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MADRAS RECORD OFFICE.

Government of Madras.

Public works **DEPARTMENT.**

G.O. No. 2825 Press Mis.

131-32

Dated 8· 11 1871.

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department, 8th November 1871.

No. 131. Read the following Proceedings of the Government of India in the Public Works Department, (Account—Railway,) dated Simla, 23rd October 1871, No. 652 A-R:—

Monthly Revenue Accounts of Guaranteed Railways.

Read again despatch from the Government of India, to the Secretary of State for India, dated Fort William, the 31st March 1871, No. 34-R.

In our despatch, No. 90, Railway, dated 26th September last, we addressed your Grace on the advisability of changing the dates on which the half-yearly accounts of the Guaranteed Railway Companies are now made up, with a view of making them work up to the Government official year, and at the same time we mentioned that we had called for quarterly accounts of the working of each Railway.

2. These accounts have been prepared by some Railway Companies with great care, but other Companies have only given us approximate statements which have proved far from satisfactory, and both the East Indian Railway and the Sindh, Punjab, and Delhi Railway have absolutely refused to supply the accounts in the manner required.

3. Further experience has proved that even these quarterly accounts will not give us the full amount of information necessary to form reliable estimates of the probable results of working these lines, and as these results lead up to one of the most important heads of receipts in our finance, we are of opinion that each Company should prepare a *monthly* account of all the earnings and expenditure and liabilities due to each month; or, in other words, should exhibit the earnings, expenditure, and liability of each month in distinct journals for each month.

4. To arrive at the accounts we require, there is no necessity whatever for the Companies to close their accounts and strike a balance sheet, as the Chief Auditor of the East Indian Railway appears to have informed his Board of Directors would then be necessary; we simply want that the Companies should so arrange their accounts that the books of each month should show the expenditure and earnings belonging to that period, instead of the expenditure and earnings of some indefinite period, as is now done, and we altogether fail to see that this change can lead to any trouble or inconvenience.

See extract paragraph 6 of Board's letter, No. 85, of the 28th October 1870, to the Agent, East Indian Railway Company.

5. The system we desire to see introduced will give information of the highest importance, and will also enable the officers of the Government and the Companies to see exactly how both earnings and expenditure progress, and should tend to economy, as each item of expenditure could at once be brought under review in connection with the outlay under like heads in the periods immediately preceding.

6. The Chief Auditor of the East Indian Railway Company objects to the quarterly accounts on the ground of trouble and expence, and doubtless will use the same arguments against the introduction of the monthly accounts; but on neither of these points can we agree with him. We simply want the work that is now done in each six months in an unmethodical manner, to be so distributed in

a methodical manner over that period, that one-sixth of the whole work would be done in each month, instead of as at present as little as possible being done for five months, and then all the accumulation and arrears of these five months being thrust into the accounts of the sixth along with the outlay properly belonging thereto. It is necessary to mention that the above remarks do not apply fully to all the Indian Railways, as in some lines things are much better managed and looked after than in others, noteably, the Madras Railway, which has always of its own accord followed in a great measure the system we now advocate.

7. The matter has now become one of so much importance that we trust we shall receive your full support in carrying out the changes advocated, and, as the earnings and expenditure of all Railways fluctuate to a very great extent, we cannot be responsible for the results shown in our several accounts and estimates if we are not supplied with the information now asked for.

8. It will be understood that we do not want to have the revenue books balanced monthly at all; we only want to know the progress of actual liabilities and income during the year, first, to prepare our estimates, and then to compare actuals with such estimates, and this we *must* have for the financial requirements of India. If the Companies do not give us what we want, we have to assume the best figures we can from such data as may be available, but this, at best, is but a very unsatisfactory and unreliable course.

9. We have as yet issued no orders on this subject, as we fear that there is little chance of their being carried out unless issued from England.

Read also despatch from the Secretary of State for India, to the Government of India, dated India Office, London, the 22nd August 1871, No. 61.

With reference to your Excellency's despatch of the 31st March last, No. 34, I have to state that all the Railway Boards have consented to issue such instructions to their Agents in regard to the preparation of monthly statements of receipts, disbursements, and liabilities, as will ensure your wishes in that respect being complied with.

Observations.—The Governor-General in Council learns with satisfaction that the Boards of Directors of the Guaranteed Railway Companies have consented to issue instructions to their Agents in India to meet the wishes of Government in regard to the preparation of statements of the monthly receipts and disbursements, and liabilities incurred on account of the several lines.

2. The first of these accounts should be prepared for the month of October and, as far as possible, in the form laid down for the half-yearly Revenue Accounts.

3. Consulting Engineers should be required to report at an early date as to the details each Company can conveniently furnish in view to a standard form of monthly accounts being laid down as soon as possible for adoption by all Guaranteed Railway Companies. It is hoped that a uniform procedure for all lines may be introduced by the beginning of the next official year.

Proceedings of the Madras Government, Public Works Department, 8th November 1871.

4. As soon as the new arrangement is found to work satisfactorily, the advisability of dispensing with the monthly account current now submitted for the different railways will be taken into consideration, as the submission of the account now ordered will in a great measure do away with the necessity of the existing account current so far as revenue transactions are concerned.

Order.—Ordered, that this Resolution be communicated to the Governments of Madras and Bombay and to the Consulting Engineers for Guaranteed Railways at Calcutta, Lahore, and Lucknow for information and guidance, with a request that care may be taken that the new monthly accounts furnish reliable information of the revenue transactions of the several Companies.

Also, that this Resolution be communicated to the Financial Department for information.

(Signed) A. J. FILGATE, Captain, R.E.,
for *Depy. Secy. to the Govt. of India.*

No. 132. Order thereon, 8th November 1871, No. 2,825.

RAILWAY, No. 19.

Communicated to the Consulting Engineer for Railways for information and guidance.

(True Extract.)

(Signed) J. CARPENDALE, Colonel, R.E.,
Secretary to Government.

To the Acting Consulting Engineer for Railways.

Exd. S. T. Augustin.

Govt. of {1871} Madras.

PUBLIC WORKS.

To

THE ACTING CONSULTING ENGINEER

FOR RAILWAYS.

Dated November 8th.

Recd. *Encl.*

G. O., 8th November 1871, *No.* 2,825.

NOVEMBER.

Nos. 131-132

Revenue Accounts.—Proceedings of the Government of India regarding the submission of new monthly Revenue Accounts of Guaranteed Railways, communicated to the Consulting Engineer for Railways.

Simla Works 1871 Reports

GOVERNMENT OF INDIA. No 852

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

Railway.

To

No. 852 A—R.

Dated Simla, 23rd October 1871.

Received 3 November 1871.

No 2825 of 8 Nov 71

Monthly Revenue Accounts of Guaranteed Railways.

With an order

Pub. D. Th.

In

Communicated to the Chief Engineer for Railways & guidance

No 2825

Chief Engineer for Railways

No 1512 dated 11th

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Govt. of (1871) Madras.

PUBLIC WORKS.

To Chief Consulting Engr for Railways.

Dated

Recd. Encl.

G. O. 8 Novemb 1871, No. 2825

Nos. 131/132

Revenue Accounts. Ten Notes

Bank of India regarding the Subscription of new monthly Rev. Accounts of guaranteed Rys., Comd & the Jungle Rys for Rys.