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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

P. W. D. DEPARTMENT

G.O. No.
B.P. No.

3079. W.

Press.
Mis.

Dated

12.12.1881

197

to be folded or roughly handled

3079
1

GOVERNMENT OF MADRAS.
PUBLIC WORKS DEPARTMENT.

12th December 1881, No. 3079 W.

General.
Account.

Read the following paper:—

No. 39. From D. C. GORDON, Esq., Examiner of Public Works Accounts, to the Secretary to Government, Public Works Department, dated Madras, 23rd September 1881, No. 123 W.

I HAVE the honor to submit herewith, for the information and orders of Government, Mr. Larminie's report of the operations of the Factory at Dowlaishweram for the year 1880-81, with my notes thereon.

From J. C. LARMINIE, Esq., Executive Engineer in charge Government Workshops, Dowlaishweram, to the Examiner of Public Works Accounts, dated Dowlaishweram, 6th May 1881, No. 26.

I HAVE the honor to submit herewith the annual accounts of the Dowlaishweram Workshops for the official year 1880-81.

2. The Government have sanctioned in their Order No. 861 W., dated 5th April 1880, a sum of Rs. 70,000 as a fixed working allotment, out of which were drawn from the treasury only Rs. 46,118-4-5.

3. The payments into the treasury to the credit of Government during the year amounted to 4,431 1 11 and the amount credited by transfers 56,927 14 6

Making up a total paid by the Workshops to Government 61,359 0 5 which is more than the sum received from Government by Rs. 15,240-12-0.

4. The following statement comparing the capital amount on the 31st March 1881 with that at end of 1879-80 shows a decrease to the capital of Rs. 24,877-15-8:—

Items.	Capital on 31st March 1880.			Capital on 31st March 1881.			Increase.			Decrease.		
	RS.	P.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Block	50,540	10	1	49,529	13	1	...	...	...	1,010	13	0
Machinery and plant ...	32,472	1	11	32,616	10	3	144	8	4	...	...	...
Raw materials*	71,878	12	6	63,029	3	6	...	...	...	8,849	9	0
Manufacture	18,871	15	3	4,722	13	8	...	...	...	14,149	1	7
Mechanical Department ...	3,307	11	1	3,748	9	0	440	13	11	...	...	...
Sales	956	15	3	496	7	0	...	...	...	460	8	3
Public Department	1,372	11	0	409	0	0	...	...	...	963	11	0
Cash	31	15	10	2	4	9	...	...	...	29	11	1
	1,79,432	12	11	1,54,554	13	3	585	6	3	25,463	5	11
Deduct Cheques payable ...	...	...	...	1,300	0	0	1,300	0	0	...	...	...
	1,53,254	13	3	1,53,254	13	3	...	...	...	...	...	...
Deduct ...	1,53,254	13	3	1,53,254	13	3	...	...	...	...	...	...
Decrease in Capital	26,177	15	8	...	...	...	...	...	...	26,177	15	8
* Stores	47,579	4	6	39,689	4	3	...	...	...	7,890	0	3
Timber	24,097	4	9	22,966	10	3	...	...	...	1,130	10	6
Charcoal and coke	202	3	8	873	5	0	171	1	9	...	...	...
	71,878	12	6	63,029	3	6	171	1	9	9,020	10	9
Deduct ...	63,029	3	6	...	...	...	...	...	...	171	1	9
Decrease ...	8,849	9	0	...	...	...	...	...	...	8,849	9	0

5. The following are the details of the amount to be repaid to Government:—

	RS.	A.	P.
Total amount of cash drawn	44,818	4	5
Add—Gain by exchange on the value of London Stores	298	5	6
" Interest on Capital	2,388	12	11
" For Leave and Pension allowances on salaries	26,177	15	8
" Amount of decrease in Capital	82,655	0	9

Towards this amount there has been paid into treasury and credited by transfers a sum of

	61,359	0	5
--	--------	---	---

Net loss debited to Government

	21,296	0	4
--	--------	---	---

As compared with the year ending March 1880

	22,774	5	4
--	--------	---	---

6. The gross credits of the shops as shown in Statement M are Rs. 16,969-2-4 against charges of Rs. 38,265-2-8, which gives an apparent net loss of Rs. 21,296-0-4, the cause of which is as follows:—

1st.—No orders were received for large works sufficient to cover all the demands by percentage.

2nd.—A sum of Rs. 11,149-7-10 has been written off to profit and loss, being the difference between book value and the actual sale proceeds, &c., of the manufactured articles sold in public auction and transferred at a valuation.—*Vide* G.O., No. 220 W., dated 29th January 1880.

	RS.	A.	P.	
* For 1879-80	89,469	12	4	7. The shops turned out work during the year amounting to Rs. 78,318-11-6 or Rs. 11,151-0-10* less than that for the year 1879-80.
For 1880-81	73,318	11	6	
	11,151	0	10	

GODAYARI DISTRICT.

Government Workshop, Dowlaishweram.

A.

Block for 1880-81.

Dr.	RS.	A.	P.	Cr.
To Balance on 1st April 1880	50,540	10	1	
				By Profit and Loss for depreciation on Rs. 50,540-10-1 at 2 per cent.
				By Balance
Total	50,540	10	1	

B.

Machinery and Plant for 1880-81.

