M.R.O. 1—77,000—8-6-37.

(1) Number of pages 12

(2) Date of repair 21-11-43

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. 2133-34 Press Mis.

11-13

Dated 1 7 1869.

Not to be folded or roughly handled

No. 11. Read the following letter from the Consulting Engineer for Railways, to the Secretary to Government, Public Works Department, dated Madras, 7th June 1869, No. 182:—

WITH reference to the Order of Government, No. 1,681, dated the 21st May 1869, I have the honour to submit a copy of a letter* received from the Examiner of Railway Accounts, explaining the circumstances under which he made the statement animadverted upon by the Government of India, that the condition of the outstandings does not in any way affect the Revenue Account rendered half-yearly by the Railway Companies to the Government, and sent by the Companies to their Boards of Directors for incorporation in the half-yearly reports.

* No. 78, dated 31st May 1869.

2. Captain Moberly has entered so fully into the matter, that it does not seem necessary for me to do more than express my concurrence with him, both as regards the distinction which he draws between the Revenue Accounts above alluded to and the statements of Net Revenue which are compiled in order to arrive at the amount of net profits to be credited for each half-year to the Guaranteed Interest Account of the Railway Companies, and with regard to the minimum period of time which he shows to be required, under the special circumstances of the Madras Railway, in order to ascertain the amount of traffic earnings outstanding upon any particular date.

From the Examiner of Railway Accounts, to the Consulting Engineer for Railways, dated Madras, 31st May 1869, No. 78.

YOUR Memorandum, No. 336, dated 26th May 1869, forwarding Proceedings of Government, No. 1,681, dated 21st May 1869.

I much regret that the Government consider that, owing to a misapprehension on my part of the course to be followed in preparing the half-yearly Returns of Net Profits, I have made an incorrect statement to the effect that the state of the outstanding traffic does not affect the Revenue Accounts, but I would most respectfully submit that my statement was not incorrect, and trust that I shall be able to prove that it was not so.

2. In the first place I would premise that by the "Revenue Account" is meant the Account rendered half-yearly by the Railway Companies to the Government, and sent by the Companies to their Boards of Directors for incorporation in their half-yearly Reports. This Account is quite distinct from any *net* Profit or *net* Revenue Statement compiled to arrive at the amount of net profits for a half-year to be credited to the Guaranteed Interest Account of the Railway Companies.

3. These "Revenue Accounts," similar in principle to those prepared by all the Railways in the United Kingdom, represent, on the credit side, the total amount of the Traffic *Earnings* (as distinct from *Receipts*) of the half-year, and, on the debit side, the entire expenses of the half-year chargeable to the revenue of that period. The balance, therefore, of this Account represents the net revenue *earned* during the half-year, irrespective of the amount of earnings realized, and therefore I represented, what I believe to be correct, that the state of the outstandings would not affect this Account; and it was the delay in the submission of this Account, caused by the

necessity of noting at the foot of it the balance of outstandings of the half-year unrecovered at the close of the second month of the succeeding half-year, which note I said could not affect the Account itself, that I deprecated on the ground that, where the Railway Companies have shown promptitude in submitting their Accounts, it would be unadvisable that any obstacle in the way of their being sent on to their Boards should be placed by Government, especially as such obstacle did not in any way tend to better the conditions of those Accounts.

4. I trust that I have been able to show that my statement, as to the effect of the state of the outstandings on the "Revenue Accounts," was correct.

5. With regard to paragraph 3 of the letter from the Government of India, I think you are aware that the profits of the Railways in this Presidency have been calculated strictly in accordance with the orders of Government, and I beg to assure you that in preparing the statements I carefully studied the various orders of Government.

6. Referring to paragraph 5 of the letter of the Government of India, I would beg to state that a fortnight is the time required to audit traffic accounts of the Madras Railway, a period which, considering the exceptionally complicated traffic of the Madras Railway, as compared with other Indian Railways, inasmuch as the Madras Railway must be considered to have through traffic relations with three foreign lines, *viz.*, the North-West Line, the Great Southern of India, and the Indian Tramway Company, must, I think, be conceded as very reasonable. The outstandings thus of any date, say the 31st December 1868, will be known by about the 14th January 1869, and not before. But to make the note at the foot of the Revenue Account, called for by the Government of India, it is necessary to know how much of these outstandings had been recovered by the 28th February 1869. The recoveries of outstandings of previous half-years are paid in at the same time and undivided from the payments of current traffic receipts. Hence it will follow that, until the audit of the current traffic to the 28th February 1869 is completed, say the 14th March 1869, the exact state of the outstandings as to realization will not be known.

7. I sincerely hope that what I have said above may convince the Government that I do not merit the reproof given as to inattention to instructions.

