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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No. *400401(Ry)* Press
B.P. No. _____ Mis. _____

Dated *15-2-* 18 *76*

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
15th February 1876.*

No. 241. Read the following letter from Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, to Major-General G. W. WALKER, R.E., Secretary to Government, Public Works Department, dated Madras, 8th February 1876, No. 79 :—

I HAVE the honor to submit, for communication to the Government of India, the Letter from Agent, South Indian Railway, No. 1,192, dated 21st January 1876. Do. from Chief Auditor, No. 8,413/111, dated 13th January 1876. Memorandum from Examiner of Railway Accounts, No. 127, dated 29th January 1876. explanations contained in the papers marginally noted, of the discrepancies pointed out by that Government in their letter embodied in the Proceedings of Government, No. 3,607, of the 22nd Dec. last.

2. From these papers it will be seen that the differences between the amounts given as Capital expenditure on the South Indian Railway in different half-yearly accounts, and Forms (IV. and VI.) of the same, are due to the varying rates of exchange (1s. 10d. and 2s. respectively) on the late Great Southern of India and Carnatic Railway Companies, the accounts of which have not yet been adjusted to the new contract rate of exchange of 1s. 11d. per Rupee with retrospective effect from the commencement of operations; and to changes in the method of arriving at the past expenditure when compiling the accounts of different half-years.*

3. The suggestion contained in the despatch* by the Right Honorable the Secretary of State, embodied in the Proceedings of this Government, No. 27, of the 5th January last, that some arbitrary method, to be decided on in India, be adopted in adjusting the Store Accounts of the amalgamated Company, is engaging the attention of this department.

From W. S. BETTS, Esq., Agent of the South Indian Railway, to Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, dated Negapatam, 21st January 1876, No. 1,192.

THE differences to which you refer in your letter, No. 55, of the 18th instant, have been caused by the adoption of varying rates of exchange. The subject has been under the consideration of the Chief Auditor, and, for your information, I attach copy of his letter, dated the 13th instant thereon.

LETTER from Chief Auditor, to Agent, dated Negapatam, 13th January 1876, No. G-8,413/111. Your No. 4,368 of the 22nd ultimo.

The discrepancies in the Capital Forms of the accounts for the half-year ending June last, to which the Managing Director has drawn your attention, have arisen in the following manner :—

The difference between the expenditure up to the end of the half-year in question, as shown in Form IV. and Form VI., is due to the exchange rates varying. The figures entered in the latter have been arrived at by conversion of the amount which was originally stated in Indian into English currency at the present current rate of exchange, whereas those entered in Form IV. (as will be seen in a later portion of this letter) have been adopted from the accounts published by the Board, in which the rates of exchange on the Indian transactions have varied. A decision as to the adjustments to be made in connection with this subject will enable these accounts to be rectified.

In preparing Form IV. for the submission to the Government here, it has been customary to adopt, as the past expenditure, the figures shown in the accounts published by the Board, as these have always included the whole expenditure capitalized in England, part of which does not appear on the Indian books. For the year 1874, however, a change seems to have been made, and the Form IV. was published as prepared in this country: and this only included a portion of the expenditure in England. In drawing up the account for last year for Government, I was

*Proceedings of the Madras Government, Public Works Department,
15th February 1876.*

asked from the Examiner's office to show the past expenditure as that stated in the accounts received from the London Office for the half-year *plus* the sum shown in the Indian books; and this was accordingly done. I enclose, for the information of the London Office, a statement showing how the amount which has been entered in the Form, as the expenditure up to end of December 1874, has been arrived at.

NEGAPATAM,
13th January 1876.

(True Copy.)

(Signed) W. S. BETTS,
Agent.

STATEMENT showing how amount entered as previous expenditure on Form No. IV. for the half-year ending 30th June was arrived at.

