

Public Works (1893) Department.

RAILWAY BRANCH.

G.O., No. 998R

DATED 5th June

[Despatch Abstract.]

Suspense Balances. — Proceedings of the Govt of India Communicating note by the officiating accountant-general, Public Works Department, on the objectionable outlay and floating Cheques at the end of 1891-92, Communicated to the Consulting Engineer for Railways and the Examiner of Railway accounts.

[illegible]

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

The following statement shows the suspense balances (excepting those of the three Guaranteed Railway Companies, which are exhibited separately further on) outstanding at the close of 1891-92, arranged by major heads of account:—

GENERAL REMARKS.

4. *London Stores.*—Of the 18 lakhs of English stores which were in transit at the close of the year 1891-92, over 5½ lakhs were for the East Coast Railway, while the Mu Valley and the Bengal Nagpur lines had each about 2½ lakhs consigned to them.

6. *Demands payable*.—Forty-one lakhs of liabilities on account of working expenses remained unliquidated on the 31st March 1892. The average total monthly charge for working expenses may be taken at something over 60 lakhs, so that the above balance of 41 lakhs, though it appears large, is reasonable, representing, generally, the amount of salaries and wages and other liabilities payable in cash appertaining to the month of March 1892, but paid subsequent to the close of that month. The old liabilities are comparatively light.

8. *Debt Head Balances.*—The amount held under “Deposits” represents chiefly (1) Security deposits of contractors, (2) Contributions for work for private persons and public bodies, (3) Unpaid wages, and (4) Earnings of railways held temporarily in the accounts of the working lines, pending adjustment at the close of the half year. No material fluctuation occurred in the transactions under “Fines”; the balance at close of the year increased by only Rs. 1,823. The balance in the account of the Railway Provident Institution increased by Rs. 4,84,653, due to normal transactions. This fund includes Rs. 20,707 at the credit of non-pensionable employes in the Offices of the Director General of Railways, Consulting Engineers, Government Examiners and on State lines under construction.

XXVI and 38—State Railway Revenue Account.

9. The balances shown in the general abstract under these heads are detailed in the following table:—

detailed in the following table.

NAME OF RAILWAY.	EXPENSE ACCOUNT AFFECTING REVENUE.							DEBT HEAD BALANCES.		
	Demands payable.	Suspense (Miscellaneous advances).	Traffic Account.		Foreign Railways.		Rhopal Railway working account.	Deposits.	Railway Fine Fund.	Railway Provident Institution.
			Dr.	Cr.	Dr.	Cr.				
IMPERIAL.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
East Indian	7,17,413	25,823	7,05,527	...	...	1,59,342	...	3,64,940	31,015	...
Kajputana-Malwa	4,37,262	89,407	2,54,125	...	51,906	...	...	2,16,352	...	10,15,307
Warora Colliery	16,009	1,007	...	10,463	...	...	...	13,476	...	11,730
Umaria Colliery	15,168	85	235	...	...	...	...	912	...	7,605
Bengal-Nagpur	2,74,379	18,428	1,52,113	...	79,016	...	...	1,60,163	4,677	...
Bengal Central	14,943	...	...	...	...	...	...	578	1,564	...
Jubb and Rohilkhand	2,12,412	35,613	1,21,390	...	40,498	...	...	92,371	36	6,16,832
Indian Midland	1,29,445	...	93,389	...	22,277	...	1,67,626	6,299	476	4,598
North-Western	7,97,152	49,219	6,78,018	...	45,302	...	...	4,86,178	...	20,81,430
South Indian	2,21,593	...	1,35,280	...	...	1,911	...	14,412	...	...
Southern Mahratta	2,81,693	19,944	1,11,357	...	...	19,601	...	81,272	1,253	...
TOTAL IMPERIAL	31,16,169	2,39,309	22,91,463	10,463	2,50,957	1,79,894	1,67,626	14,27,029	89,953	30,40,559

Suspense Balances under XXVI and 38—State Railway Revenue Account—contd.

