L. [illegible] Department.

ORDINARY PRINTED.

G.O., No 856.

Dated 1st November 1895

INDEXED.

16/11

[Despatch Abstract.]

VILLAGE CESS.-

Passing orders as to the correct classification of the collections under the ----Act, 1895.

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

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	1432		1896				

FINANCIAL.

Issued

Recd. *Encl.*

G.O., No. 856, 1st November 1895.

NOVEMBER.

Village Cess.

Passing orders as to the correct classification of collections under the — Act, 1893.

No. 856, Financial, 1st November 1895.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

Read—again the following papers :—

G.O., No. 59, Legislative, dated 12th October 1892.

Abstract.—Communicating copies of the correspondence with the Government of India regarding the adjustments of the cost of village service in this Presidency between the Government and the ryots in view to the amendment of the Madras Village Cess Bill under the consideration of the Select Committee.

G.O., No. 80, Legislative, dated 3rd August 1893.

Abstract.—Passing the necessary orders in consequence of the Madras Village Cess Act, 1893, having received the assent of the Governor-General.

G.O., No. 7, Financial, dated 7th January 1895.

Abstract.—Recording letter from the Government of India regarding the classification of the receipts of the Village Service Fund, and passing orders on the budget estimates for 1896–97.

G.O., No. 121, Financial, dated 5th February 1895.

Abstract.—Stating that the Accountant-General's view, that the Government contribution to the Village Service Fund should be the difference between the village cess and the *sum* of "*quit-rents*" and "*other assets*" of the fund, is correct.

G.O., No. 372, Financial, dated 8th May 1895.

Abstract.—Recording Proceedings, Mis. No. 1679, Revenue, dated 26th April 1895, on Board's Proceedings expressing its views in regard to the draft of a circular which the Accountant-General proposes to issue to Collectors regarding the adjustment of the Government contribution under Act IV of 1893, pending the receipt of the Accountant-General's remarks.

Read—also the following papers :—

Proceedings of the Board of Revenue (Land Revenue), dated 17th June 1895, Mis. No. 3014.

Resolution.—With reference to paragraph 5 of G.O., No. 256, Financial, dated 19th March 1895, directing that all alterations in the accounts of 1894–95 should be reported to the Accountant-General before the end of July next, the Board requests that early orders may be passed on the questions raised in Board's Proceedings, Mis. No. 1586, dated 27th March 1895, regarding certain component items of Government contribution to the Village Service Fund. In G.O., Mis. No. 1679, Revenue, dated 26th April 1895, the Board's Proceedings above referred to was recorded pending receipt of the Accountant-General's remarks.

2. Pending receipt of the orders of Government, instructions are being issued to Collectors to credit to the fund in the accounts of 1894–95 an amount equal to the difference between the receipts from village-cess during fasli 1304 and the revenue from village service inams for the fasli.

(True Extract.)

(Signed) R. C. C. CARR,
Acting Secretary.

To the Secretary to Government, Revenue Department.

Proceedings of the Board of Revenue (Land Revenue), dated 5th July 1895, Mis. No. 3332.

Read—the following papers:—

(1) Circular No. III from the Accountant-General, Madras, dated 23rd April 1895.

(2) Government Order, No. 2357, Revenue, dated 12th June 1895.

Resolution—dated 5th July 1895, Mis. No. 3332.

With reference to the Government Order read above, the Board begs to submit the following for the consideration of Government in connection with the Accountant-General's circular, No. III, dated 23rd April 1895.

2. The items of receipts of the Village Service Fund which the Accountant-General proposes to treat as part of the contribution from General Revenues due to the fund under section 8 of Act IV of 1893 are—

For the last 9 months of 1894–95.

(1) Revenue from village service inams due prior to fasli 1303.
(2) „ „ „ after „ 1303.
(3) XXV, Miscellaneous—
  (*a*) Sale of Government securities.
  (*b*) Sundry receipts.
(4) XXXII—Civil Works.

For 1895–96 *and future years.*

(5) XXV—Miscellaneous—
  Sundry receipts.
(6) XXXII—Civil Works.

With regard to item 2, there is no objection to the Accountant-General's proposal.

Item 1, the receipts under which during the last nine months of 1894–95 amounted to Rs. 20,633, represents an unappropriated balance of the old Village Service Fund and should not be credited as a contribution due to the fund under the new Village Cess Act IV of 1893.

Item 3 (*a*).—To this head a sum of Rs. 8,60,521 was credited during the year 1894–95 by the sale of Government promissory-notes belonging to the fund. This amount forms part of the surplus balances of the old Village Service Fund and is made up of village cess and other contributions paid by ryots as well as Government contributions proper. It cannot therefore be treated as part of the "Contributions from general revenues" paid under the new Act.