Dr.	RS.	A.	P.	Cr.
To Balance on 1st April 1880	32,472	1	11	
" Mechanical Department for work done to machinery and tools	281	15	5	
" Public Department—value of machinery transferred from Public Department	512	0	0	
Total	33,265	1	4	

Dr.	RS.	A.	P.	Cr.
				Raw Materials for 1880-81.
To Balance on 1st April 1880	72,357	12	8	
" Purchase	19,169	10	3	
" Public Department—Stores received from Public Department	6,965	4	4	
" Mechanical Department for charges, &c., on Stores	2,729	3	7	
" Gain by exchange on London Stores	298	5	6	
" Manufacture articles transferred from manufacture	651	1	10	
" Profit and Loss—Profit on Stores	535	6	1	
" Percentage for General Charges	228	4	3	
Total	1,02,935	0	6	

Dr.	RS.	A.	P.	Cr.
				Manufacture for 1880-81.
To Balance on 1st April 1880	18,871	15	3	
" Mechanical Department—Articles made up and transferred	7,419	10	2	
" Profit and Loss—Profit on M.F.	61	11	3	
" Percentage for General Charges	85	4	10	
Total	26,438	9	6	

Dr.	RS.	A.	P.	Cr.
				Mechanical Department for 1880-81.
To Balance on 1st April 1880	3,307	11	1	
" Cash	17,688	6	5	
" Raw Materials	36,623	10	1	
" Manufacture	8,301	1	0	
" Public Department	35	0	8	
" Sales	11	0	0	
" Profit and Loss—Percentage for General Charges	9,819	8	11	
" Extra Profit	5,840	0	5	
Total	81,626	6	7	

F.		Cr.	
Dr.		Sales for 1880-81.	
	RS. A. P.		RS. A. P.
To Balance on 1st April 1880 ...	956 15 3	By cash ...	3,965 7 3
" Mechanical Department ...	2,557 7 0	" Mechanical Department ...	11 0 0
" Raw Materials ...	266 4 10		
" Manufacture ...	690 13 2		
" Public Department ...	1 6 0	" Balance ...	3,976 7 3
			496 7 0
Total ...	4,472 14 3	Total ...	4,472 14 3

G.		Cr.	
Dr.		Public Department for 1880-81.	
	RS. A. P.		RS. A. P.
To Balance on 1st April 1880 ...	1,372 11 0	By Transfers ...	64,505 6 6
" Transfers ...	7,577 8 0	" Raw Materials ...	6,965 4 4
" Mechanical Department ...	60,503 3 6	" Mechanical Department ...	35 0 8
" Raw Materials ...	2,117 9 4	" Machinery and Plant ...	512 0 0
" Manufacture ...	923 4	" Sales ...	1 6 0
		" Profit and Loss—	
		Establishment Travelling	
		Allowances ...	66 2 0
			72,085 3 6
		" Balance ...	409 0 0
Total ...	72,494 3 6	Total ...	72,494 3 6

H.		Cr.	
Dr.		Purchase for 1880-81.	
	RS. A. P.		RS. A. P.
To Cash ...	18,750 5 4	By Balance on 1st April 1880...	479 0 2
" Balance ...	898 5 1	" Raw Materials ...	19,169 10 3
Total ...	19,648 10 5	Total ...	19,648 10 5

J.		Cr.	
Dr.		Cash for 1880-81.	
	RS. A. P.		RS. A. P.
To Balance on 1st April 1880 ...	31 15 10	By Mechanical Department—	
" Government Cheques payable		For amount paid to works ...	17,688 6 5
for Letters of Credit ...	46,118 4 5	" Purchase ...	18,750 5 4
" Sales—For amount received		" Profit and Loss—	
in payment of bills ...	3,965 7 3	Establishment	
" Profit and Loss—For amount		salaries ...	9,555 3 8
of house-rent, &c. ...	898 14 7	Contingent ...	109 4 0
" Mechanical Department—			9,664 7 8
Amount recovered from works.	22 0 0	" Government—Amount paid	
		into Treasury ...	4,431 1 11
		" Balance ...	2 4 9
Total ...	50,536 10 1	Total ...	50,536 10 1

K.		Cr.	
Dr.		Government for 1880-81.	
	RS. A. P.		RS. A. P.
To Cash for payments into Trea-		By Cheques payable (Letters of	
sury ...	4,431 1 11	Credit) ...	44,818 4 5
" Transfers ...	56,927 14 6	" Gain by Exchange on	
" Profit and Loss ...	21,296 0 4	London Stores ...	298 5 6
		" Profit and Loss—	
		Interest on Capital, viz.,	
		Rs. 1,79,432-12-11, at 5	
		per cent. ...	8,971 10 3
		For Leave and Pension	
		allowances on salaries,	
		viz., Rs. 9,555-3-8, at	
		25 per cent. ...	2,388 12 11
		" Capital for Decrease ...	26,177 15 8
Total ...	82,655 0 9	Total ...	82,655 0 9

L.		Cr.	
Dr.		Transfers for 1880-81.	
	RS. A. P.		RS. A. P.
To Public Department ...	64,505 6 6	By Public Department ...	7,577 8 0
		" Government ...	56,927 14 6
Total ...	64,505 6 6	Total ...	64,505 6 6

M.		Cr.	
Dr.		Profit and Loss for 1880-81.	
	RS. A. P.		RS. A. P.
To Cash for Establishment—		By Mechanical Department—	
Salaries ...	9,555 3 8	Percentage ...	9,819 8 11
Contingent ...	109 4 0	Extra profit ...	5,840 0 5
	9,664 7 8		15,659 9 4
" Public Department—Estab-		" Raw Materials—	
lishment Travelling allow-		Percentage ...	228 4 3
ances ...	66 2 0	Profit ...	535 6 1
" Mechanical Department—			763 10 4
Repairs of		" Manufacture—	
Buildings,		Percentage ...	85 4 10
Tools, &c. ...	1,182 12 5	Profit ...	61 11 3
Loss on works,			147 0 1
&c. ...	3,181 9 6	" Cash, house-rent, &c. ...	398 14 7
	4,364 5 11		16,969 2 4
" Block Depreciation ...	1,010 13 0	" Government—for Net Loss.	21,296 0 4
" Machinery and Plant Depre-			
ciation ...	649 7 1		
" Manufacture ...	11,149 7 10		
" Government—			
For interest on Capital ...	8,971 10 3		
" Leave and Pension Allow-			
ances ...	2,388 12 11		
Total ...	38,265 2 8	Total ...	38,265 2 8

Dr. Gain by Exchange on the Value of London Stores for 1880-81. Cr.

	RS.	A.	P.		RS.	A.	P.
To Government ...	298	5	6	By Raw Materials ...	298	5	6

Dr. Capital for 1880-81. Cr.