Name of Railway.	Suspense Balances Affecting Credit to Revenue.							Debit Head Balances.		
	Demands payable.	Suspense (Miscellaneous Advances).	Traffic Account.		Foreign Railways.		Bhopal Railway Working Account.	Deposits.	Railway Fund.	Railway Provident Institution.
	Cr.	Dr.	Dr.	Cr.	Dr.	Cr.	Cr.	Cr.	Cr.	Cr.
PROVINCIAL.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Burma	2,07,163	8,379	95,302	...	...	...	...	...	...	...
Jorhat	1,942	677	429	...	...	...	...	29,181	...	2,27,708
Cherra-Companygunj	944	...	8,769	...	...	...	...	675	...	2,521
Eastern Bengal	5,82,573	31,432	2,78,495	...	...	...	...	625	...	1,536
Bengal and North-Western and Tirhoot	1,62,362	23,979	1,07,880	...	...	33,391	...	1,43,035	...	7,05,037
Lucknow-Bareilly	53,053	7,422	42,955	...	21,605	...	...	39,766	2,904	...
					12,175	...	...	65,568	949	...
TOTAL PROVINCIAL	10,13,077	66,330	5,29,930	...	36,780	33,391	...	2,77,750	3,853	9,36,862
GRAND TOTAL	41,32,146	3,05,737	23,20,293	10,463	2,87,707	2,13,275	1,67,628	17,04,779	47,708	45,77,450

10. *Bhopal Railway Working Account.*—The balance under this head represents the earnings of the Bhopal State Railway held in suspense on the books of the Indian Midland Railway until a settlement is effected after the close of each half year.

11. The following are the principal irregularities or exceptional items brought to notice by the Examiners:—

Railway.	Account.	Amount.	Particulars and Remarks.
East Indian	Suspense (Miscellaneous Advances).	23,723	Credit items.—Earmest money lodged by tenderers which should have been credited to deposits.
Rajputana-Malwa	Suspense (Miscellaneous Advances).	41,135	Old claims against the East Indian Railway and Indian Midland Railway for joint station expenses.
Bengal Nagpur	Suspense (Miscellaneous Advances).	7,854	Claims against East Indian Railway partly in dispute.
		2,510	Claims outstanding against Government on account of police, under settlement.
Oudh and Rohilkhand	Demands payable	19,856	Provision for joint station expenses at Cawnpore for 1891 outstanding, pending a settlement of revised working agreement.
	Suspense	34,353	Estimated amount recoverable from Rohilkhand-Kumaon and Indian Midland Railways on account of joint station expenses.
Indian Midland	Suspense (Miscellaneous Advances).	12,935	Claims against Great Indian Peninsula Railway for shunting at Ilarsi, and charges relating to police, under settlement with Government.
North-Western	Suspense (Miscellaneous Advances).	24,042	Claims under dispute against the East Indian Railway for joint working at Umballa, and against Delhi-Umballa-Kalka Railway for work done.
South Indian	Traffic Account	12,051	Cash in transit for urgent works at Mud Gorge.
	Demands payable	35,726	Amount of freight on store transactions which stood at the debit of Traffic Account and at the credit of Demands Payable remaining unadjusted between these accounts at the close of the year.
	Traffic Account	11,341	Claims against Madras Railway for rent of buildings at Guntakul for the year 1899. This item, it is stated, will shortly be adjusted.
Southern Mahratta	Demands payable	11,836	Amounts due to Madras Railway and Great Indian Peninsula Railway for joint station expenses at Bangalore and Poona—since adjusted.
	Suspense (Miscellaneous Advances).	6,857	Claims against Madras Railway and South Indian Railway for joint station expenses at Guntakul.

Railway.	Account.	Amount.	Particulars and Remarks.
		Rs.	
Eastern Bengal	Demands payable	2,62,468	Depreciation on Bengal Central Railway rolling stock.
	Demands payable	1,953	Provision for bonus for the Provident Fund for the second-half of 1890 not finally adjusted.
Tirhoot	Suspense (Miscellaneous Advances).	171	Expenditure incurred for other than public purposes.
	Traffic Account	38,079	Amount of bills recoverable from the Postal and Commissariat Departments for carriage of mails, troops, and stores, and the subsidy payable to the Rohilkhand-Kumaon Railway.
Lucknow-Bareilly	Demands payable	12,220	Joint station expenses due to the Oudh and Rohilkhand Railway.