Items 3 (*b*) *and* 4.—The receipts under these heads during the last nine months of 1894–95 amounted to Rs. 848*. These small receipts mostly comprise sale-proceeds of buildings and old materials and also contributions by ryots towards the construction of village chavadies. The fact last mentioned is an objection to these receipts being regarded as contributions from general revenues.

	RS.
* Sundries	32
Civil Works	816
Total ..	848

Items 5 *and* 6.—The remarks against items 3 (*b*) and 4 apply to these items also. Item 3 (*a*) "Sale of Government securities" has disappeared from "XXV, Miscellaneous" as all Government securities of the Village Service Fund were sold during 1894–95.

3. For the foregoing reasons, the Board begs to suggest that early instructions may be issued to the Accountant-General to the effect that the revenue from village service inams due prior to fasli 1303 and receipts under XXV, Miscellaneous, and XXXII, *Civil Works*, may be excluded from "Contributions from general revenues."

4. In Board's Proceedings, No. 211, dated 27th June 1895, the Board issued instructions to all Collectors to the above effect, subject to the approval of Government. This course was considered necessary because all adjustments in regard to the accounts of 1894–95 had to be effected before 1st July.

5. It may be observed that if the Board's proposals are accepted, the receipts which will be excluded from the Government contribution will nevertheless constitute an addition to the assets of the fund and will indirectly tend to reduce the Government contribution as well as the cess payable by ryots.

(True Extract.)

(Signed) R. C. C. CARR,
Acting Secretary.

To the Secretary to Government, Revenue Department.
Copy to the Accountant-General.

From F. C. HARRISON, Esq., Officiating Accountant-General, to the Secretary to Government, Revenue Department, dated Fort St. George, 10th July 1895, No. I.B.E.–126.

With reference to Acting Under Secretary Mr. W. B. Ayling's official memorandum, No. 73, dated the 3rd July 1895, I have the honour to invite attention to my letter, No. I.B.E.–60, dated 6th May 1895, which was disposed of in G.O., Mis. No. 2357, Revenue, dated 12th June 1895. I may, however, add with reference to Revenue Board's Proceedings, Mis. No. 3332, dated 5th July 1895, a copy of which has been furnished to me, that it was decided in G.O., No. 121, Financial, dated 5th February 1895, that the Government contributions to the Village Service Fund should, together with the other receipts of the fund (except village cess), represent half of the assets of the fund and the village cess the other half. I consider, therefore, that the three items mentioned in paragraph 3 of the Revenue Board's Proceedings of the 5th instant should be reckoned with the Government contributions to make up half the assets of the fund. The sale-proceeds of Government securities alone may be shut out of the account as not representing current revenue.

Endorsement, R. No. 1478, Revenue, dated 16th September 1895.

Transferred to the Financial Department.

(Signed) E. GIBSON,
Secretary to Government.

G.O., No. 651, Revenue, dated 25th September 1895.

ABSTRACT.—Recording Board's Proceedings submitting report on the operations of the Cattle Pound and Village Service Funds for 1894–95.

ORDER—No. 856, Financial, dated 1st November 1895.

In the papers read above, there is some confusion between the *balances* of the Village Service Fund under the *old* Act (IV of 1864) and the *current collections* under the *new* Act (IV of 1893).

2. Of the various items under discussion, the following are practically arrear collections or balances under the old Act and should be treated as such, although realized in 1894–95, viz.—

(*a*) Revenue from village service inams due prior to fasli 1303 ;
(*b*) Interest on Government securities ; and
(*c*) Sale-proceeds of Government securities.

3. These do not form revenue or receipts under the new Act and should therefore be entirely excluded in determining the amount of the Government contributions, which, under section 8 of the Act, should be equal to the estimated proceeds of the village cess. As a matter of fact, the Accountant-General has, under the orders of the Government of India, excluded item (c) from the receipts of 1894–95, and added it to the *balances* of the Village Service Fund (*vide* paragraph 7 *infra*).

4. The remaining items under discussion are—

(*d*) Interest on arrears of revenue.
(*e*) Examination fees * (Village Test).
(*f*) Miscellaneous sundry receipts.
(*g*) Civil Works—Contributions for village chavadies, &c.

Of these, item (d) has already been transferred from *Interest, Local,* to *Interest, Imperial.*

Item (e) which represents examination fees recovered from candidates appearing for village tests should be credited (and the charges debited) to *Provincial* and not to *Local,* as the examining body is Provincial.—(G.O., No. 783, Financial, dated 9th October 1895).

Items (f) and (g) *Miscellaneous sundry receipts* (representing fines, &c.,) and *Public Works receipts* are exceedingly small in amount and might be classified under *VI, Provincial rates—Miscellaneous,* if the receipts are contributions or recoveries from ryots, and under I, *Land Revenue—Miscellaneous Local,* if they are not of this character.

5. The receipts of the Village Service Fund will then appear under two heads only and it will not be difficult to secure what the Act intends, viz., to make the *payments by ryots* (*VI, Provincial rates*) exactly equal to the *contributions from Government* (*I, Land Revenue*).