	RS.	A.	P.		RS.	A.	P.
To Government—for Decrease in Capital ...	26,177	15	8	By Balance ...	1,79,432	12	11
„ Balance ...	1,53,264	13	3				
Total ...	1,79,432	12	11	Total ...	1,79,432	12	11

Dr. Balance for 1880-81. Cr.

	RS.	A.	P.		RS.	A.	P.
To Block ...	49,529	13	1	By Purchase ...	898	5	1
„ Machinery and Plant ...	32,616	10	3	„ Capital ...	1,53,254	13	2
„ Raw Materials ...	63,927	8	7				
„ Manufacture ...	4,722	13	8	Cheques payable ...	1,300	0	0
„ Mechanical Department ...	3,748	9	0				
„ Sales ...	496	7	0				
„ Public Department ...	409	0	0				
„ Cash ...	2	4	9				
Total ...	1,55,453	2	4	Total ...	1,55,453	2	4

(Signed) J. C. LARMINIE,
Executive Engineer,
In charge Government Workshops.

DOWLAISHWARAM,
6th May 1881.

Cheques Payable.

	RS.	A.	P.		RS.	A.	P.
To Government ...	44,818	4	5	By Cash ...	46,118	4	5
Balance ...	1,300	0	0				
Total ...	46,118	4	5	Total ...	46,118	4	5

Note on the Accounts of the Dowlaishwaram Workshops for 1880-81.

Account—Government.

THE Workshops became liable to Government for a sum of Rs. 90,232-8-9 which was adjusted to the extent of Rs. 68,936-8-5 as noted in the margin, leaving the difference, viz., Rs. 21,296-0-4, to be written off to Profit and Loss in the Workshop Account—Profit and Loss.

Liabilities.	RS.	A.	P.
Cheques paid by Civil Treasuries	44,818	4	5
Gain by Exchange	298	5	6
Value of Stores from Public Department	7,577	8	0
Interest on Capital	8,971	10	3
Leave and Pension Allowances	2,388	12	11
Decrease of Capital	26,177	15	8
	90,232	8	9

Assets.	RS.	A.	P.
Payments into Treasury	4,431	1	11
Adjustment by transfer	64,505	6	6
	68,936	8	5

2. This loss is due to the following causes, viz. :—

1st.—To the centages charged on works being insufficient to cover the general charges, and of course leaving no margin to meet the demands for depreciation for block, machinery, and plant, interest on capital and leave and pension allowances.

2nd.—To a loss of Rs. 11,149-7-10 by sale or revaluation of manufactured articles, and

3rd.—To a loss of Rs. 3,181-9-6, the nature of which the Superintendent has not clearly explained, but which is due apparently to under-valuation in the estimates of work to be done, as he refers to it as being "Loss on Works."

3. The losses under these heads aggregated Rs. 28,132-0-8, against which there was a set off on account of extra profits, &c., of Rs. 6,836-0-4, leaving a net loss to Government, as above stated, of Rs. 21,296-0-4, which was charged off to Tools and Plant in the accounts of 1880-81.

4. The above results are clearly brought out in the amended form of profit and loss account attached, which might, with advantage, be substituted for the forms heretofore in use, as proposed for the Presidency Workshops in Report No. 114 W., dated 2nd September 1881.

5. With regard to the item of extra profits referred to above, it may be remarked that the nature of these profits has not been clearly explained, but the necessity for such extra charges is not apparent. If the ordinary percentages are insufficient they should be raised.

Account—Manufacture.

6. The book value of the manufactured articles sold by public auction or transferred to stock at a revaluation is not stated. Assuming that it is Rs. 14,149, the difference between the opening and closing balances in the manufacture accounts, it is unsatisfactory to observe that there has been a loss of Rs. 11,149-7-10 on the sale, being nearly seven-eighths of the book value. From this circumstance it may be inferred that the articles had been manufactured without reference to the probability of such articles having any marketable value. This can only be avoided in future by the absolute prohibition of all manufacture for reserve purposes, as in the case of the Presidency Workshops.

7. A comparative statement of the value of the outturn and the net profit or loss for the past four years is appended, from which it will be seen that the outturn has been continuously smaller in those years and losses chronic.

	1877-78.	1878-79.	1879-80.	1880-81.
Outturn ..	Rs. 1,05,450	Rs. 95,962	Rs. 89,469	Rs. 78,319
Net Loss ..	4,492	27,695	22,774	21,296

8. It will rest with Government to decide whether it is worthwhile to maintain these Workshops as a separate self-supporting institution for so small an outturn, and with such a heavy annual loss. It is thought that as a sub-division in which the expenditure could be dealt with as any ordinary manufacturing account of a division and the expenditure on establishment correspondingly reduced, the result will be much more favorable.

9. The outstandings at the close of the year compare favorably with those of the year 1879-80, and are as follows :—

	1879-80.	1880-81.
	RS.	RS.
Public Department ...	1,373	409
Sales ...	957	496

(Signed) F. E. GODFREY,
Deputy Examiner,
for Examiner of Public Works Accounts.

General Charges.

To Cash for—	RS.	A.	P.	By Mechanical Department for—	RS.	A.	P.
Establishment Salaries ...	9,555	3	8	Percentage ...	9,813	8	11
Contingencies ...	109	4	0	„ Raw materials for—			
„ Public Department for—				Percentage ...	228	4	3
Travelling allowances ...	66	2	0	„ Manufacture for—			
„ Mechanical Department—				Percentage ...	85	4	10
Repairs of buildings, tools, &c. ...	1,182	12	5				
				„ Profit and Loss for loss ...	10,133	2	0
					780	4	1
					10,913	6	1

GENERAL.
ACCOUNT.

Govt. of (1881) Madras.
PUBLIC WORKS.

To

THE SUPERINTENDING ENGINEER,
FIRST CIRCLE.
&c., &c., &c.

Dated December, 12th.

Issued

Recd.

Encl.

G.O., 12th December 1881, No. 3079 W.

DECEMBER.
Nos. 39-40.

Financial results of the Dowlaishweram
Workshops for the year 1880-81.—Passing
orders on the —.

GOVT. } 188 . { P. W.
OF MADRAS. } { DEPT.

SECRETARY.

Chepauk, ^{3/29} 12th Dec. 1881.