12. *Lucknow-Bareilly Railway.*—From remarks made by the Government Examiner, the balance under "Traffic Account" in the General Ledger does not appear to have been satisfactorily proved with the outstandings shown in the Traffic Book, nor did the balance under "Foreign Railways" in the General Ledger agree with the details of unadjusted invoices of Foreign Railways in the Suspense Register.

13. *Rajputana-Malwa Railway.*—The balance outstanding at debit of "Traffic" account is less, and the balance at credit of "Deposits" also less, than it should be, by the sum of Rs. 4,45,536. This amount represents the Rajputana-Malwa Railway share of traffic earnings due from Native States and not recovered in the year. The amount should have been recorded as outstanding earnings, but it was erroneously debited to "Deposits," and the error was not detected until after the accounts for the year had been closed. The matter has been taken up with the Examiner.

14. *Eastern Bengal Railway.*—There is an item of Rs. 1,353 still outstanding in the Deposit Account on account of unclaimed interest on share warrants of the late Eastern Bengal Railway. This sum has now been outstanding for some years, and there is apparently no prospect of the amount being claimed, but it continues to be held in deposit in accordance with orders of Government contained in Public Works Department letter No. 296 A.—R. of 6th July 1889.

15. *North-Western Railway.*—The large balance under "Deposits" includes a sum of Rs. 2,15,195, representing the net earnings of the Rajputana-Bhatinda Railway for the second-half of 1891 and for January to March 1892. The Accountant General, Punjab, was asked to pay the earnings for the second-half of 1891 to the Patiala State on the 17th March 1892, but payment was not made until 7th April 1892.

16. *East Indian Railway.*—The large balance under Deposits is due chiefly to the inclusion of the earnings of the Delhi-Umballa-Kalka Railway under this head, pending settlement at the close of the half year.

Depreciation in source, old Government account.

RAILWAY.	Account.	Amount.	Particulars and Remarks.
East Indian	Miscellaneous Advances.	Rs. 70,193	Outlay on works for junction arrangements at Delhi, pending settlement with Delhi-Umballa-Kalka Railway.
	Ditto	59,252	Value of materials issued for the Nalkati Railway and Jherriab Extension adjusted in April 1892.
Rajputana-Malwa	Purchases	61,021	This is a debit item, being cost of sleepers from Forest Department, delivered in March 1892, debited to "Stores" in 1892-93.
	Sales	2,213	Claim against Inspector General, Railway Mail Service, outstanding since August 1888.
Bhopal	Miscellaneous Advances.	36,775	An advance of long standing to Great Indian Peninsula Railway for construction of three carriages for Her Highness the Begum of Bhopal. These carriages are now to be built by the Indian Midland Railway, and this item is in course of adjustment.
Mu Valley	Purchases	7,562	This is a debit item for value of stores in transit from the Burma Railway.
	Ditto	3,070	Also a debit item, being charges by Civil Department for hire of launches, etc., not distributed at end of year.
	Miscellaneous Advances.	56,172	Value of rice on hand for issue to work-people on payment.
North-Western	Purchases	17,600	Advance to East Indian Railway in April 1891 for making 24 pairs of cylinders.
Petroleum Operations.	Miscellaneous Advances.	2,240	Outlay on boring for water carried out for the Sirdar of Lahore, without deposit.
Mari-Attock	Purchases	16,641	Debit from North-Western Railway for permanent-way material.
	Ditto	825	Debit from Chaman Extension for wagons.
	Ditto	5,537	Payment to suppliers before receipt of stores.
Mushkaf-Bolan	Manufactures	23,301	Charges for conveying stores to divisions undistributed at close of the year.
East Coast	Miscellaneous Advances.	48,000	Advance to the Great Indian Peninsula Railway for charges for the erection of rolling-stock imported through Bombay.
	Purchases	9,997	A debit balance. Credit was afforded to Bengal-Nagpur Railway in March 1891 for steam hoists, etc. The item was not finally adjusted until May 1892.
	Ditto	34,911	Debit balance. Payments to suppliers for machinery in transit.
	Ditto	8,655	Debit balance. Payments to suppliers for sleepers in transit.
	Ditto	9,055	Debit balance. Payments to suppliers for coal under supply.
Burma	Sales	456	Outstanding against Marine Department for value of rails in dispute.