6. The Board's proposal to keep petty miscellaneous items outside these two accounts is contrary to the intentions of the Act—(*vide* Statement of Objects and Reasons, pages 2 and 3, Gazette Supplement, dated 10th January 1893, and G.O., No. 59, Legislative, dated 12th October 1892.) The Act evidently contemplates, not only equalisation between the receipts and charges of each year without accumulation of balances in the future, but also equalisation between contributions by Government and payments by ryots.

7. The Board's revised estimates for 1894–95 and the actuals (final accounts) stand as follows :—

Village Service Fund.	Board's revised estimate.	Actuals.	
		According to Accountant-General's books.	As given by the Board of Revenue.
	RS.	RS.	RS.
I. Land Revenue—			
Government assignments due *after* and *prior* to fasli 1303	5,46,200	14,54,044	18,67,897
Quit rents on enfranchised inams due *after* fasli 1303	11,43,000	4,73,782	
Miscellaneous	..	138	
	16,89,200	19,27,964	18,67,897

---

* Not mentioned by the Board but actually appearing in the accounts—(*Vide* paragraph 7 *infra*).

Village Service Fund.	Board's revised estimate.	Actuals.	
		According to Accountant-General.	As given by the Board of Revenue.
VI. Provincial Rates—	RS.	RS.	RS.
Rates and Cesses –			
Village Cess	15,76,000	17,75,805	17,54,528
Mira fees	..	48	8,343
Cess collected over and above Land Revenue (Malabar)	90,000	91,848	91,870
Miscellaneous—			
Quit rents on inams prior to fasli 1303.	38,000	33,993	32,085
	17,04,000	19,01,694	18,86,826
XII. Interest—			
Interest on Government securities ..	35,100	32,435	32,436
Interest on arrears of Land Revenue ..	200	219	218
	35,300	32,654	32,654
XXI. Scientific, &c., Departments—			
Examination fees (Village test)	..	181	186
XXV. Miscellaneous—			
Sale of Government securities	8,49,100	..	8,60,520
Sundry receipts	1,000	839	924
	8,50,100	839	8,61,444
XXXII. Civil Works—			
Sale of buildings, &c.	400	33	229
Total receipts	42,79,000	38,63,365	46,49,236
Total charges	46,98,000	45,29,531	45,30,077
Deficit	4,19,000	6,66,166	..
Government securities added to balances..	..	8,60,521	..
Surplus	..	1,94,355	1,19,159
Opening balance	12,54,000	12,20,950	12,20,950
Closing balance	8,35,000	14,15,305	13,40,109

8. The classification of the details under *I, Land Revenue,* and *VI, Provincial rates,* appears to be faulty and the attention of the Board will be drawn to the point in view of the departmental accounts being brought into exact accord with those of the Accountant-General.

9. There has been an excess collection of two lakhs under *Village Cess,* as compared with the Board's revised estimate, but the Act requires the Government contributions to be equal to the *estimated* and *not* the *actual* proceeds of the cess. No readjustments are necessary in such cases, but the estimates of succeeding years should be modified so as to utilise the excess collections of previous years.

10. As brought out by the actuals, there is an excess balance of over 5 lakhs available for expenditure, and the cess collections might probably be reduced from 9 to 8 pies in the rupee. The Board of Revenue proposes to consider this point when framing the estimate for 1896–97.

11. G.O., No. 121, Financial, dated 5th February 1895, will be cancelled, and the Accountant-General will, in communication with the Board, issue a revised circular in accordance with the views above enunciated and clearly define the procedure to be adopted as regards the collections of future years.

(True Extract.)

J. F. PRICE,
Chief Secretary.

To the Revenue Department.
„ Accountant-General.

Exd. A. Raitt.

Read also the foll. paper

3,000
3-5-59.

R.P.

Proceedings of the Board of Revenue

(Land Revenue),

Dated 17th June 1895.

No. 3014. Mis. ~~Routine~~.

~~Read~~ Resolution. With reference to para 5 of G. O. Finl. No 256 dated 19th March 1895 directing that all alterations in the accounts of 1894-95 should be reported to the Accountant General before the end of July next, the Board requests that early orders may be passed on the questions raised in Board's Proceedings No 1586 Mis. dated 27th March 1895, regarding certain component items of Govt. contribution to the village service fund. In Govt. Order Rev. No 1679 Mis dated 26 April 1895 the Board's Procs. above referred to, was recorded pending receipt of the Accountant-General's remarks.

1679
26-4-95

2. Pending receipt of the orders of Government, instructions are being issued to Collectors to credit to the fund in the accounts of 1894-95, an amount equal to the difference between the receipts from village cess during fasli 1304 and the Revenue from village service inams for the fasli.

True Extract

To
The Secretary to Govt
Revenue Department

Ag. Secretary.

