

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE**Government of Madras***Public works* DEPARTMENT

G.O. No.	543	Press
B.P. No.		Mis.
428-429		
Dated	18. 2.	1873.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
18th February 1873.*

No. 428. Read the following Proceedings of the Government of India in the Public Works Department, (Account—Railway,) dated Fort William, 28th January 1873, No. 53—9 ^{A.}_{G.R.}—

Review of the Receipts and Charges on account of Guaranteed Railways for 1871-72.

Read again—

Public Works Department Resolution Nos. 813—19 A—R, dated 19th December 1871.

Read also—

- (1.)—Letter No. 1,652, dated 9th July 1872, and enclosure, from the Government of Madras.
- (2.)—Letter No. 718, dated 27th June 1872, and enclosure, from Government of Bombay.
- (3.)—Letter No. 2,094, dated 23rd October 1872, and enclosure, from the Consulting Engineer, Calcutta.
- (4.)—Letter No. 1659, dated 24th August 1872, and enclosure, from the Consulting Engineer, Lucknow.

Note by LIEUT.-COLONEL P. P. L. O'CONNELL, R.E., Officiating Accountant-General, Public Works Department, on the transactions of the Guaranteed Railways during 1871-72, No. 1,045 R., dated Simla, the 14th September 1872.

I BEG to lay before the Government of India a statement showing the transactions of the Guaranteed Railways during 1871-72, under both Capital and Revenue as compared with the Budget and Regular-Estimates under those heads.

CAPITAL.

As regards the differences under Capital between the net actuals and the net final estimate, it will be observed that the largest discrepancies occur in the figures for the Bombay, Baroda and Central India Railway, and in those for the Main and Jubbulpoor Lines of the East Indian Railway. These differences may be explained as follows:—

Bombay, Baroda and Central India Railway.—The difference, amounting to Rupees 3,09,046, resulted from the undernoted adjustments having been provided for in the final estimate, but not carried out during the year 1871-72.

- (1.)—Credits to the extent of Rupees 1,50,000 for refunds of expenditure incurred out of the Company's funds on account of the Patree Branch. A cheque for Rupees 1,54,000 on this account was sent to the Treasury on the 27th March, but owing to the Bank of Bombay on which it was drawn being closed, was not accepted till the 1st April.
- (2.)—Credits, amounting to Rupees 1,65,000, on account of stores consumed by Revenue in December, but contrary to expectation not advised till 1st April.

East Indian Railway.—The differences in the accounts of both the Main and Jubbulpoor Lines are chiefly due to the exceptional adjustment of Rupees 22,53,002-9-1 between the two lines on account of the cost of 75 engines.

REVENUE.

Under Revenue the most considerable differences between the actuals and the final estimate occur in the accounts of the Sindh, Punjab and Delhi Railway, and in those of the Main and Jubbulpoor Lines, East Indian Railway. In the former case, as already reported to the Government of India, the discrepancies are due to errors in the final estimate, regarding which no satisfactory explanation appears forthcoming.

The causes of the differences in the accounts of the East Indian Railway are not known in this office; the Examiner of Railway Accounts, Calcutta, has, however, promised that a full explanation of the matter will be given in the annual review.

Proceedings of the Madras Government,

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Statement showing the transactions of Guar
RECEIPTS.

ACTUALS.				Budget Estimate.	Final Estimate.	Railway.
Shares.	Capital not bearing Interest.	Transfers, etc.	Total.			
RS.	RS.	RS.	RS.	RS.	RS.	
...	2,74,514	13,44,727	16,21,241	13,20,439	15,99,000	Madras Railway ...
...	4,536	2,07,235	2,11,771	1,90,000	1,93,000	Great Southern of India Railway ...
...	7,810	16,342	24,152	2,59,000	26,000	Carnatic Railway ...
2,447	22,49,639	27,80,634	50,39,270	50,00,000	50,35,000	Great Indian Peninsula Railway...
...	9,98,385	4,51,637	14,50,022	15,00,000	17,65,000	Bombay, Baroda and Central India Railway...
2,59,277	1,15,635	13,34,470	16,92,383	13,50,000	21,75,000	Sindh, Punjab and Delhi Railway ...
327	37,29,753	21,09,098	61,39,178	30,00,000	41,39,000	East Indian Railway, Main Line...
...	92,603	5,276	97,879	75,000	1,18,000	East Indian Railway, Jubbulpoor Line ...
1,369	4,46,215	49,914	4,97,438	3,50,000	4,97,000	Eastern Bengal Railway ...
53,060	4,47,964	1,06,975	6,07,999	2,73,000	6,15,000	Oudh and Rohilkhand Railway ...
3,10,480	83,66,554	87,04,803	1,73,81,842	1,33,17,439	1,61,62,000	