19. The following points of interest, connected with the suspense balances under review, are deserving of notice:—

20. *Stock verification.*—Stock verification has been carried out, either partially or completely, on most of the lines, and adjustments arising out of this operation have been receiving attention. The railways on which verification does not appear to have been attempted are—

Bhopal Railway.	Assam-Bengal Railway.
Umaria Colliery.	Mari-Attock Railway.
Nagpur-Chattisgarh Depreciation Account.	Mushkaf-Bolan Railway.
	Frontier Railway Reserve.

21. The balances of stores on the Bhopal Railway and the Umaria Colliery are comparatively small. The stores shown against the Nagpur-Chattisgarh Railway Depreciation Account are in the custody of the Bengal-Nagpur Railway, and as they were stacked at different places on the line, their verification would have involved trouble and expense, which the Company could not be expected to incur. No orders were issued for a verification at the cost of the State. The other projects were only commenced during the second-half of the year under review.

22. On the East Coast Railway a verification was made of the stores of the Kistna Bridge, which resulted in the confirmation of the book balances, but, stock was not taken of the main line stores. The Examiner, Oudh and Rohilkhand Railway, remarks that differences exist between the "count" and actual stock, and that a further verification appears desirable.

23. The following are the principal reductions in stores balances which were effected during the year:—

On the East Indian Railway a reduction of about 10½ lakhs, due mainly to the issue of engines, tenders, and rails which were not replaced in stock.

The stores balance of the Rajputana-Malwa Railway has been reduced by nearly 10 lakhs, partly by surplus and obsolete stores having been utilised and disposed of, and partly by issues to the Godhra-Rutlam Railway.

The Nagpur-Chattisgarh Depreciation Account was reduced by about 2 lakhs by disposal of material to other lines.

On the North-Western Railway a reduction of about 10½ lakhs was effected; heavy issues of automatic brake gear and of rolling-stock material, for construction of wagons, having been made during the year. Over 7 lakhs worth of stores, chiefly second-hand permanent-way material, were transferred to contiguous lines under construction, and about a lakh of obsolete stores were sold.

A reduction of about 19 lakhs was made in the South Indian Railway stores balance by issues to construction works on the extensions to that railway system.

The Mu Valley Railway stores balances were reduced by over 10 lakhs by issues to works. The balance of stores belonging to the Sind-Pishin Petroleum Operations was reduced by over ½ lakh by the sale of pipes to the Khattan Kowraduff Pipe line.

24. *South Indian Railway.*—The suspense accounts of this line had, for some time, been in an unsatisfactory condition, and the remodelling of the accounts from a Guaranteed system to the State Railway system, with a staff not equal to the task, still further conduced to irregularity in the suspense balances. The matter was specially brought to the notice of the Government of India and of the Government of Madras, and although the balances are not yet reported to be altogether current and efficient, still very considerable progress has been made towards bringing them into a satisfactory state. The combined stores and workshop balances of the South Indian Railway were reduced during the year by over 41 lakhs, owing to issues to the works on the Villupuram-Guntakul Section and to sales of materials to the works on the mavaram and Mayavaram-Mutupet Branch undertakings. The issues to revenue were also considerably in excess of purchases on that account. The stores which belonged to the Company have not yet been classified after the manner laid down for State Railways.

25. *Oudh and Rohilkhand Railway—Stores.*—In the year 1889 a sum of Rs. 1,59,849, the difference between the re-valuation of stores in July 1889 and the value of the stores according to the inventories of the late Company, was set aside as a provision to meet further contingencies, as it was anticipated that on a verification a deficiency in the store balances would be discovered. Various adjustments have since been made, with the result that, instead of a loss, the Stores Priced Ledger balances aggregated on 31st March 1892 an excess over the value of stores as shown in the general books to the extent of Rs. 2,12,918. This matter calls for early attention and adjustment.