No. 12. ORDER THEREON, 1st July 1869, No. 2,133.

RAILWAY, No. 4.

THESE papers will be forwarded for the consideration of the Government of India with reference to their letter of the 19th April 1869, No. 70-A.—R.; but, pending the receipt of the further orders of that Government, the Consulting Engineer will be careful to see that the Revenue Accounts submitted by the Railway Companies exhibit the amount of traffic earnings outstanding at the end of the second month after the close of the half-year. It may not perhaps be practicable to submit the Accounts with the same promptitude as hitherto; but the Government of India have pointed out that they would prefer that those Accounts should be submitted two and a half months after the close of the half-year than that they should be sent up without the requisite particulars regarding the state of the outstandings.

2. With reference to Captain Moberly's remarks in the concluding portion of paragraph 3, the Government would draw attention to paragraph 4 of the letter from the Government of India above quoted, from which it will be seen that the Railway Companies are quite at liberty to submit the Revenue Accounts to their Boards without the information which the Government of India require regarding

2

outstandings, but, in that case, it will be necessary to deduct from the balance of the Account the traffic earnings of the half-year in question, which the Companies may be unable to show distinctly to have been paid to Government at the time they submit the Accounts.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,

Secretary to Government.

No. 13. Docket No. 2,134, dated 1st July 1869.

COPY of the above forwarded to the Government of India with reference to their letter of the 19th April 1869, No. 70-A.—R.

(True Extract.)

Colonel, R. E.,

Secretary to Government.

Exd. S. T. Augustin.

Govt. of {1869} Madras.

PUBLIC WORKS.

To

THE SECRETARY TO THE GOVERNMENT

OF INDIA.

Dated July, 1st.

Recd. Encl.

G. O., 1st July 1869, No. 2,134.

JULY.

Nos. 11-13

Revenue Accounts (Railway).—A copy of the Proceedings regarding the Revenue Accounts of the Railway Companies in the Madras Presidency, forwarded to the Government of India.

No 78. Madras 21st May 1869.

3

From

The Examiner

Railway Accounts.

To

The Consulting Engineer

for Railways

Sir,

Your memo: No 336 dated 26th May 1869 forwarding Proceedings of Government No 1681 dated 21st May 1869.

I much regret that the Govern= =ment consider that, owing to a misappre= =hension on my part of the course to be followed in preparing the Half-yearly Returns of Net Profits, I have made an incorrect statement to the effect that the state of the outstanding traffic does not affect the Revenue Accounts, but I would most respectfully submit that my statement was not incorrect, and trust that I shall be able to prove that

it

it was not so.

2. In the first place I would premise that by the "Revenue Account" is meant the Account rendered half-yearly by the Railway Companies to the Government, and sent by the Companies to their Boards of Directors for incorporation in their Half-yearly Reports. This Account is quite distinct from any net profit or net Revenue Statement compiled to arrive at the amount of net profits for a half-year to be credited to the Guaranteed Interest Account of the Railway Com=
=panies.

3. These "Revenue Accounts", similar in principle to those prepared by all the Railways in the United Kingdom, represent on the credit side, the total

amount

amount of the Traffic Earnings (as distinct from Receipts) of the half-year, and, on the debit side, the entire expenses of the half-year chargeable to the Revenue of that period. The Balance therefore of this Account represents the Net Revenue earned during the half-year irrespective of the amount of earnings realised, and therefore I represented what I believe to be correct, that the state of the outstand=
=ings would not affect this account:- and it was the delay in the submission of this account, caused by the necessity of noting at the foot of it the balance of outstandings of the half-year unrecovered at the close of the second month of the succeeding half-year, which note I said could not affect the account itself,

that

that I deprecated on the ground that, where the Railway Companies have shown promptitude in submitting their accounts, it would be inadvisable that any obstacle in the way of their being sent on to their Boards should be placed by Government, especially as such obstacle did not in any way tend to better the conditions of those accounts.

4. I trust that I have been able to show that my statement as to the effect of the state of the outstandings on the "Revenue Accounts" was correct.

5. With regard to para 3 of the letter from the Government of India I think you are aware that the Profits of the Railways in this Presidency have been calculated strictly in accordance with

with the orders of Government and I beg to assure you that in preparing the statements I carefully studied the various orders of Government.