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Statement showing the transactions of Guar

ACTUALS.			Budget Estimate.	Final Estimate.	NET.		
Gross Traffic Receipts.	Transfers, etc.	Total.			Actuals.	Budget Estimate.	Final Estimate.
RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
50,95,553	...	60,95,553	61,00,000	61,35,000	27,18,826	28,47,600	27,81,000
7,78,757	...	7,78,757	8,25,000	7,79,000	3,03,522	3,25,000	3,22,000
35,351	...	35,351	43,000	35,000	5,009	12,000	3,000
2,30,27,135	...	2,30,27,135	1,90,00,000	2,30,20,000	90,33,757	72,00,000	90,27,000
62,23,440	1,31,008	63,54,508	53,00,000	63,87,000	29,26,871	20,00,000	27,94,000
63,78,542	...	63,78,542	63,25,000	61,94,000	—1,37,924	17,25,000	—11,41,000
2,55,89,060	4,02,923	2,59,91,983	2,75,00,000	2,64,11,000	1,57,90,643	1,46,00,000	1,54,69,000
15,68,452	...	15,68,452	15,00,000	15,43,000	3,31,950	6,00,000	5,22,000
25,41,376	...	25,41,376	27,00,000	25,46,000	9,41,363	13,50,000	9,46,000
3,30,286	...	3,30,286	7,68,000	3,30,000	96,311	3,67,000	97,000
7,25,67,852	5,33,991	7,31,01,843	7,00,60,000	7,33,80,000	3,20,10,327	3,09,66,600	3,03,20,000
Less moiety of surplus profits, East Indian Railway, paid to shareholders					5,95,937	6,50,000	5,96,000
					3,14,14,300	3,02,16,600	3,02,24,000

Public Works Department, 18th February 1873.

T A L.
anted Railways during the year 1871-72.

PAYMENT.

ACTUALS.			Budget Estimate.	Final Estimate.	NET.		
Advances for Construction.	Transfers, etc.	Total.			Actuals.	Budget Estimate.	Final Estimate.
RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
26,60,000	...	26,60,000	23,54,439	26,60,000	10,38,759	10,34,000	10,61,000
2,99,662	...	2,99,662	20,70,300	2,98,000	87,891	18,80,300	1,05,000
95,200	...	95,200	9,03,000	95,000	71,048	6,44,000	69,000
68,43,000	...	68,40,000	80,00,000	68,40,000	18,00,280	30,00,000	18,05,000
20,23,000	1,31,068	21,54,068	25,00,000	21,60,000	7,04,046	10,00,000	3,95,000
18,64,370	...	18,64,370	29,75,000	20,13,000	1,71,988	16,25,000	—1,62,000
42,41,302	3,06,808	45,48,110	42,20,700	49,88,000	—15,91,068	12,20,700	8,49,000
1,40,000	22,66,423	24,06,423	2,76,500	1,60,000	23,08,544	2,01,500	42,000
10,75,370	...	10,75,370	6,71,350	10,75,000	5,77,871	3,21,350	5,78,000
62,12,770	...	62,12,770	85,50,000	62,86,000	56,04,771	82,77,000	56,71,000
2,54,51,674	27,04,299	2,81,55,973	3,25,21,239	2,63,75,000	1,07,74,131	1,92,03,850	1,04,13,000

N U E.
anted Railways during the year 1871-72.

Railway.	ACTUALS.			Budget Estimate.	Final Estimate.
	Advances for Working Expenses.	Transfers, etc.	Total.		
	RS.	RS.	RS.	RS.	RS.
Madras Railway ...	20,30,000	13,46,727	33,76,727	32,52,400	33,54,000
Great Southern of India Railway ...	2,68,000	2,07,235	4,75,235	5,00,000	4,57,000
Carnatic Railway ...	13,500	16,842	30,342	30,000	32,000
Great Indian Peninsula Railway ...	1,02,69,405	37,23,973	1,39,93,378	1,18,00,000	1,39,93,000
Bombay, Baroda and Central India Railway ...	29,76,000	4,51,637	34,27,637	33,00,000	35,93,000
Sindh, Punjab and Delhi Railway ...	51,91,996	13,24,470	65,16,466	46,00,000	73,35,000
East Indian Railway, Main Line ...	1,02,01,340	...	1,02,01,340	1,29,00,000	1,09,42,000
East Indian Railway, Jubbulpoor Line ...	9,92,437	2,41,065	12,36,502	9,00,000	10,21,000
Eastern Bengal Railway ...	15,50,000	49,914	15,99,914	13,50,000	16,00,000
Oudh and Rohilkhand Railway ...	1,27,000	1,66,975	2,93,975	4,61,000	2,33,000
	3,36,19,673	74,71,838	4,10,91,516	3,90,93,400	4,25,60,000

RESOLUTION.—As on two previous occasions the Government of India has to notice the absence of the prescribed annual report on the financial transactions of the Sindh, Punjab and Delhi Railway Company's undertakings. The report for the past year was repeatedly called for, and the Governor-General in Council desires to be furnished with a full explanation of the specific causes that led to its non-submission.