26. *North-Western Railway—Manufacture Account.*—The balance at debit of this account includes the following items on account of collieries:—

	Rs.
Dandote Colliery	2,06,259
Khust Colliery	49,843

27. *Sind-Pishin, Chaman Extension—Stores.*—The balance is based on a statement furnished by the Examiner of Accounts, North-Western Railway, of Chaman Extension stores taken over, counted and priced by the Chief Storekeeper of that line on 31st March 1892. The numerical statement is countersigned by the Chief Storekeeper of the Chaman Extension Railway, and the prices are based on those fixed by the two Storekeepers on the balances as they stood on 31st December 1891. The stores subsequently returned into stock have apparently been priced on the authority of the Chief Storekeeper of the North-Western Railway, and the orders of the Manager of that line have to be taken upon the re-valuation as directed in Director General of Railways' No. 132 S., dated 10th February 1892.

28. The total loss on stores issued to the Mushkaf-Bolan and North-Western Railways comes to Rs. 1,77,982, which amount, in the absence of specific instructions, and in order not to delay the closing of the accounts for 1891-92, has been charged off to construction heads of Account III to VIII, in proportion to the expenditure thereon. The orders of the Manager, North-Western Railway, will be taken on this distribution also.

29. *Mushkaf-Bolan State Railway—Stores.*—Of the balance at debit of this head, Rs. 1,33,553 represents "stores in transit," i.e., stores not received on the line from the North-Western Railway, or stores the debits for which had not been accepted by divisions at the time the accounts were closed. The unadjusted items were receiving special attention.

30. *Frontier Railway Reserve—Stores.*—The stock of stores in reserve was increased during the year by about 2 lakhs, thus bringing the total up to 39 lakhs.

31. *Peshawar Railway Reserve—Stores.*—This balance represents the value of 16 miles of permanent-way material which is held in reserve at Peshawar, in accordance with orders issued in Government of India, Public Works Department, letter No. 153 R. S. of 22nd August 1891. The material was supplied from the stock of the North-Western Railway.

32. *State Railway Stores—Miscellaneous Advances.*—This balance consists mainly of exchange on expenditure in England remaining undistributed over lines at the close of the year.

"40"—*Subsidised Railways—Land.*

33. The balances under this head, as detailed below, do not call for special remark:—

Name of Railway.	Deposits.
	Cr.
	Rs.
Bengal and North-Western Railway	332

41—Miscellaneous Railway Expenditure.

31. The details of the balances under this head are as follow:—

NAME OF SURVEY.	TITLES OF ACCOUNTS.		
	Stores.	Miscellaneous Advances.	Deposits.
	Dr. Rs.	Dr. Rs.	Cr. Rs.
Imperial			
Zhob Valley Railway Survey	...	...	...
Kaika-Saula " "	...	224	...
Kashmir " "	...	2,200	...
Frontier " "	...	344	...
Sambulpore-Kurdha " "	...	250	...
Abt Material and Engine Suspense Account	4,34,098	410	905
TOTAL	4,34,098	3,432	905

35. The only item calling for notice is the amount standing at debit of Stores in the "Abt Material and Engine Suspense Account," which represents the expenditure originally recorded in the accounts of the Bolan State Railway, High Level Line, under the head "48—State Railways—Construction," in connection with the Abt permanent-way materials and locomotives, but which, in accordance with the orders contained in Public Works Department letter No. 181 A.—R., dated 8th March 1890, was written back in the accounts for 1889-90 to the debit of "41—Miscellaneous Railway Expenditure." The material is lying in the stores depôts of the North-Western Railway. It was last verified during 1890-91. The amount at debit of this account now stands at Rs. 4,34,098, but as it was not proved by actual count during the year it cannot be held to be efficient.

Capital Account of Indian Railway Companies.

36. The balances appearing under this head in the general abstract are detailed in the following table:—

RAILWAY.	London Invoiced.		London Stores.		Purchases.	Sales.	Stores.		Workshops Insurance Account.	Manufacture.	Miscellaneous Advances.	Deposits.
	Dr.	Cr.	Dr.	Cr.			Dr.	Cr.				
	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.				
Bengal Central	8,974	...	...	...	812	...	1,36,001	...	...	...	...	...
Bombay-Nagpur	...	4,140	2,63,914	80,800	100	...	41,00,500	...	222	8,301	100	...
Indian Midland	...	...	60,467	...	...	...	30,52,311	...	...	...	...	...
South-eastern Railway	...	61,523	80,768	31,278	20,013	10,60,033	30,117	...	1,033	...	21,654	30,023
Mysore	...	...	...	12,046	4,101	3,21,030	...	...	...	...	...	...
Lucknow-Bareilly	...	...	10,773	3,020	26	2,00,013	2,020	...	...	...	700	...
TOTAL	8,974	64,772	4,01,420	1,11,813	33,727	1,07,35,003	41,783	1,364	8,001	90,009	20,814	...