6. Referring to para 5 of the letter of the Government of India I would beg to state that a fortnight is the time required to audit traffic Accounts of the Madras Railway, a period, which considering the exceptionally complicated traffic of the Madras Railway, as compared with other Indian Railways, inasmuch as the Madras Railway must be considered to have through traffic relations with three foreign lines viz: the North-West line, the Great Southern of India, and the Indian Tramway Company, must I think be conceded as very

reasonable.

reasonable. The outstandings thus
of any date, say the 31st December 1868, will
be known by about the 14th January 1869,
and not before. But to make the note
at the foot of the Revenue Account called
for by the Government of India it is
necessary to know how much of these
outstandings had been recovered by the
28th February 1869. The recoveries
of outstandings of previous half-years
are paid in at the same time and
undivided from the payments of Current
Traffic Receipts. Hence it will follow
that, until the audit of the Current
Traffic to the 28th February 1869 is
completed, say the 14th March 1869, the
exact state of the outstandings as to
realization will not be known.

8.

7. I sincerely hope that what
I have said above may convince the
Government that I do not merit the
reproof given as to inattention to —
instructions.

I have &c.

/Signed/ C. M. Moberly Captn.
Examiner Railway
Accounts.

(True copy)

/Illegible/ Major R.E.
Cons: Engr for Railways.

Railway Department

Coms: Engrs. Office.

No 182

7

From

Major J. W. M. Shaw Stewart R.E.

Coms: Engineer for Railways.

To

Colonel C. A. Orr R.E.

Secretary to Government

Public Works Department

Fort Saint George.

Sir,

With reference to the order of Government No. 1681, dated the 21st May 1869, I have the honour to submit a copy* of a letter received from the Examiner of Railway Accounts explaining the circumstances under which he made the statement, animadverted upon by the Government of India, that the condition of the outstandings does not in any way affect the Revenue account rendered half-yearly

* No. 78 dated 31st May 1869.

half yearly by the Railway Companies to the Government, and sent by the Companies to their Boards of Directors for incorpora=tion in the half-yearly reports.

2. Captain Moberly has entered so fully into the matter that it does not seem necessary for me to do more than express my concurrence with him, both as regards the distinction which he draws between the Revenue accounts above alluded to and the statements of net Revenue which are compiled in order to arrive at the amount of net profits to be credited for each half-year to the Guaranteed Interest account of the Railway Companies, —— and with regard to the minimum

minimum period of time which he shows to be required, under the special circumstances of the Madras Railway, in order to ascertain the amount of traffic earnings outstanding upon any particular date.

I have the honour to be,
Sir,
Your Most obedient Servant
Major R. E.
Cons: Engr for Railways.

Madras
7th June
1869.

Railway Department,

From

The Consg. Engineer for Railways,

To

The Secretary to Government,

P. W. Dept.

Dated 7th June 1869.

Received 8th June 1869.

No. 182

Enclosures, No. 1.

Submitting a copy of a letter received from the Examiner Railway accounts with reference to the remarks of the Govt of India embodied in G. O. No. 1681 of 21st ult. No. 2133 & 2134 - 1st July 1869

Railway Department, From The Consg. Engineer for Railways, To The Secretary to Government, P. W. Dept. Dated 7th June 1869. Received 8th June 1869. No. 182 Enclosures, No. 1. Submitting a copy of a letter received from the Examiner Railway accounts with reference to the remarks of the Govt of India embodied in G. O. No. 1681 of 21st ult. No. 2133 & 2134 - 1st July 1869

No. 1195

Ans. 12th June 1869 R. 175

the

Encl. Omit Enclosure

Public Works Department

No. 2133

10

Proceedings of the Madras Government

Under date the 1st July 1869.

Read the following

2395

From The Consulting Engineer for Railways. } A.E. No 182 dated 7th June 1869.

These papers will be forwarded for the consideration of the Government of India with reference to their letter of the 19th April 1869. No 70 A.R.; but, pending the receipt of the further orders of that Government, the Consulting Engineer will be careful to see that the Revenue Accounts submitted by the Railway Companies exhibit the amount of traffic earnings outstanding at the end of the second month after the close of

the

the Accounts.

(13)

16 To the Govt Engineer for Rewards

Desp. 2/7/69

2134

Docket No 2134 dated 1st July 69

Copy of the above forwarded to the Govt of India with reference to their letter of the 19th April 1869. No 70 A.R.

46/2

Desp. 2/7/69.

Rd. 12th June 1869 P. 17th

Rec 2395

Govt. of {1869} Madras.

PUBLIC WORKS.

To

The Consulting Engineer
for Railways

Dated

Recd. Encl. 1

G. O. 1st July 1869, No. 2133 &
2134

Nos. 11 @ 13

Revenue Accounts (Ry) Papers
order on the letter from the
Engineer relative to the Revenue
Accounts of the Railway Companies
in the Madras Presy.

Revenue Accounts (Ry) a copy of
the Proc. regarding the Revenue
Accounts of the Railway Companies
in the Madras Presy, forwarded to
the Govt of India.