Ed. [illegible] 1/6

R. 2357 d/12-6-95.
" 1679 d/26-4-95
" 256 d/19.3.95

Revenue 1895. Dept.

Board of Revenue

(Land Revenue),

MADRAS.

Current Number 4444

To

The Secretary to Government
Revenue Department

Proceedings, dated 17 June 1895,
No. 3014 Mis. ~~Routine~~.

Subject.

Requesting early orders on the questions raised in B.P. 1586 Mis d/27. 3. 95 regarding certain component items of the Govt. contribution to the village Service Fund

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cur 4444/95
R. 2357 d/12-6-95
R. 1679 d/26-4-95

Revenue 1895. Urgent Dept.

Board of Revenue

(Land Revenue),

MADRAS.

Current Number 4836

To

The Secretary
to Government,
R. D.

8 JUL 95

Recd 8 July

Proceedings, dated 5 July 1895,
3332 No. Mis., Routine Enclosures.

Subject.

Submitting for the consideration of Government certain points in connection with the Accountant General's Circular No. III d/23. April/95 regarding the component items of the Government contribution to the village service Fund.

Proceedings of the Board of Revenue

(Land Revenue).

Dated 5. July 1895.

No. 3332 Mis

READ the following:-

(1) Circular No: III from the Accountant General, Madras, dated 23. April 1895.

(2) Government Order, dated 12. June 1895, No: 2357 Revenue.

Resolution

With reference to the Government Order read above, the Board begs to submit the following for the consideration of Government in connection with the Accountant General's Circular No: III dated 23. April 1895.

2. The items of Receipts of the Village Service Fund which the Accountant General proposes to treat as part of the contribution from General Revenues due to the fund under Section 8 of Act IV

of

of 1893 are:—

For the last 9 months of 1894-95.

1. Revenue from village service inams X due prior to fasli 1303.

√2. Do. after do.

3. XXV Miscellaneous

   (a) Sale of Government securities X

   (b) Sundry Receipts.

4. XXXII Civil Works.

For 1895-96 and future years.

5. XXV Miscellaneous— Sundry receipts

6. XXXII Civil Works.

With regard to item 2, there is no objection to the Accountant General's proposal.

Item 1, the receipts under which during the last 9 months of 1894-95 amounted to Rs 20,633, represents an unappropriated balance of the old village Service Fund and should not be credited as a contribution due to the fund under the new Village Cess Act IV of 1893.

Item 3(a) Govt Securities

To this head, a sum of Rs 8,60,521 was credited during the year 1894-95 by the sale of Government pro-notes belonging to the fund. This amount forms part of the surplus balances of the old village service fund and is made up of village cess and other contributions paid by ryots as well as Government contributions proper. It cannot therefore be treated as part of the "Contributions from general revenues" paid under the new Act.

Items 3(b) and 4. Sundry + Civil Works

×	Rs
Sundries	32
Civil works	816
	848

The receipts under these heads during the last 9 months of 1894-95 amounted to ×Rs 848. These small receipts mostly comprise sale proceeds of buildings and old materials & also contributions by ryots towards the construction of village Chavadies. The fact last mentioned is an objection to these receipts being regarded as contributions from general revenues.

Items 5 and 6. Sundry + Civil Works

The remarks against items 3(b) and 4 apply to these items also. Item 3(a) "Sale of Government Securities" has disappeared from "XXV Miscellaneous" as all Government securities of the village service fund were sold during 1894-95.

3. For the foregoing reasons, the Board begs to suggest that early instructions may be issued to the Accountant General

to

to the effect that the revenue from village service Inams due prior to Fasli 1303 and receipts under XXV Miscellaneous and XXXII Civil works may be excluded from "Contributions from general revenues".

4. In Board's Proceedings $\frac{211}{27.6.95}$ the Board issued instructions to all Collectors to the above effect, subject to the approval of Government. This course was considered necessary because all adjustments in regard to the accounts of 1894–95 had to be effected before 1st July.

[illegible] 4678/95

5. It may be observed that if the Board's proposals are accepted, the receipts which will be excluded from the Government Contribution will nevertheless constitute an addition to the assets of the fund and will indirectly tend to reduce the Government Contribution as well as the cess payable by ryots.

(True Extract)

Ag: Secretary

To

The Secretary to
Government, R. D.

Copy to the Accountant General

Revenue (1895) DEPARTMENT.

Current Number 5024

From

THE ACCOUNTANT-GENERAL,
MADRAS,

To

THE Secy to Govt Rev Dept

No. $\frac{2B2}{126}$

Dated 11 } July 95
Received 12 }

GOVERNMENT OF MADRAS
12 JUL 95
DEPARTMENT

Subject

stating that the three items referred to in para 3 of the Boards Procg No 3332 Mis of 5th July 95 should be reckoned with the Govt contributions to make up half the assets of the Village service fund and that the sale proceeds of Govt securities alone may be shut out of the accounts as not representing current revenue

Cor.—4,000—18-5-95.

ms/12/7

Compilation

58

DEPARTMENT.