37. The following are the irregular or exceptional items calling for special notice.

38. *Bengal-Nagpur Railway—Stores.*—Under "Stores in transit," there was a sum of Rs. 36,983 representing discrepancies in transfers between depôts (between amounts shown as despatched and received), part of which was adjusted in the earlier months of 1892-93, and the balance was said to be under enquiry. An item of Rs. 580, representing value of girders issued in 1890, but not acknowledged, was still outstanding. The matter is said to have been under enquiry by the Agent.

39. *Lucknow-Bareilly Railway.*—Under "Purchases" there is a debit balance of Rs. 1,532, representing an item of freight on stores, regarding which there is a dispute about rates. This item has been outstanding since early in 1891, and should have been adjusted. Its inclusion under this head as a debit balance is, moreover, irregular. Under "Miscellaneous Advances"

there was an item of Rs. 74,148, the value of stores issued to the Resident Engineer in March 1891. Such items, even if the charge to works cannot be adjusted in the accounts of the month in which the stores are issued, should not be passed through "Miscellaneous Advances." In the case under notice there appears to have been no reason why the items could not have been adjusted before the accounts of the year were finally closed. This account also included an item of Rs. 374 on account of compensation for land in connection with the Company's cart-road service, which should apparently have been paid for from the Company's funds.

40. *Stock verification.*—Stock verification is reported to have been carried out, either partially or completely, on all the lines treated of in this section. The verification on the Bengal-Nagpur Railway pointed to a net deficiency of over Rs. 90,000, but this is anticipated to be due to erroneous accounting and is being enquired into.

The Auditor of the Rohilkhand and Kumaon Railway Company states with respect to the Lucknow-Bareilly Railway that "the principal items of stores were verified by Locomotive Superintendent, but the last thorough stock-taking was made during the first-half of 1891." This stock-taking was apparently on the occasion of the transfer of the State Lines to the Company in January 1891, since the Government Examiner remarks that "Stock was not taken during the year 1891-92." The verification of stock during the year would, at any rate, appear to have been very limited.

Native States Railways.

41. The amounts held under "Deposits" on account of Native States Railways are—

	Rs.
Rajpura-Bhatinda	1,62,375
Jammu-Kashmir	43,503
TOTAL	2,05,878

42. These amounts represent the balances of the contributions made by the Native States for the construction of branch lines. The expenditure against the contributions is accounted for by the Examiner of Accounts, North-Western Railway.

Guaranteed Railways.

43. The outlay in suspense on the three Guaranteed Railways is not classified after the manner of similar outlay on State Railways, but is shown, to a large extent, under a set of personal accounts, which necessarily vary with the nature of the transactions recorded under them. This outlay is, however, subjected to the same detailed audit prescribed for the suspense balances of State Railways, and the Government Examiners of Guaranteed Railway Accounts at Madras and Bombay have certified that the balances in the accompanying table have been thus audited, and that all irregular items have been brought to my notice.

44. The suspense balances of the Madras Railway were specially overhauled, and a detailed report submitted; one of the main points noticed being the large excess which the aggregate of the priced stores ledgers shows over the balance at the debit of the account "Stores" in the main ledgers.

45. The detailed stock ledgers included several large adjusting entries, and it would appear advisable to introduce a more efficient system of agreement between the debits to the main and stores ledgers and to reduce the value of tendencies to a minimum, and to ensure each half-year being charged with the actual value of the issues of the period.