Expenditure to 31st December 1873 as per Form IV., published with Director's report for year 1873	£.	s.	d.
Amount expended in England to above date as per General Balance Account...	...	...	...
Do. do. in India as per balance at debit of Capital Account, Indian books at that date Rs. 1,68,46,397-14-3 at 1s. 10d. per Rupee	57,542	14	4
Deduct proportion of home expenditure charged to Revenue, which does not appear to have been brought to credit of establishment in books of London Office as under:—	1,544,253	2	9
31st Dec. 1872 ... Rs. 2,945 15 7			
30th June 1873 ... " 3,869 6 10			
31st Dec. " ... " 8,265 9 7			
15,084 0 0 at 1s. 10d. per Rupee	1,382	14	0
	1,600,413	3	1

Add sundry debits during 1874 as per Accounts furnished by London Office as under:—

Total expenditure as per General Balance Account, 31st December 1874, exclusive of establishment charges ... 27,780 0 9

Less—
Do. do. do. 31st December 1873, exclusive of do. do. ... 21,182 3 2

Expenditure during 1874 ... 6,597 17 7

Deduct amount included in Form IV. for half-year ending 30th June 1873 (*Vide* note) ... 1,104 8 0

Add amount of Form V. for the year 1874 ... 5,493 9 7

Amount at debit of Form IV., Carnatic Railway, at 31st December 1873 ... 267,406 8 9

... 1,873,313 1 5

... 105,923 12 0

... 1,979,236 13 5

Note.—The amount debited on account of Home establishment for the half-year ending 30th June 1874 was obtained from a memorandum noted at foot of the classification of issues by the Secretary of State for that half-year and was taken as ... 2,654 8 0

From the statement of Home establishment expenditure to 31st December 1874, dated London, 12th February, the charges on this account are shown as ... 1,550 0 0

... 1,104 8 0

(Signed) J. SMITH,
Chief Auditor.

10th January 1876.

*Proceedings of the Madras Government, Public Works Department,
15th February 1876.*

Memorandum from the Examiner of Railway Accounts, to the Consulting Engineer for Railways, dated Madras, 29th January 1876, No. 127.

THE undersigned has the honor to return the letters received with Consulting Engineer's Memorandum, No. 111, dated 27th instant, and in so doing to say that he has nothing to add to the explanation furnished by Mr. Smith of the discrepancies referred to by the Government of India. When the past expenditure has once been adjusted to the new rate of exchange all discrepancies will disappear.

(Signed) R. G. MACDONALD,
Examiner of Railway Accounts.

No. 242. ORDER THEREON, 15th February 1876, No. 400.

RAILWAY, No. 29.

ORDERED to be forwarded for the information of the Government of India.

(Here enter, No. 401, dated 15th February 1876.)

(True Extract.)

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

To the Consulting Engineer for Railways.

Exd. S. T. Austin.

Spare Copies

PUBLIC WORKS DEPARTMENT,
FORT ST. GEORGE, 15th February 1876.

No. 243.

No. 401.

FROM

MAJOR-GENERAL 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. 30.

SIR,—With reference to your letter,
No. 3,098 R., dated 14th December 1875,
I am directed to forward the accompany-

ing papers which explain the discrepancies pointed out.

2. I am to add that instructions have been issued with the view of securing the
submission of these accounts within a more reasonable time.

I have the honor to be,

Sir,

Your most obedient servant,

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

Exd. S. T. Austin.

Spare Copies

Govt. of (1876) Madras
PUBLIC WORKS.

To
THE SECRETARY TO THE GOVERNMENT
OF INDIA.

Dated February 15th.

Subject

Encl.

Encl.

C. O., 15th February 1876 No. 401.

FEBRUARY.

No. 243

FORWARDING explanation of the Consulting Engineer for Railways regarding the discrepancies in the Capital and Revenue Accounts of the South Indian Railway for the half-year ending 30th June 1875.

RAILWAY DEPARTMENT

CONSULTING ENGINEER'S OFFICE.

Madras, 18 Feb 1876.

No. 79.

From

LIEUT.-COLONEL J. H. M. SHAW-STEWART, R.E.,

Consulting Engineer for Railways,

To

MAJOR-GENERAL G. W. WALKER, R.E.,

Secretary to Government,

Public Works Department,

Fort Saint George.