FORT ST. GEORGE,
Accountant-General's Office,
10th July 1895.

No. I.B.E./126

From
F. C. Harrison Esquire,
Offg. ACCOUNTANT-GENERAL TO THE
GOVERNMENT OF MADRAS,

To
THE Secretary to Government,
Revenue Department

SIR,

With reference to Acting Under Secretary Mr. W. B. Ayling's Official Memorandum No 73 dated the 3d July 1895, I have the honour to invite attention to my letter No I.B.E./60 dated 6th May 1895 which was disposed of in Government Order Revenue No. 2357 miscellaneous dated 12th June 1895. I may however add with reference to Revenu Board's Proceedings No 3332 miscellaneous dated 5th July 1895 a copy of which has bee furnished to me, that it was decided in Government Order Financial No 121 dated 5th February 1895 [illegible]t the Government cont

Cus 4836/95

G.O. 690/14-2-95

tributions

to the Village Service Fund should together with the other receipts of the Fund (except village cess) represent half of the assets of the Fund and the Village Cess the other half. I consider therefore that the three items mentioned in paragraph 3 of the Revenue Board's Proceedings of the 5th instant should be reckoned with the Government Contributions to make up half the assets of the Fund. The sale proceeds of Government Securities alone may be shut out of the account as not representing current revenue.

I have the honour to be,
Sir,
Your most obedt. Servant,
J. Marison
Offg. Accountant General.

10/7

Financial Department.

Office Note

To

The Revenue Department.

The orders on the papers, in which there is some confusion between Balances under the old Act, and current collections under the new Act, had better be transferred to the Financial Department.

2. Of the various items under discussion, the following are practically arrear collections or balances under the old Act and should be treated as such, though realized in 1894-95, viz

/a/ Revenue from village service inams due prior to fasli 1303.

/b/ Interest on Government securities, &

/c/ Sale proceeds of Government securities.

3. They do not form revenue or receipts under the new Act and should therefore be entirely excluded in determining the amount of the Government contributions, which under section 8 of the Act should be equal to the [collections of the village cess.] As a matter of fact, the Accountant General has, under orders from India, excluded the last item /c/, Sale proceeds of Government securities, from the receipts of 1894-95, and added them direct to the Balances of the Village Service funds.

Estimated proceeds of the village cess

[Vide accounts infra.]

4. The remaining items under discussion are

/d/ Interest on arrears of revenue

/e/ Examination fees* /Village Test/

/f/ Miscellaneous sundry receipts

/g/ Civil Works-contributions for village chavadies &c.

* not mentioned by the Board but actually appearing in the accounts. (vide infra).

Of these item /d/-Interest on arrears of Revenue has been ordered to be credited to Interest-Imperial instead to Interest of Local.

Item /e/ Examination fees recovered from candidates appearing for Village Test should be credited [and the charges debited] to Provincial and not Local, as the Examining body is Provincial.

Items /f/ & /g/-Sundry miscellaneous receipts [representing fines &c] & Public Works receipts are exceedingly small in amount and might be classified under -;

VI Provincial rates-Miscellaneous, if the receipts are contributions or recoveries from ryots, and under

I Land Revenue-Miscellaneous-Local, if they are not of this character.

5. In this way, the receipts of the Village Service Fund will appear only under two heads and it will be easy to secure what the Act intends, viz to make the payments by ryots [VI Provincial rates] exactly equal to the contributions from Government-[I Land Revenue]

6. The Board's proposal to keep petty miscellaneous items outside these two accounts is contrary to the intention of the Act [vide statement of objects and reasons, pages 2 and 3, Gazette Supplement d. 10 -1-93 and G.O.Legislative No 59 d. 12-10-92.]. The Act evidently contemplates not only equalisation between the receipts and charges of each year, without accumulation of balances in future, but also equalisation between contributions by Government and payments by ryots.

7. The Board's Revised estimates for 1894-95 and the actuals /Final accounts/ stand as follows-;

Village Service fund.	Boards Revised Estimate. Rs.	Actuals. Rs.
I. Land Revenue.		
/a/ Government assignments due after and prior to Fasli 1303	5,46,200	14,54,044
/b/ Quit rents on enfranchised inams due after fasli 1303	11,43,000	4,73,782
/c/ Miscellaneous		138
	16,89,200	19,27,964
VI Provincial rates		
Rates & cesses		
/d/ Village cess	15,76,000	17,75,805
/e/ Mirah fees		48
/f/ Cess collected over and above Land Revenue /Malabar/	90,000	91,848
Miscellaneous		
/g/ Quit rents on inams prior to fasli 1303	38,000	33,993
	17,04,000	19,01,694
XII Interest		
/h/ Interest on Government securities	35,100	32,435
/i/ Interest on arrears of Land Revenue	200	219
	35,300	32,654