2. The account for 1871-72, submitted by the Accountant-General in this Department, has been prepared on a different basis from those rendered for previous years. Hitherto the annual statements embraced merely the receipts in, and payments from, Government Treasuries on account of Guaranteed Railways; but owing to the orders requiring that the adjustments between Foreign Railways, and also those between different heads of account in the books of the same Railway, should be effected by transfers, the Treasury accounts have ceased to afford complete or sufficient information regarding the Railway transactions, and hence the statement laid before Government by the Accountant-General has been compiled from certain periodical accounts and statements rendered to that officer by the local Examiners of Railway Accounts, and embraces both Treasury and transfer transactions.

3. A glance at the statement shows that the actuals of the year as reported by the Examiners differ in some cases very considerably from the Budget figures, and even from those entered in the Regular-Estimates; but it is only proper to recognize the fact that, owing to a misapprehension of what was required, the estimates and accounts were not prepared on precisely the same principles as those adopted in arriving at the actual results, and that, in consequence, the two sets of figures are not strictly comparable. As, however, steps have been taken to have the estimates and accounts so prepared in future as to admit of detailed and accurate comparison, it is unnecessary to do more than advert to the matter in this place.

4. With these preliminary observations the more marked causes of the differences between the anticipated and actual results of the year as explained by the Local Governments and officers concerned may be briefly noticed.

5. *Madras Railway*.—Under both Capital and Revenue the net actuals compare very well with the Budget and Regular-Estimates, and call for no special remark.

6. *Great Southern of India Railway*.—The actual receipts and outlay under Capital exhibit a wide departure from the Budget. The cause of the excess in the receipts has not been explained, but the short outlay is due to the commencement of the work on the Southern Extension (for which provision had been made in the Budget) having been deferred.

7. Both the Revenue earnings and the working expenses turned out to be less than the amounts anticipated at the commencement of the year, but the precise cause of the falling off in traffic has not been stated.

8. *Carnatic Railway*.—The very large difference between the expected and actual Capital receipts is said to be due to the fact that the anticipated sale of the property of the narrow-gauge line to the Mysore Government was not carried out.

The difference under advances is owing to the construction of the line not being commenced.

9. The net revenue receipts of the year amounted to Rs. 5,008 against a Budget-Estimate of Rs. 12,000, but the cause of this difference of over 58 per cent. is not explained by the Local Officers, and is not traceable to any fluctuation in the traffic or working expenses of the line.

10. *Great Indian Peninsula Railway*.—The Capital advances agree exactly with the figures in the Regular-Estimate, but fall far short of the amount provided in the Budget-Estimate, owing chiefly to the expenditure on works having been over-estimated. In some instances the outlay on particular works was not as large as had been expected, but it appears that there was also provision made to the extent of nearly 7 lakhs for works which were not commenced. The short outlay as compared with the Budget would have been greater, had it not been counterbalanced to some extent by a large expenditure on works not provided for in the Budget, and it may be noticed here that a still greater difference would have appeared between the actuals and the Budget had not the original amounts set down by the Railway Company's Officers been, at the suggestion of the Consulting Engineer, considerably reduced by the Government of India in passing orders on the Budget-Estimate.

11. Owing to the increase of traffic in cotton and seeds in the latter part of 1871, the net revenue of the year turned out much better than was at first expected. The increase under cotton is ascribed chiefly to the early cotton season, and the increase in grain traffic to the scarcity of rain during the year, which produced a partial famine in certain parts of the country, and a consequent demand for grain from other more fortunate districts.

12. *Bombay, Baroda and Central India Railway*.—The Capital receipts correspond very fairly with the Budget-Estimate under that head. There was, however, a short outlay of nearly 3½ lakhs against the amount provided for in the Budget.

13. Under Revenue the net earnings exceeded the anticipations formed at the commencement of the year by more than 9½ lakhs of rupees, owing partly to the opening of the Wudwan Line, and partly to improvement in the traffic.

