

Public Works (1897) Department.

RAILWAY BRANCH.

G.O., No. 1184. R

DATED 23rd Decr 1897

[Despatch Abstract.]

Mayavaram - Mutapet Railway.

Pres. Genl Dept. informing the Accountant General that the half-yearly profits of the — may be distributed between Provincial and Local Funds in the manner suggested by the Examiner of G. R. Aids, Communicated to the Agent, S. L. Ry.

11/10/98

Indexed.

13/1/98

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Public Works (1897) Dept. Current No. 12424

Government { 1897 } of Madras.

FINANCIAL.

P.W. Ry c No-239

Reed 18.12.97

Recd.

Recd. } 15. 12. } 1897.
Reqd. }

Enclosures

Spare copies 10

G.O., No. 1013, 6th December 1897.

DECEMBER.

Mayavaram-Mutupet Railway.

Informing the Accountant-General that the half-yearly profits of the — may be distributed between Provincial and Local funds in the manner suggested by the Examiner of Guaranteed Railway Accounts.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again the following papers:—

G.O., Nos. 877, 878, Financial, dated 16th December 1896.

ABSTRACT.—Passing orders on the budget estimate of the Mayavaram-Mutupet Railway and the Tanjore Railway Guarantee Fund for 1897-98.

G.O., No. 445, Financial, dated 4th June 1897.

ABSTRACT.—Stating that this Government has no objection to the entire expenditure on the Mayavaram-Mutupet Railway for 1897-98 and future years, including Rs. 32,060 on the Peralam station, being debited to "37. Construction of Railways—Provincial" as hitherto, but that all the outlay thus incurred should be fully recovered from the Tanjore District Board, no portion being retained against Provincial.

G.O., R. No. 1417, Financial, dated 25th October 1897.

ABSTRACT.—Recording Proceedings of the Public Works Department forwarding to the Government of India and the Secretary of State copies of the Capital and Revenue Accounts of the Mayavaram-Mutupet Railway for the half-year ended the 30th June 1897 with a brief note thereon by the Consulting Engineer for Railways.

READ—also the following paper:—

From F. C. HARRISON, Esq., Officiating Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 8th November 1897, No. 3474.

With reference to G.O., No. 877, Financial, dated 16th December 1896, paragraph 5, directing that the net profits of the Mayavaram-Mutupet Railway should be divided in certain proportion between Provincial and Local funds, I have the honour to state that I asked the Examiner of Guaranteed Railway Accounts, Madras, to distribute the profits for the first half of 1897 shown in the table printed with G.O., No. 677 R., dated 17th September 1897. That officer replies, that for the purpose of calculating interest on capital outlay, it is the practice in the Public Works Department to add half the outlay incurred during the half-year to the expenditure recorded up to the beginning of that half-year and to treat the total thus arrived at as the amount on which interest should be charged, but that this principle cannot obviously be applied in this present case, as the expenditure during the half-year ended June 1897 consists of two separate and distinct items of outlay—one incurred during the first three months of the period and the other during the next three months—and the former has a claim to a larger share of the net earnings than the latter. He suggests, therefore, the proportions of three-fourths and one-fourth as equitable for the two quarters and proposes that the profits for the first half of 1897 should be distributed in the same proportion as the following totals of outlay:—

	Provincial.	Local.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Expenditure to 31st December 1896	12,24,840 3 7	12,24,840 3 7	24,49,680 7 2
Three-fourths of the outlay (Rs. 19,759-5-5) from 1st January to 31st March 1897	7,409 12 1	7,409 12 0	14,819 8 1
One-fourth of the outlay (Rs. 2,489-3-3) from 1st April to 30th June 1897		622 4 10	622 4 10
Total	12,32,249 15 8	12,32,872 4 5	24,65,122 4 1

In the next and future half-years, he adds, that the proportion may be calculated as below:—

Half-year ending December 1897.

	Provincial.	Local.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Capital outlay to 30th June 1897	12,34,719 14 4	12,37,209 1 6	24,71,928 15 10
Half of capital outlay during half-year, December 1897 (say Rs. 10,000)		5,000 0 0	5,000 0 0
Net earnings for half-year, December 1897, to be divided in proportion of	12,34,719 14 4	12,42,209 1 6	24,76,928 15 10

Half-year ending June 1898.

	Provincial.	Local.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Capital outlay to 31st December 1897	12,34,719 14 4	12,47,209 1 6	24,81,928 15 10
Half of capital outlay during half-year, June 1898 (say Rs. 10,000)		5,000 0 0	5,000 0 0
Net earnings for half-year, June 1898, to be divided in proportion of	12,34,719 14 4	12,52,209 1 6	24,86,928 15 10

I beg to enclose his replies * Nos. 510 and 558, dated 13th October and 1st November 1897, for reference and request

* To be kindly returned.

that Government will state how it desires the half-yearly profits of the railway in question should be distributed between Provincial and Local funds.