Village Service fund	Boards Revenue Estimate Rs.	Actuals Rs.
XXI Scientific &c depts.		
/j/ Examination fees /Village test/	...	121
XXV Miscellaneous		...
/k/ Sale of Govt securities	8,49,100	
/l/ Sundry receipts	1,000	859
	8,50,100	859
XXXII Civil Works.		
/m/ Sale of buildings &c	,400	33
/n/ Total receipts	42,79,000	38,65,565
/o/ Total charges	46,98,000	45,29,571
/p/ Deficit	4,19,000	6,66,166
/q/ Govt. securities added to balances	...	8,60,521
/r/ Surplus	...	1,94,355
/s/ Opening balance	12,54,000	12,20,950
/t/ Closing balance	8,35,000	14,15,305

8. There seems to be some wrong classification under items /a/ & /b/ and the attention of the Accountant General's office has been drawn to it but the total under 1 Land Revenue seems to be fairly correct.

9. There has been an excess collection of 2 lakhs under Village Cess, as compared with the Board's revised estimate, but ~~strangely enough~~ the Act requires the Government contributions to be equal to the estimated and not the actual proceeds of the cess.

10. As brought out by the actuals, there is an excess balance of 5.80 lakhs available for expenditure in 1895-96 and the cess collections might safely be reduced from 9 to 8 pies for the whole year. The difference between a cess of 9 pies and 8 pies on a total revenue of 478.21 lakhs is 2 ¼ lakhs [Vide page 5

of

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of G.O.d/ 7th January 1895 No 7 Finl.]

This point might be taken up when the revised estimates are framed.

3/9/95

12/9

29/8/95

Yes This note seems to meet all difficulties. The G.O. 5.2.95 121 must be cancelled.

14/9

Village Cess receipts in 1894-95

C. Nos: 4444, 4836 & 5024

C.S. To Revenue Dept

CHIEF SECRETARY
16 SEP 1895
GOVERNMENT OF MADRAS

Endorsement R. No. 1478.

Transferred to the Financial Department.

Secretary to Government.

Ootacamund
16th Septr 1895

Recd 16.
Regd 17 9/95

B.C. 174

To the Financial Deptt with the notes & the papers in original to be returned

C 13/9
R 14/9

No. 856 Financial, 1st Nov. ~~4th October~~ 1895.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

Read—again the following papers :—

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Read—also the following papers :—

Proceedings of the Board of Revenue (Land Revenue), dated 17th June 1895, Mis. No. 3014.

Resolution.—With reference to paragraph 5 of G.O., No. 256, Financial, dated 19th March 1895, directing that all alterations in the accounts of 1894–95 should be reported to the Accountant-General before the end of July next, the Board requests that early orders may be passed on the questions raised in Board's Proceedings, Mis. No. 1586, dated 27th March 1895, regarding certain component items of Government contribution to the Village Service Fund. In G.O., Mis. No. 1679, Revenue, dated 26th April 1895, the Board's Proceedings above referred to was recorded pending receipt of the Accountant-General's remarks.

2. Pending receipt of the orders of Government, instructions are being issued to Collectors to credit to the fund in the accounts of 1894–95 an amount equal to the difference between the receipts from village-cess during fasli 1304 and the revenue from village service inams for the fasli.

(True Extract.)

(Signed) R. C. C. CARR,
Acting Secretary.

To the Secretary to Government, Revenue Department.

Proceedings of the Board of Revenue (Land Revenue), dated 5th July 1895, Mis. No. 3332.

Read—the following papers :—

(1) Circular No. III from the Accountant-General, Madras, dated 23rd April 1895.

(2) Government Order, No. 2357, Revenue, dated 12th June 1895.

Resolution—dated 5th July 1895, Mis. No. 3332.

With reference to the Government Order read above, the Board begs to submit the following for the consideration of Government in connection with the Accountant-General's circular, No. III, dated 23rd April 1895.

2. The items of receipts of the Village Service Fund which the Accountant-General proposes to treat as part of the contribution from General Revenues due to the fund under section 8 of Act IV of 1893 are—

For the last 9 months of 1894–95.

(1) Revenue from village service inams due prior to fasli 1303.
(2) " " " after " 1303.
(3) XXV, Miscellaneous—
  (*a*) Sale of Government securities.
  (*b*) Sundry receipts.
(4) XXXII—Civil Works.

For 1895–96 *and future years.*

(5) XXV—Miscellaneous—
  Sundry receipts.
(6) XXXII—Civil Works.

With regard to item 2, there is no objection to the Accountant-General's proposal.

Item 1, the receipts under which during the last nine months of 1894–95 amounted to Rs. 20,633, represents an unappropriated balance of the old Village Service Fund and should not be credited as a contribution due to the fund under the new Village Cess Act IV of 1893.