OFFICE NOTE.

To

W
Report on accounts
of Dowlaishweram
workshops -

The characteristics
of the working of the
Dowlaishweram workshops
reproduce themselves with
remarkable fidelity in
this case, and by con-
sequence much of what
was written in my note
of the 1st instant on the
Dowlaishweram workshops will
apply equally
to those at Dowlaishweram.

The recommendations con-
tained in that note apply
in their entirety, with the
following modifications, due
to the fact that these shops
are maintained purely for
irrigation purposes -

(1) The permanent establish-
ment cannot be charged to
Provincial which under
present rules has to meet
all charges for establishment -

(2) The cost of new machinery
should also be charged to Provincial, as
it does not seem correct to
consider it as "special plant"
chargeable to Irrigation -

(3) The difference between
the returns, consisting of the
income charged to works, and
the outlay consisting of

(a) Labour & materials.

(b) Repairs, fuel and
other working expenses of
machinery -

(c) Petty and other incidentals &
other general charges,
would constitute the
profit or loss on the
working of the shops, and
this should be debited
to "Tools & Plant" Irrigation
the shops being maintained
for special Irrigation work
and not as the Provincial
shops, for general purposes -

The remarks in my
note of the 1st inst. as
to charges for depreciation,
and interest, as to the percentage
to be added for general
expenses, as to the advisa-
bility of adopting standard
rates whenever possible, as to
the propriety of including
private work, or at least
of making it an expense if so
possible, and as to the

necessity of confining the
remuneration of the
officers concerned to their
regular salaries, apply to
these shops in full -

The Examiner suggests
that they should be made
an ordinary subdivision
in the simplest way of
meeting the requirements of
the rule; ~~that~~ ^{that} is a
subordinate were in charge
he would receive the ordinary
subdivision allowance, and
the special allowances now
drawn by the E. E. of the
Division and by the deputy
superintendent, should I
think cease -

* and might also be
applied to the Presidency
workshops -

D. W. 20/8

Report on the operation
of the Dowlaishwaram Works
Shops for 1880-81.

The liabilities amounted
to Rs 90,232, and the assets
to Rs 68,936, the result
being a net loss to Govt.
of Rs 21,296.

The results for the past
four years are shown to be -

1877-78 = 1878-79 = 1879-80 = 1880-81
out. turn = 1,05,450 - 95,962 - 89,469 - 78,219.
net loss = 4,492 - 27,695 - 22,774 - 21,296.

The Examiner P. W. A. points
out that the out. turn has
been continuously smaller
of the losses chronic, & he
raises the question whether
it is worth the while
of Govt. to maintain
the shops on their present
footing -

The smaller question
as to "extra profits"

is ~~not~~ also brought forward here, as in the case of the Press work shops.

As the larger question as to the future maintenance of the workshops is to be taken up in connection with the report on the Press Institution, perhaps both reports may be considered & laid before Govt. at the same time.

C₁
28/9.

+ Paper with D.W.

July 29 1899

Please record your opinion on this case

E.C.

No 367

concur in the opinion that the Dowlaislawer work shops should cease to be treated as a self supporting institution, and that it will be better to debit all charges which may not be covered by bills for work done to the Delta System for which the shops will have to be maintained. The "Institution" accounts really only show results requiring to be worked out in that connection. The bulk of the expenditure on

block, machinery &c has
been included in the
capital account of the Delta
and is not out of the Delta
Revenue

I think it would complicate
matters were machinery &
plant paid for by Provincial
as suggested by Major Denny
Crick. It has not been
paid for hitherto and
the amount likely to be
borne in the future on your
plant is small. Renewals
could be paid for ^{under} Revenue
Taking the D. Denny's Profit
and loss account it will be
seen that there would have
been no loss except by depreciation
sales & revaluation, which it
is believed refer to wastage ap-
portioned to running losses, and
not depreciation, interest on
capital &c being included in
the debit
Attention is drawn to the work done

and the cost of such debits
varies. It is ^{more} necessary
to charge depreciation of plant
than or interest on capital
than it is in settling a rate
for cartwork to add an
item for the tools used thereon,
while the interest is simply
an item of the interest on
the capital sunk in the
system generally.

The Delta system has provided
the block & the machinery
&c and duly pays the
interest thereon. The repetition
of the debits serves no useful
purpose, though doubtless
needed so long as the
shops are treated and
accounted for as a Com-
mercial concern.

Aggs. 11/9/51. 11/5/51
C Before taking order on
these proposals I wish to
have your opinion re-
garding them
8/11/51

GOVT.
OF MADRAS.

1887.

[P. W.
DEPT.]

EXAMINER, P. W. ACCOUNTS.

Madras,

11th NOVEMBER 1887.

OFFICE NOTE No. 872.

To

W.

YOUR O.N. OF 2nd NOVEMBER 1887
REGARDING DOWLAISHYARAM WORKSHOPS.

THE SHOPS AT DOWLAISHYARAM
AND THOSE AT THE PRESIDENCY MUST
BE VIEWED FROM DIFFERENT STAND-POINTS.

KEEP WITH

Genl. No.

dated

18 *alternatives?*

THE ALTERATIONS TO BE CONSIDERED IN
REGARD TO THE PRESIDENCY SHOPS WERE

1. SHALL THEY EXIST AS A SELF-SUPPORTING INSTITUTION?
2. OR AS AN ORDINARY P.W. DIVISIONAL CHARGE?
3. SHALL THEY EXIST AT ALL?

IN MY NOTE I POINTED OUT THAT BY
ALTERING THEIR STATUS ONLY IN REGARD
TO ACCOUNTS PROCEDURE, WE SHOULD GAIN
NOTHING EXCEPT THE CONCEALMENT OF
THE FACT OF THEIR ANNUAL LOSS, AND
I ADVOCATED THEIR ABOLITION ON THE
GROUND THAT THE WORK COULD IN ALL
PROBABILITY BE UNDERTAKEN BY LOCAL
MANUFACTORIES.