SIR,

I have the honor to submit for communication to the Government of India the explanations contained in the papers marginally noted, of the discrepancies pointed out by that Government in their letter embodied in the Proceedings of Government No 3607 of the 22nd December last.

2.

From these papers

Letter from Capt. J. H. M. Shaw-Stewart No 1192 dated 21/1/76
do from Chief Engineer - 24/13 dated 13/1/76
Memo from Lt. Col. Shaw-Stewart 11/12 dated 29/1/76

it will be seen that the differences between the amounts given as Capital expenditure on the South Indian Railway in different half-yearly accounts, and forms IV and IV of the same, are due to the varying rates of exchange $\text{₹}110$ and $\text{₹}90$ respectively on the late Great Southern of India and Carnatic Railway companies, the accounts of which have not yet been adjusted to the new contract rate of exchange of $\text{₹}110$ per rupee with retrospective effect from the commencement of operations; and to changes in the method of arriving at the net expenditure when compiling the accounts of different half-years.

3

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Nov 4 d
11 m 1/2

3.

3. The suggestion contained in the dispatch by the Right Honourable the Secretary of State embodied in the Proceedings of this Government Board of the 3 January last that some arbitrary method, to be decided on in India, ^{adopted} in adjusting the Store accounts of the Amalgamated Company is engaging the attention of this Department.

I have the honour
to be

Your most obedient Servant
Wm. Gordon Ryer
J. J. Ryer

Go to 27. dated 5 Jan 1876
 3607-9-22 Dec 75
 2947-9-15 Oct 75

Ex-12-2-76
 241-242
 I find that the explanation of the discrepancies pointed out by the Comptroller is not satisfactory. The capital value also of the 1st class communication is the same as the 2nd class.

LD. NO 400-1-15. 2-76
 F. 45 No. 79.
 Dated 8th February 1876
 Recd 10th February 1876
 To The Secretary to Government, P. W. Department, Fort Saint George.
 From The Consulting Engineer for Railways, No. 1048
 RAILWAY DEPARTMENT.
 25th 1876 paper.

Statement showing how amount entered as previous expenditure on Form No. IV for the half year ending 30th June was arrived at
 Expenditure to 31st December 1873 as per Form IV.
 published with directors Report for year 1873 £1601,795-17-1
 Amount expended in England to above date as per General Balance Account £57,522-14-4
 do do in India as per Balance at debit of Capital account Indian books at that date Rs 1,68,46,397-14-3
 at 1/10th per rupee = £15,74,253-2-9
 Deduct proportion of Home Expenditure charged to Revenue which does not appear to have been brought to credit of Establishment in books of London Office as under
 31st Dec 1872 Rs 2945-15-7
 30 June 1873 - 3869-6-10
 31 Dec 1873 - 8265-9-7
 15,084-0-0 @ 1/10th per Rs. 1382-14-0
 £1600,413-3-1
 Add sundry debits during 1874. as per accounts furnished by London Office as under.
 Total expenditure as per General Balance Account 31st Dec 1874 exclusive of establishment charges £27,780-0-9
 Less
 do do do 31st Dec 1873 exclusive of ditto ditto 21,182-3-2
 Expenditure during 1874 6,597-17-7
 Deduct amount included in Form IV for half year ending 30th June 1873 (vide note) 1,104-8-0
 5493-9-7
 £1605,906-12-8
 over

over. \$ 1605,906-12-8

Add

Amount of Form V for the year 1874 ————— 267,106-8-9
1873,312-1-5

Amount @ debit of Form IV Carnatic

Railway at 31 December 1873 ————— 105,923-12-0
\$ 1,979,236-13-5

Note.