14. *East Indian Railway, Main Line*.—The Budget-Estimate of Capital withdrawals has proved to be fairly accurate, and the large difference between the estimate and actuals under receipts is accounted for partly by an adjustment to the extent of Rs. 22,53,000 between the Main and Jubbulpore Lines, on account of the cost of certain engines made over to the latter, and partly by payments into Treasury during April 1871, to the extent of 6½ lakhs of rupees, which, it was thought, would be paid before the end of 1870-71, and which were consequently not taken into consideration in framing the estimate for 1871-72.

15. As to Revenue the actuals correspond very fairly with the Regular-Estimate, but a comparison with the Budget-Estimate shows a large falling off in the expected receipts. This was due chiefly to a general falling off in the traffic on the line. The working expenses naturally declined with the traffic receipts, but in addition to this they were, by the exercise of vigilant economy, reduced so largely that the net receipts of the year exceeded the Budget-Estimate by nearly 12 lakhs of rupees.

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18th February 1873*

16. The diminution of expenditure is said to be traceable to "a greater economy in the consumption of stores, to the reduction of train-mileage and overtime charges, to the employment of Native Fienmen in the place of Europeans and East Indians, and finally to a considerable reduction in office establishments."

17. *Jubbulpoor Line*.—The net difference between the Actuals and the Budget-Estimate under Capital is accounted for by the large adjustment on account of engines referred to above in connection with the transactions of the Main Line.

18. Under Revenue the actual withdrawals, including transfers, were 37 per cent. in excess of the Budget-Estimate, and in regard to this it is explained that sufficient provision was not made for meeting the payments for stores. This also accounts for the large falling off in the actual net Revenue.

19. *Eastern Bengal Railway*.—The actual results under both Capital and Revenue agree very closely with the Regular-Estimate. Under Capital, however, the net advances were 2½ lakhs in excess of the Budget provision, the increased outlay being required to meet the cost of several large works not provided for in the Budget, some of them being rendered necessary by the floods that occurred during the year.

20. The net Revenue receipts fell short of the amount anticipated by over 4 lakhs of rupees, and is accounted for by the falling off in traffic resulting from the break in the line which occurred during September 1871, and also to the unexpected outlay required to restore communication.

21. *Oudh and Rohilkhand Railway*.—As regards Capital, the very noticeable short outlay is said to be due to the progress on works having been slower than was anticipated, and to more time having been taken up than was calculated upon in preparing and obtaining sanction to estimates.

22. The net revenue expected at the time the Budget-Estimate was framed was Rs. 3,07,000, but the actuals have proved to be only Rs. 96,311. In explanation of this, it is stated that the large difference arises mainly from the fact that the Budget was framed on the expectation that a much greater average mileage would be open for traffic during the year than was actually completed and worked.

23. A consideration of the grand totals of the year for all the lines shows that the net actuals under Capital corresponded very closely with those anticipated at the time the Regular-Estimates were prepared; but that as regards Revenue, the Budget as a whole has approached nearer to an accurate forecast of the year's results than the Regular-Estimate. The difference, however, between the estimate and the actuals on account of Revenue is not great, and there must at all times be some liability to error in forecast which depend for their fulfilment upon the course and extent of trade. The difference in the Capital statement is very large, and shows the necessity for carefully scrutinising the proposed rate of expenditure on Railways still in course of construction or completion, and comparing it with the probable outturn of work.

ORDER.—Ordered that this Resolution (with the statements referred to in it) be communicated to the Governments of Madras and Bombay, and to the Consulting Engineers to Government at Calcutta, Lahore, and Lucknow, for information and guidance.

Ordered, also, that a copy be forwarded to the Financial Department and the Accountant-General, Public Works Department, for information.

*Proceedings of the Madras Government, Public Works Department,
18th February 1873.*

Ordered, further, that a copy of these, together with the Accountant-General's Note, and the statements accompanying it, be published in the *Gazette of India*.

(Signed) P. P. L. O'CONNELL, Lieut.-Colonel, R.E.,
Offg. Dy. Secy. to the Govt. of India.

No. 429.

ORDER THEREON, 18th February 1873, No. 543.

RAILWAY, No. 58.

COMMUNICATED to the Consulting
Engineer for Railways and the
Examiner of Railway Accounts.

(True Extract.)

(Signed) G. W. WALKER, Colonel, R.E.,
Secretary to Government.

To the Consulting Engineer for Railways, with four spare copies.
.. Examiner of Railway Accounts, with two spare copies.

Exd. E. C. Shunker.

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Govt. of 1873 Madras.

PUBLIC WORKS.

The Accounting Copy
for Railways

From

To

Encl.

18 Feb 73 No 543

No 4287 429

Madras Railways.

Rev. of the Govt of India
Commanding Copy of
Resolution Reviewing
the Receipts & Charges
on Account of Railways
for 1871/72. Comd to
the Officers concerned.