2. THE ALTERNATIVES IN REGARD TO

C 29 H. A. 12-9

THE DOWLAISHWARAM SHOPS ARE WHETHER

THEY SHALL BE TREATED AS SELF-

SUPPORTING OR AS AN ORDINARY P.W.

CHARGE. THE QUESTION OF THEIR

ABOLITION IS NOT MOOTED BUT ON THE

CONTRARY IT IS DECLARED NECESSARY

THAT THEY SHALL BE MAINTAINED.

3. THE ANNUAL OUTTURN OF THE

PRESIDENCY SHOPS IS ABOUT 2 LAKHS,

THAT OF THE DOWLAISHWARAM SHOPS

ABOUT 87,000 WITH A DOWNWARD

TENDENCY JUDGING FROM 3 PAST YEARS.

4. INASMUCH AS THE EXISTANCE

OF THE SHOPS IS A NECESSITY, I THINK

IT WOULD BE BAD POLICY TO ALTER

THE SYSTEM OF ACCOUNTS WHILE THERE

IS, AS NOW SUGGESTED, A LIKELIHOOD OF

MODIFYING THE SYSTEM OF THEIR AD-

MINISTRATION. IT IS PROBABLE THAT

FOR THE SPECIAL WORK FOR WHICH THE

SHOPS HAVE TO BE MAINTAINED, THE

FINANCIAL LOSS IS COMPENSATED

BY THE PRACTICAL CONVENIENCE OF

THEIR LOCAL CENTRALITY. THIS IS NOT

THE CASE WITH THE PRESIDENCY SHOPS

WHICH ARE FOR GENERAL PURPOSES, AND

ARE NOT ISOLATED, BUT AT THE CAPITAL

OF THE PRESIDENCY WHERE OTHER

SOURCES OF SUPPLY SHOULD BE

AVAILABLE.

5. I WOULD PROPOSE THEREFORE THAT

THE DOWLAISHWARAM SHOPS BE STILL

TREATED AS A SELF-SUPPORTING IN-

STITUTION, THAT THE ADMINISTRATION

BE REVISED, A SUBORDINATE OR FOREMAN

MECHANIC BEING PUT IN CHARGE, ALL

EXTRA AND SPECIAL ALLOWANCES STOP-

PED; THAT NO WORK BE UNDERTAKEN

EXCEPT WHAT IS INTENDED FOR FOR A

SPECIFIC PURPOSE, AND THAT THE SHOPS

KEEP ON THEIR OWN ACCOUNT NO MANU-

FACTURED ARTICLES WHATSOEVER FOR

CASUAL SALE, THAT THE HEAVY DEBIT

UNDER 'RAW MATERIALS' BE WORKED OFF,

AND THAT EVERY ENDEAVOR BE MADE TO

REDUCE THE ITEMS LIABLE FOR INTEREST

AND DEPRECIATION CHARGES. I DRAW

ATTENTION TO STATEMENT C. 'RAW

MATERIALS'. THE OPENING BALANCE

IS RS. 72,000. MATERIALS ISSUED TO

WORKS WERE RS. 36,000, BUT PURCHASES

WERE MADE TO THE EXTENT OF RS.

10,000. THE CLOSING BALANCE IS

RS. 64,000. THIS TELLS ITS OWN TALE,

VIZ THERE MUST BE A LOT OF USELESS

LUMBER UNDER 'RAW MATERIALS', WHICH

COULD BE CLEARED OUT. THE SHOPS

SHOULD HAVE IN RESERVE ALMOST A

YEAR'S SUPPLY OF RAW MATERIALS. THIS

SUPPLY COULD BE ESTIMATED BY TAKING

THE AVERAGE YEARLY CONSUMPTION FOR
THREE PAST YEARS.

PRIVATE WORK SHOULD GIVE WAY
TO DEPARTMENTAL WORK, BUT I THINK
THAT AS THE SHOPS NO DOUBT ARE TO
SOME EXTENT OF PUBLIC UTILITY, IT
WOULD BE IMPOLITIC TO BAR PRIVATE
WORK OR TO RENDER IT IMPOSSIBLE
BY PROHIBITORY RATES.

3079W

002

C.

July

Aug

FROM THE EXAMINER P.W. ACCOUNTS,

MADRAS,

TO THE SECRETARY TO GOVERNMENT,

PUBLIC WORKS DEPARTMENT.

NO. 123 W.

MADRAS, 23rd SEPTEMBER 1881.

SIR,

I HAVE THE HONOR TO SUBMIT HERewith FOR THE IN-
FORMATION AND ORDERS OF GOVERNMENT MR. LARMINIE'S REPORT
OF THE OPERATION OF THE FACTORY AT DOUGLAISHYRAM FOR THE
YEAR 1880-81, WITH MY NOTES THEREON.

I HAVE THE HONOR TO BE,

SIR,

YOUR MOST OBEYIENT SERVANT.

F. S. Goddard

BY EXAMINER,
FOR EXAMINER P.W. ACCOUNTS.

20/9/81

Encl 4

FROM THE EXAMINER P. W. ACCOUNTS,

MADRAS.

TO THE SECRETARY TO GOVERNMENT,

P. W. DEPARTMENT.

NO. 123-W.

DATED 22nd SEPTEMBER 1881.

RECD.

ENCLOSURES 4

DOWLAISHWARAN WORKSHOP REPORT
FOR 1880-81. FORWARDING-----WITH
HIS NOTES DISSEMIN.

No. 26.

From

The Officer in charge
Government Workshops
Dowlaishwaran

To

The Examined
Public Works Accounts
Madras

Sir,

I have the honor to submit herewith
the annual accounts of the Dowlaishwaran
Workshops for the official year 1880-81.

2. The Government have sanctioned in their
order No. 861 N. dated 5th April 1880, a sum
of Rs 70,000 as a fixed working allotment
out of which were drawn from the Treasury
only Rs 46,118-14-5.

3. The payments into the Treasury to the
Credit of Government during the year
amounted to Rs 4431-1-11

& the amount credited
by transfers } 56,927-14-6

Making up a total paid } 61,359-0-5
by the Workshops to Govt. }

which is more than the sum received from
Government by Rs 15,240-12-0.