The amount debited on account of Home Establishment for the half year ending 30th June 1874 was obtained from a memorandum noted at foot of the classification of issues by the Secretary of State for that half year and was taken as \$ 2654-8-0

From the Statement of Home Establishment expenditure to 31 December 1874 dated London 12th February, the charges on this account are shown as

1550-0-0

\$ 1,104-8-0

(Signed) James Smith
Chief Auditor

10 January 1876

(True copy)

WMS
Agent

No: 15-76
July 76. OS 11-241

South Indian Railway
 Letter from Chief Auditor to Agent dated Mysore
 13th January 1876 No. S. 8413
 111

Your No. 4368 of the 22nd Ultimo.
 The discrepancies in the Capital Forms of the
 accounts for the half year ending June last to which
 the Managing Director has drawn your attention
 have arisen in the following manner.

The difference between the expenditure up
 to the end of the half year in question as shown
 in Form 4 and Form 6 is, due to the exchange
 rates varying. The figures entered in the latter have
 been arrived at by conversion of the amount which
 was originally stated in Indian, into English currency
 at the present current rate of exchange, whereas
 those entered in Form 4 (as will be seen in a
 later portion of this letter) have been adopted from
 the accounts published by the Board in which
 the rates of exchange on the Indian transactions
 have varied. A decision as to the adjustments
 to be made in connection with this subject -
 will enable these accounts to be rectified.

In preparing Form IV for the submission
 to the Government here it has been customary
 to adopt as the past expenditure the figures
 shown in the accounts published by the Board
 as these have always included the whole expendi-
 ture capitalized in England, part of which does
 not appear on the Indian Books. For the year 1874-
 however, a change seems to have been made and
 the Form IV. was published as prepared in this
 country; and this only includes a portion of the
 expenditure in England. In drawing up the

Discrepancies
 in Capital
 Form Nos. 4-6
 for 1/2 year June
 75 L

345

Chief Auditor

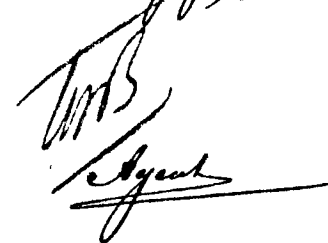
13th Jan 76

13th Jan 76
 13th Jan 76
 13th Jan 76

account for last year for Government, I was asked
 from the Examiners office to show the past expenditure
 as that stated in the accounts received from the
 London Office for the half year plus the sum shown
 in the Indian books; and this was accordingly done,
 I enclose for the information of the London Office
 a statement showing how the amount which
 has been entered in the Form, as the expenditure
 up to end of December 1874, has been arrived
 at.

(True Copy)

Agents' Office 3
 Nagapalan 3
 18 January 76 3


 Agent

PS

No. 15-167160/11241

No. 1192

South Indian
GREAT SOUTHERN OF INDIA RAILWAY.

AGENTS OFFICE,

NEGAPATAM, 21st January 1876

From

THE AGENT, South Indian
Great Southern of India Railway,

To

The Consulting Engineer for Railways
Madras.

SIR,

The differences to which you refer in your letter
No 55 of the 13th Inst. have been caused by the adoption of varying
rates of exchange. The subject has been under the consideration of
the Chief Auditor, and for your information I attach copy of
his letter dated the 13th Inst. thereon.

I have the honour to be,
Sir,

Your most Obedt. Servant

William B. B. B.

Agent

Recd 15- Feb 16 1876
11/10/96

RAILWAY BRANCH,

EXAMINER'S OFFICE.

MEMO. No. 127

21K

The undersigned has the honour to return the letters received with Consulting Engineer's Memo: No: III dated 27th instant and in so doing to say that he has nothing to add to the explanation furnished by Mr. Smith of the discrepancies referred to by the Government of India. When the past expenditure has been adjusted to the new rate of exchange, all discrepancies will disappear.

K. G. Macdonald
Madras 29th January 1893
Consulting Engineer
for Railways, Madras

Examined

from

Mr. Smith

20.1.93

Mr. Lowry

for Consulting

Engineer

21.1.93

21.1.93

Dr. Smith of Madras

1.11.1893

2.1.93

18.1.93

papers which explain the
discrepancies pointed out.

I am to add that
instructions have been issued
with the view of securing
the submission of these
accounts within a more
reasonable time.

GMR

N 241 @ 243

Resp - 2. 3. 70

Oct 12-2-76

Ree 12-2-76