ENCLOSURES.

From Major E. A. WALLER, R.E., Examiner, Guaranteed Railway Accounts, to the Accountant-General, dated Madras, 13th October 1897, No. 510.

With reference to your letter, No. 3113, dated 8th instant, I have the honour to give below the capital expenditure on the Mayavaram-Mutupet Railway to the end of June 1897 under the funds from which the outlay was met:—

	Provincial.	Local.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
To 31st December 1896	12,24,840 3 7	12,24,840 3 7	24,49,680 7 2
From 1st January to 31st March 1897	9,879 10 9	9,879 10 8	19,759 5 5
" 1st April to 30th June 1897		2,489 3 3	2,489 3 3
Total	12,34,719 14 4	12,37,209 1 6	24,71,928 15 10

2. The net earnings of the line for the half-year ending 30th June last were Rs. 57,216-7-9, and I would suggest that the amount be divided between the Provincial Government and the Tanjore Local Board in the proportion of Rupees 12,32,249-15-8 : 12,32,872-4-5. The proportion being arrived at as under:—

	Provincial.	Local.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Expenditure to 31st December 1896	12,24,840 3 7	12,24,840 3 7	24,49,680 7 2
Three-fourths of the outlay (Rs. 19,759-5-5) from 1st January to 31st March 1897	7,409 12 1	7,409 12 0	14,819 8 1
One-fourth of the outlay (Rs. 2,489-3-3) from 1st April to 30th June 1897		622 4 10	622 4 10
Total	12,32,249 15 8	12,32,872 4 5	24,65,122 4 1

3. In the next and future half-years the proportion may be calculated as below :—
Half-year ending December 1897.

	Provincial.	Local.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Capital outlay to 30th June 1897	12,34,719 14 4	12,37,209 1 6	24,71,928 15 10
Half capital outlay during half-year, December 1897 (say Rs. 10,000)		5,000 0 0	5,000 0 0
Net earnings for half-year, December 1897, to be divided in proportion of	12,34,719 14 4	12,42,209 1 6	24,76,928 15 10

Half-year ending June 1898.

	Provincial.	Local.	Total.
	RS. A. P.	RS. A. P.	RS. A. P.
Capital outlay to 31st December 1897	12,34,719 14 4	12,47,209 1 6	24,81,928 15 10
Half capital outlay during half-year, June 1898 (say Rs. 1,000)		5,000 0 0	5,000 0 0
Net earnings for half-year, June 1898, to be divided in proportion of	12,34,719 14 4	12,52,209 1 6	24,86,928 15 10

and so on, the Provincial proportion remaining constant at Rs. 12,34,719-14-4, which is the Provincial share of capital outlay to end of the official year 1896-97, all outlay subsequent to that date being provided from Local funds.

From A. GRANT, Esq., Officiating Examiner, Guaranteed Railway Accounts, to the Accountant-General, dated Madras, 1st November 1897, No. 558.

In reply to your letter, No. 3321, dated 23rd ultimo, I have the honour to state that, when ascertaining the capital expenditure to the end of a given half-year for the purpose of calculating interest, it is the practice in this department to add half the outlay incurred during the half-year to the expenditure recorded up to the beginning of that half-year and to treat the total thus arrived at as the amount on which interest should be charged.

2. In the case in question, the expenditure during the half-year ended June 1897 consists of two separate and distinct items of outlay—one incurred during the first three months of the period and the other during the latter three months.

The principle referred to above cannot obviously be applied, and the proportions of three-fourths and one-fourth suggested appear equitable, as the expenditure incurred during the earlier portion of the half-year has a claim to a larger share of the net earnings than the outlay of the latter half of the same period.

ORDER—No. 1013, Financial, dated 6th December 1897.

The Accountant-General will be informed that the half-yearly profits of the Mayavaram-Mutupet Railway may be distributed between Provincial and Local funds in the manner suggested by the Examiner of Guaranteed Railway Accounts.

(True Extract.)

M. C. Coultman.

for Chief Secretary.

To the Accountant-General.
" Local and Municipal Department.
" Public Works Department. ✓

Ed. A. F. Eccleston.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following

Proceedings of the Madras Govt. Financial Dept No. 1013 of 6th December 1897.

Communicated to the Agent S. R. for information

MA 20/12

SR 18-12-97

To The Agent S. R. Dated 22/12/97
Examiner of Accounts
Madras
Consulting Engineer for S. R.

Ed. A. F. Eccleston 18/12/97