4. The following statement comparing the
capital amount on the 31st March 1881 with
that

Govt. Workshop Office
Dowlaishwaran
May 1881

20/9

40 no 220 of 29.11.80
8th 12/4 5.4.80

Recd. 9-12 4/12/12
C. 29.11. R. 5.12.12

that at end of 1879-80 shows a Decrease to the Capital of Rs 24,877-15-8.

Items	Capital on 31 st March/80	Capital on 31 st March/81	Increase	Decrease
Block	50,540 10 1	49,529 15 1	1010 15	
Machinery and Plant	32,472 1 11	32,616 10 3	144 8 4	
Raw Materials*	71,878 12 6	63,029 3 6	8,849 9	
Manufacture	18,871 15 3	4,722 13 8	14,149 17	
Mechanical Department	3,307 11 1	3,748 9	440 13 11	
Tools	956 15 3	496 7	460 8 3	
Public Department	1,372 11	409	963 11	
Cash	31 15 10	2 4 9	29 11 1	

Balance brought forward	179,432 12 11	154,554 15 3	585 6 3	25,463 5 11
Deduct	154,554 15 3	1300	1300	585 6 3
	154,554 15 3	153,254 15 3	2,714 9 9	
Decrease in Capital	24,877 15 8			24,877 15 8

* Stores	47,579 4 6	39,689 4 3	7890 3	
Timber	24,077 4 9	22,966 10 3	1130 10 6	
Charcoal & Coke	202 3 3	373 5	171 1 9	
	71,878 12 6	63,029 3 6	171 1 9	9020 10 9
Deduct	63,029 3 6			171 1 9
Decrease	8,849 9			8,849 9

to be repaid to Government	2,191 4 5	
Total amount of cash drawn	46,118 4 5	
Add. Gain by exchange on		
value of London stores	298 5 6	
Interest on capital	8,971 10 3	
For Leave and Pension allowances or salaries	2,388 12 11	
Amount of Decrease in capital	24,877 15 8	
	82,655 9	

Towards this amount there has been paid into Treasury and credited by transfers a sum of Rupees 61,359 5

Net Loss debited to Government 21,296 4

As compared with the year ending March 1880 22,774 5 4

6. The gross credits of the shops as shown in Statement M are Rs 16,969-2-4 against charges of Rs 38,265-2-8 which gives an apparent net loss of Rs 21,296-4, the cause of which, is as follows:-

1st No orders were received for large works sufficient to cover all the demands by percentage.

2nd A sum of Rs 11,149-7-10 has been written

written off to Profit and Loss being the difference between book value and the actual sale proceeds ~~see~~ of the manufactured articles sold in Public auction and transferred at a valuation vide G.O. No. 220.W. dated 29th January 1880.

7. The shops turned out work during the year amounting to Rs 78,318-11-6 or Rs 11,151-0-10 less than that for the year 1879-80.

I have the honor to be
Sir

Your most obedient servant

Charles
Executive Engineer.



+ for 1879-80 89,469-12-4
 80-81 78,318-11-6
 11,151-0-10

Godavari District

Government Workshop, Dowlaishwaram

A

Block for 1880-81



To Balance on	By Profit and Loss
1 st April 1880. 50540 10 1	for Depreciation
	on Rs 50540-10-1
	at 2 per cent 1010 13
	Balance 149329 13 1
Total 50540 10 1	Total 50540 10 1

B

Machinery and Plant for 1880-81

To Balance on	By Profit and Loss
1 st April 1880 32472 1 11	for Depreciation
	on Rs 32472-1-11
	at 2 per cent 649 7 1
Mechl Dept	Balance 32616 10 3
for work done to	
Machinery & Tools 281 15 5	
Public Dept	
Value of Machinery	
transferred from	
Public Dept 512 0 1	
Total 33266 1 4	Total 33266 1 4

C

D^r Raw Materials for 1880-81 6^r

To Balance		By Mechl Dept	
on 1 st April 1880	7235 12 8	Materials issued	
" Purchase	19169 10 3	to Works	36623 10 1
" Public Dept		" Public Dept	
Stores received		Materials supplied	
from Public		to Public Dept	2117 9 "
Department	6965 4 4	" Sales. Materials	
" Mechl Dept		supplied to Private	
for charges &c		parties	266 4 10
on Stores	2729 3 7	Balance	63927 8 7
" Gain by Exchange			
on London Stores	298 5 6		
" Manufacture			
Articles trans-			
ferred from man-			
ufacture	651 1 10		
" Profit and loss.			
Profit on stores	535 6 1		
Percentage for			
General Charges	228 4 3		
Total	102935 " 6	Total	102935 " 6

D

5

Manufacture for 1880-81 6^r

To Balance		By Mechl Dept	
on 1 st April 1880	18871 15 3	articles issued	
" Mechl Dept		to Works	8301 1 "
Articles made up		" Public Dept	
and transferred	7419 10 2	articles supplied	
Profit and loss.		to Public Dept	923 4 "
Profit on Int.	61 11 3	" Sales	
Percentage for		articles supplied	
General Charges	85 4 10	to Private parties	690 13 2
		" Raw Materials	
		Articles trans-	
		ferred to R.D.	
		at valuation	651 1 10
		" Profit and loss.	
		the amount	
		written off to	
		Profit & Loss	
		being the difference	
		between the book	
		value & the amount	
		realized by Public	
		auction	11149 7 10
		Balance	4722 13 8
Total	26438 9 6	Total	26438 9 6

E
Dr. Mechanical Department for 1880-81 Cr.

To Balance on 1st April 1880	3307 11 1	By Public Dept	56053 36
" Cash	17688 6 5	" Sales	52557 1
" Raw Materials	36623 10 1	" Raw Materials	52729 3 1
" Manufacture	8301 1	" Manufacture	7419 10 2
" Public Dept	35 8 1	" Machinery & Plant	1201 15 5
" Sales	11 2 2	" Cash	22
" Profit and Loss		" Profit and Loss	
Percentage for		Repairs of Buildings	
General Charges	9019 8 1	Tools &c &c	1152 12 5
Gross Profit	5840 5 5	Loss on Wrecks &c	3181 9 6
			77877 13 7
		Balance	53748 9
Total	81626 6 7	Total	81626 6 7

F
Dr. Sales for 1880-81 Cr.

