of Madras.

PUBLIC WORKS.

To

The Chief Eng^r for Disgr^{ee}

11/11/02

Dated

Encl^d

Rec^d

Encl^d

G. O. 17th Dec^r 1876, No. 3075

No. 289/90

Establishment & Plant for
Irrigation Works - Circular
of the Gov^t of India
regarding the provision
for —, communicated
to the Officers concerned
for information & guidance.