Item 3 (*a*).—To this head a sum of Rs. 8,60,521 was credited during the year 1894–95 by the sale of Government promissory-notes belonging to the fund. This amount forms part of the surplus balances of the old Village Service Fund and is made up of village cess and other contributions paid by ryots as well as Government contributions proper. It cannot therefore be treated as part of the "Contributions from general revenues" paid under the new Act.

Items 3 (*b*) *and* 4.—The receipts under these heads during the last nine months of 1894–95 amounted to Rs. 848 *. These small receipts mostly comprise sale-proceeds of buildings and old materials and also contributions by ryots towards the construction of village chavadies. The fact last mentioned is an objection to these receipts being regarded as contributions from general revenues.

	RS.
* Sundries	32
Civil Works	816
Total ..	848

Items 5 *and* 6.—The remarks against items 3 (*b*) and 4 apply to these items also. Item 3 (*a*) "Sale of Government securities" has disappeared from "XXV, Miscellaneous" as all Government securities of the Village Service Fund were sold during 1894–95.

3. For the foregoing reasons, the Board begs to suggest that early instructions may be issued to the Accountant-General to the effect that the revenue from village service inams due prior to fasli 1303 and receipts under XXV, Miscellaneous, and XXXII, *Civil Works*, may be excluded from "Contributions from general revenues."

4. In Board's Proceedings, No. 211, dated 27th June 1895, the Board issued instructions to all Collectors to the above effect, subject to the approval of Government. This course was considered necessary because all adjustments in regard to the accounts of 1894–95 had to be effected before 1st July.

5. It may be observed that if the Board's proposals are accepted, the receipts which will be excluded from the Government contribution will nevertheless constitute an addition to the assets of the fund and will indirectly tend to reduce the Government contribution as well as the cess payable by ryots.

(True Extract.)

(Signed) R. C. C. CARR,
Acting Secretary.

To the Secretary to Government, Revenue Department.
Copy to the Accountant-General.

From F. C. HARRISON, Esq., Officiating Accountant-General, to the Secretary to Government, Revenue Department, dated Fort St. George, 10th July 1895, No. I.B.E.-126.

With reference to Acting Under Secretary Mr. W. B. Ayling's official memorandum, No. 73, dated the 3rd July 1895, I have the honour to invite attention to my letter, No. I.B.E.-60, dated 6th May 1895, which was disposed of in G.O., Mis. No. 2357, Revenue, dated 12th June 1895. I may, however, add with reference to Revenue Board's Proceedings, Mis. No. 3332, dated 5th July 1895, a copy of which has been furnished to me, that it was decided in G.O., No. 121, Financial, dated 5th February 1895, that the Government contributions to the Village Service Fund should, together with the other receipts of the fund (except village cess), represent half of the assets of the fund and the village cess the other half. I consider, therefore, that the three items mentioned in paragraph 3 of the Revenue Board's Proceedings of the 5th instant should be reckoned with the Government contributions to make up half the assets of the fund. The sale-proceeds of Government securities alone may be shut out of the account as not representing current revenue.

Endorsement, R. No. 1478, Revenue, dated 16th September 1895.

Transferred to the Financial Department.

(Signed) E. GIBSON,
Secretary to Government.

G.O., No. 651, Revenue, dated 25th September 1895.

ABSTRACT.—Recording Board's Proceedings submitting report on the operations of the Cattle Pound and Village Service Funds for 1894–95.

ORDER—No. 856, Financial, dated 1st Nov. ~~October~~ 1895.

In the papers read above, there is some confusion between the *balances* of the Village Service Fund under the *old* Act (IV of 1864) and the *current collections* under the *new* Act (IV of 1893).

2. Of the various items under discussion, the following are practically arrear collections or balances under the old Act and should be treated as such, although realized in 1894–95, viz.—

(*a*) Revenue from village service inams due prior to fasli 1303;
(*b*) Interest on Government securities; and
(*c*) Sale-proceeds of Government securities.

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3. These do not form revenue or receipts under the new Act and should therefore be entirely excluded in determining the amount of the Government contributions, which, under section 8 of the Act, should be equal to the estimated proceeds of the village cess. As a matter of fact, the Accountant-General has, under orders ~~from~~ of the Government of India, excluded ~~the last~~ item (*c*) ~~Sale-proceeds of Government securities~~ from the receipts of 1894–95, and added ~~them direct~~ it to the *balances* of the Village Service Fund~~s~~ (*vide* paragraph 7 *infra*). Th

4. The remaining items under discussion are—

(*d*) Interest on arrears of revenue.
(*e*) Examination fees * (Village Test).
(*f*) Miscellaneous sundry receipts.
(*g*) Civil Works—Contributions for village chavadies, &c.

* Not mentioned by the Board but actually appearing in the accounts—(*Vide* paragraph 7 *infra*).