To Balance on 1st April 1880	95615 3 8	By Cash	3965 7 3
" Mech Dept	2557 7	" Mech Dept	11
" Raw Materials	266 4 10	" Balance	3976 7 3
" Manufacture	69013 2		1496 7
" Public Dept	16		
Total	4472 4 3	Total	4472 4 3

G
Dr. Public Department for 1880-81 Cr.

To Balance on 1st April 1880	1372 11 5	By Transfers	164505 6 6
" Transfers	7577 8 5	" Raw Materials	16965 4 4
" Mech Dept	60503 3 6	" Mech Dept	135 8
" Raw Materials	2117 9	" Machinery & Plant	512
" Manufacture	923 4	" Sales	16
		" Profit and Loss	
		Estab. Travelling	
		allowances	66 2
		Balance	409
			72085 3 6
			72494 3 6

H
Dr. Purchase for 1880-81 Cr.

To Cash	18750 5 4	By Balance on 1st April 1880	479 2 1
" Balance	898 5 1	" Raw Materials	19169 10 3
Total	19648 10 5	Total	19648 10 5

Dr

J
Cash for 1880-81

To Balance on 1st April 1880	31 15 10	By Mechl Dept	
" Government		for amount paid to work	17688 6 5
in letters of credit	46118 4 5	Purchase	18750 5 4
" Sales for amount		Profit and Loss	
received in payment		Estab. Salaries	9555 3 8
of bills	3965 7 3	Contingent	109 40 9664 7 8
" Profit and Loss		Government	
for amount of house		Amount paid	
rent &c &c	398 14 7	into Treasury	4431 1 11
" Mechl Dept.		Balances	2 4 9
Amount received			
from books	22 . .		
Total	50536 10 1		50536 10 1

K

Government for 1880-81

To Cash for		By Cash (letters of credit)	46118 4 5
payments into		Gain by exchange	
Treasury	4431 1 11	on London Street	298 5 6
" Transfers	56927 14 6	Profit and Loss	
" Profit and Loss	21296 . 4 5	Interest on capital	
		at 5 per cent	8971 10 3
		For leave and Pension	
		allowances on Salaries	
		viz Rs 9555 3 8 at	
		25 percent	2388 12 11
		" Capital for decrease	24077 15 8
Total	82655 . 9	Total	82655 . 9

L

Dr

Transfers for 1880-81

To Public Dept	64505 6 6	By Public Dept	17577 8 .
		" Government	56927 14 6
Total	64505 6 6	Total	64505 6 6

M

Profit and Loss for 1880-81

To Cash for Estab.		By Mechl Dept	
Salaries	9555 3 8	Percentage	9819 8 11
Contingent	109 40 9664 7 8	Extra Profit	5840 . 5 15654 9 4
" Public Dept. Estab.		Raw Materials	
Travelling Allowance	66 2 . 1	Percentage	228 4 3 1
" Mechl Dept.		Profit	535 6 1 763 10 4
Repairs of Buildings		Manufactures	
Tools &c &c	1182 12 5 1	Percentage	85 4 10 1
Loss on work &c	3181 9 6 4364 5 11	Profit	61 11 3 1 147 . 1
" Block Depreciation	1010 13 . 1	Cash House rent &c	398 14 7
" Machinery			
" Plants	Do		
" Manufactures	11149 7 10 1	Government	
" Government		for net loss	121296 . 4
For Interest on			
Capital	8971 10 3 1		
" Leave & Pension			
allowances	2388 12 11 1		
Total	38265 2 8	Total	38265 2 8

N
Dr. Gain by Exchange on the Value of London Stock for 1880-81 Cr.

To Government 290 56 By Raw Materials 290 56

O
Dr. Capital for 1880-81 Cr.

To Government	By Balance	179432 12 11
for Decrease		
in Capital		
Balance		
Total		179432 12 11

P
Dr. Balance for 1880-81 Cr.

To Block	49529 13 1	By Purchases	898 5 1
Machinery & Plant	32616 10 3 5	Capital	154554 13 3
Raw Materials	63927 8 7		
Manufactures	4722 13 8		
Mechl Dept	3748 9 1		
Sales	496 7 1		
Public Dept	409		
Cash	249		
Total		155453 2 4	

Government Bank (Shri Office)
Dowlaishwaram
May 1881

G. Prasad Rao

Chandrasekhar
Executive Engineer
In Chg. Govt. Works

Chandrasekhar YC

To Government 46118 4 5
By Balance 1880-81

Balance 1880-81

Total 46118 4 5



From

The Officer in charge
Government Workshops
Dowlaishevaram

To

The Examiners
P. & A. Accounts
Madras

Dated 6th }
Despatch 6th } May 1881
Recd

No. 26.

Dowlaishevaram Workshops
Annual Accounts of
the - Forwards with
certain remarks the -

No. 8

Note on the Accounts of the Dowlaishevaram Workshops 1880-81

Account - Government.

1. The Workshops became liable to Government for a sum of Rupees - 90,332-8-9 which was adjusted to the extent of Rupees 69,936-8-5 as noted in

* Liabilities.

Cheques paid by Govt. Treasury	Rs 44,000-4-5
Gain by exchange	298-5-6
Value of House from Public Department	7,577-0-0
Interest on Capital	8,991-0-5
Dividend on Provisional Account	2,000-12-4
Decrease of Capital	2,677-10-8
	<u>90,332-8-9</u>

the margin, leaving the difference of Rupees 20,396-0-4 to be written off to

* Assets.

Payments into Treasury	Rs 44,881-1-4
Adjustment by transfer	6,505-6-6
	<u>69,936-8-5</u>

Profit and loss in the Workshop Account - Profit and loss.

2. This loss is due to the following causes.

1. The outlay charged on works being insufficient to cover the general charges, and expense leaving no margin to meet the demands for depreciation for fixed machinery and

and Plant, Interest on Capital
and Loan and Pension Allowances.

2^d - Is a loss of Rupees 1149-7-10 by sale
or revaluation of Manufactured

Articles, and,

3^d - Is a loss of Rupees 311-9-6, the nature
of which, the Superintendent has not
clearly explained, but which is due
apparently to under-valuation in the
Estimate of Work to be done, as he
refers to it as being "loss on Work."

3. The losses under these heads aggre-
gated to Rupees 20,132-4-8 against which
there was a set off on account of Extra
profits, viz. of Rupees 6836-4-8, leaving a net
loss to Government, as above stated, of
Rupees 21,296-4-4, which was charged off
to Soil and Plant in the Accounts of 1880-81.

4. The above results are clearly brought
out in the amended form of Profit
and Loss account attached, which
might with advantage be substituted
for the forms heretofore in use, as proposed
for the Presidency Workshops in Report No.
441 dated 2^d September 1881.

5. With regard to the item of Extra
profits referred to above, it may be remarked
that the nature of these profits has not
been

been clearly explained, but the
necessity for such extra charges is not
apparent. If the ordinary percentages are
insufficient they should be raised.

Account - Manufacture

6. The book value of the Manufactured
Articles sold by Public Auction or
transferred to Stock at a revaluation is
not stated. Assuming that it is Rupees
14,149, the difference between the opening
and closing balances in the Manu-
facture Accounts, it is unsatisfactory to
observe that there has been a loss of
Rupees 1149-7-10 on the sale, being nearly
1/8th of the Book Value. From this cir-
cumstance it may be inferred that
the articles had been manufactured
without reference to the probability of
such articles having any marketable
value. This can only be avoided in
future by the absolute prohibition of
all manufacture for reserve purposes,
as in the case of the Presidency Workshops.

7. A comparative statement of the
value of the output and the net
profit

not think anything
of this kind but loss
on wood wastage &
scrap, &c.

profit or loss for the past 4 years, is appended, from which it will be seen that the out-turn has been continuously smaller in those years and lower chronic.

8. It will rest with Government to decide whether it is worth while to maintain these workshops as a separate self-supporting institution for so small an out-turn, and with such a heavy annual loss. It is thought that, as a sub-division in which the expenditure could be dealt with as an ordinary manufacturing account of a Division and the expenditure on establishment correspondingly reduced, the result will be much more favorable.

9. The outstandings at the close of the year compare favorably with those of the year 1899-00 and are as follows:

	1899-00.	1900-01.
Public Department	1573	459
Salts	957	496

F. S. Goodfry

Deputy Engineer
for the Government of India

22/11/01

General Charges

10

To Cash for		By Mechanical Dept. for	
Establishment salaries	9655 5 8	Per Contingent	9519 2 11
Contingencies	109 4 1	Raw Materials for	
Public Departments for		Per Contingent	228 4 3
Travelling Allowances	66 2 1	Manufacture for	
Mechanical Department		Per Contingent	85 4 10
Repairs of Buildings, etc.	1182 12 5		
	10913 6 1	By Profit and loss for	11133 2 0
			700 4 1
	10913 6 1		10913 6 1

Profit and Loss

To Mechanical Department		By Mechanical Department	
Loss on Stocks &c	3181 9 6	Extra Profit	5840 0 8
Block for depreciation	1010 15 1	Raw Materials	
Machinery &c. for do	649 7 1	Profit	5386 6 1
Manufacture		Manufacture	
Loss by sales & re-sale	11149 7 10	Profit	61 11 3
Government		Cash for	
Interest on Capital	897 10 3	House Rent &c	398 14 7
Leave & Pension Allowances	2388 12 11		
General Charges for		Government for	6836 0 4
Loss	700 4 1	Sub Loss	21296 0 4
	28132 0 8		28132 0 8

F. S. Goodfry

Deputy Engineer
for the Government of India

past four years are
shown to be

	1877-78.	1878-79.	1879-80.	1880-81
Outturn.	105,450.	95,762.	89,467.	79,317
Net loss.	4,472	27,695.	22,774.	21,296

It thus appears that
the outturn has shown
a steady tendency to
decline - and that the
loss to Government
is continuous.

The question has
been raised as to
whether under these
circumstances some
change of administra-
tion is not necessary.
After consideration of
the several suggestions
which have been made,
the Governor in Council

12
directs that the fol-
-lowing measures of
economy ^{30/86} be at
once carried into effect.

(1) The workshops will
be converted into an
ordinary subdivision
of the Eastern Kodavari
Division, the subordi-
-nate in charge re-
-ceiving the sub-
divisional allowance
admissible under
Code Rules. all other
special allowances
in addition to regular
salary of officers
connected with the
workshops will
thereupon cease.

(2) No work shall be
undertaken except

own indent for a specific
or purpose.

(3) The Shops will in
future keep on their
own account no
manufactured articles
whatever for general
purposes.

(4) The heavy debit for
"Raw Materials" should
be worked off as soon
as possible - and
every effort made to
reduce the items
liable for interest
and depreciation
charges.

(5) No more than a
year's supply of
Raw Materials should
be kept in stock.

This

13
This can be ascertained
by taking the average
yearly consumption
for the past three
years.

(6) Private work
should be under-
taken only when it
does not interfere
with Departmental
work.

(7) The interest on
capital payable
to Government ^{will} be
reduced from 5 to 4
per cent per annum.

The amended form
of Profit and Loss
account drawn out
by the Deputy Examiner

and

The Hon to Auditors

and referred to in
para 4 of his note
will be adopted in
view of that now in
use.

The "extra profits"
referred to in para 5
will be abolished,
and the ordinary
percentage fixed so
as to cover outlay with
a proper margin of
profit.

RS

Att

21/12/81

JP
21/12

Superintendent
Chief Engineer
Exec. P. & A. Clerk

Dec 7. 12. 81

Dec 26/12/81

3579
98

5455

Govt. of (1881) Madras.
PUBLIC WORKS.

To

Dated

Issued

Recd.

End.

G.O. 12th Dec 1881, No. 30794.

Nos. 39 to 40

Financial results of the
Dawlaichewam workahy
for the year 1881/82.

Passing on to the
the

2014/12