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Of these, item (*d*) ~~*Interest on arrears of revenue*~~ has already been transferred from *Interest, Local,* to *Interest, Imperial.*

which represents

roman

Item (*e*) *Examination fees* recovered from candidates appearing for village tests should be credited (and the charges debited) to *Provincial* and not to *Local,* as the examining body is Provincial.—(G.O., No. 783, Financial, dated 9th October 1895).

Items (*f*) and (*g*) s *Sundry Miscellaneous receipts* (representing fines, &c.,) and *Public Works receipts* are exceedingly small in amount and might be classified under *VI, Provincial rates—Miscellaneous*, if the receipts are contributions or recoveries from ryots, and under I, *Land Revenue—Miscellaneous Local*, if they are not of this character.

5. The receipts of the Village Service Fund will then appear only under two heads and it will not be difficult to secure what the Act intends, viz., to make the *payments by ryots* (*VI, Provincial rates*) exactly equal to the *contributions from Government* (*I, Land Revenue*).

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6. The Board's proposal to keep petty miscellaneous items outside these two accounts is contrary to the *intentions* of the Act—(*vide* Statement of Objects and Reasons, pages 2 and 3, Gazette Supplement, dated 10th January 1893, and G.O., No. 59, Legislative, dated 12th October 1892.) The Act evidently contemplates, not only equalisation between the receipts and charges of each year without accumulation of balances in the future, but also equalisation between contributions by Government and payments by ryots.

7. The Board's revised estimates for 1894–95 and the actuals (final accounts) stand as follows:—

Village Service Fund.	Board's revised estimate.	Actuals. According to Accountant-General's books.	Actuals. As given by the Board of Revenue.
	RS.	RS.	RS.
I. Land Revenue—			
Government assignments due *after* and *prior* to fasli 1303	5,46,200	14,54,044	
Quit rents on enfranchised inams due *after* fasli 1303	11,43,000	4,73,782	18,67,897
Miscellaneous	..	138	
	16,89,200	19,27,964	18,67,897

Village Service Fund.	Board's revised estimate.	Actuals. According to Accountant-General.	Actuals. As given by the Board of Revenue.
VI. Provincial Rates—	RS.	RS.	RS.
Rates and Cesses—			
Village Cess	15,76,000	17,75,805	17,54,528
Mira fees	..	48	8,343
Cess collected over and above Land Revenue (Malabar)	90,000	91,848	91,870
Miscellaneous—			
Quit rents on inams prior to fasli 1303.	38,000	33,993	32,085
	17,04,000	19,01,694	18,86,826
XII. Interest—			
Interest on Government securities ..	35,100	32,435	32,436
Interest on arrears of Land Revenue ..	200	219	218
	35,300	32,654	32,654
XXI. Scientific, &c., Departments—			
Examination fees (Village test)	..	181	186
XXV. Miscellaneous—			
Sale of Government securities	8,49,100	..	8,60,520
Sundry receipts	1,000	839	924
	8,50,100	839	8,61,444
XXXII. Civil Works—			
Sale of buildings, &c.	400	33	229
Total receipts	42,79,000	38,63,365	46,49,236
Total charges	46,98,000	45,29,531	45,30,077
Deficit	4,19,000	6,66,166	..
Government securities added to balances..	..	8,60,521	..
Surplus	..	1,94,355	1,19,159
Opening balance	12,54,000	12,20,950	12,20,950
Closing balance	8,35,000	14,15,305	13,40,109

8. The~~re seems to be some wrong~~ classification ~~in~~ of the details under *I, Land Revenue*, and *VI, Provincial rates*, and the attention of the Board of Revenue will be drawn to the point in view ~~to~~ of the departmental accounts being brought into exact accord with those of the Accountant-General. appears to be finally

9. There has been an excess collection of two lakhs under *Village Cess*, as compared with the Board's revised estimate, but the Act requires the Government contributions to be equal to the *estimated* and *not* the *actual* proceeds of the cess. No readjustments are necessary in such cases, but the estimates of succeeding years should be modified so as to utilise the excess collections of previous years.

10. As brought out by the actuals, there is an excess balance of over 5 lakhs available for expenditure ~~in later years~~, and the cess collections might probably be reduced from 9 to 8 pies in the rupee. The Board of Revenue proposes to consider this point when framing the estimate for 1896–97.

11. G.O., No. 121, Financial, dated 5th February 1895, will be cancelled, and the Accountant-General will, in communication with the Board, issue a revised circular in accordance with the views above enunciated and clearly define the procedure to be adopted as regards the collections of future years.

(True Extract.)

31/10/95

Chief Secretary.

To the Revenue Department.
" Accountant-General.

67) dsp 11/11/95 C.S. 28.10.95

Exd. A. Baitt.

AB 28/10/95

orig Enclos retd to RD. 23/11/95.

Village Cess

C.S.

Note for the C.S.

I don't think the Hon'ble Mr. Bliss need be troubled with this. It is a Revenue matter really and Hon. Mr. Grose has approved

C.S.
28/10

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