46. The details of the suspense balances in the accounts of the Guaranteed Railway Companies on the 31st March 1892 were as follow:—

Madras Railway.			Bombay, Baroda and Central India Railway.			Great Indian Peninsula Railway.		
Rs.	Dr. Rs.	Cr. Rs.		Dr. Rs.	Cr. Rs.		Dr. Rs.	Cr. Rs.
Stores—			Capital—			Capital—		
General Store Account	8,33,626		Stores Suspense Account	31,04,166		Stores Suspense Account	54,77,857	
Locomotive Store and Workshop Account	11,39,622		Capital Advance Account	...	18,245	Her Majesty's Government Suspense for surplus profits	2,268	
Engineering ditto	7,00,626		The latter was made up of the following items:—			Advances in Suspense—		
Traffic Store Account	1,328		His Highness the Gackwar for Wages and Forfeiture account of work done for Gackwar's State Railway			Stores sales	...	61,338
Material lost	373					Stores purchases	...	83,771
Stores in transit	5,10,073					Amravati State Railway Construction Account	886	
	32,75,570					Revenue—		
Miscellaneous—			Suspense Account consisting of—			Construction Account of over-bridge at Ghat Couper and Chinchpokli	56	
Mairas-Gurins Survey	6		(a) Cost of portable engines	3,219		Work done for others by Engineering and Locomotive Departments	11,399	
Nelli-re-Guntur	34		(b) Miscellaneous	650		Deposit Account (Fine Fund)	5,663	
Bezavada-Masulipatam Survey	31		Personal Accounts			Hospital Charges	381	
Paigahat-Cochin Survey	650		Unpaid Wages	...	6,105	Suspense Account	8	
Chief Engineer's Advance Account	2,168		Unpaid Wages	...	968	Gratuities in Suspense	2,496	
Locomotive Superintendent's Advance Account	4,000		Loss by exchange payable to Government	...	1,306	Municipal Commissioner, Bombay	10,516	
General Averages	8,733	2,508	Cheques payable	...	20,688	Municipal Town duties	1,20,323	
Unrepresented Cheques, Capital	...		Miscellaneous	...	3,808	Her Majesty's Government (Police charges due)	7,835	
Traffic Cash	1,16,234		Net credit			Recoveries from wages payable to Company's credit	20,732	
Railway Schools' Account	85			18,245		Joint Station Accounts—		
General Suspense	190					Khandwa	13,566	
Traffic Manager's Advance Account	3,108					Itarni	7,819	
Unpaid Wages	...	7,851				Nagpur	9,015	
House Payments	...	335				Hotri	4,649	
Refunds	...	2,417				Wadi	5,041	
Refreshment Booms' Account	...	371				Poona	10,879	
Municipal Dues	...	2,071				Khandwa Joint School Account	532	
Income Tax	...	2,543				Bhindwar Post Joint Banking Office, Poona, expenses	231	
Revenue Establishment	...	2,28,400				Postal Department		
Government of India Revenue Advance Account	...	5,307				Warora Colliery	331	
Government of India Capital Advance Account	...	87,902				Southern Mahratta Railway	9,317	
London Home Payment Account	...	2,915				Bengal-Nagpur Railway	2,513	
Bank of Madras General Account	...	77,229				Rajputana-Malwa Railway	1,403	
Cashier	48,541					Station Petty Cash	1,403	
						Personal Accounts	18,075	
						Hire of locomotives	...	504
						Rent of Stations jointly occupied	...	8,461
						Hire of cranes	...	1,226
						Rent of dwelling-houses	...	25,008
						Rent of refreshment-rooms	...	4,641
						Rent of Post Offices	...	726
						Fees on share transfers	...	4
						Sale of unclaimed and damaged goods	...	235
						Unclaimed salaries	...	1,689
						Profits of workshops	...	118
						Sale of Revenue stores	...	7,377
						Sundry persons for demands payable	...	10,71,313
						Sundry Credits to revenue expenditure	...	12,291
						Government Grant towards Company's Dispensaries at Lonavli, Igatpuri, and Bhamburda	...	223
						Berar Railway Police	...	5,715
						Her Majesty's Government Civil Department Exchange	...	1,047
						Bombay Municipality—Construction of Sub-way at Chinchpokli	...	2,461
						Pintch's patent lighting company	...	473
						Refreshment-rooms keeper at Victoria terminus	...	83
						Expenditure and receipts appertaining to non-surplus half-year	...	50,413
						Bombay Municipality—Construction of overbridge at Ghat Couper	...	609
						Outstanding Account	...	731
						Cheques Payable Account	...	1,500
						Executive Engineer, Secunderabad Division	...	3,456
						Indian Midland Railway—Erection of rolling stock	...	1,00,000
						East Coast Railway—Erection of rolling stock	...	36,435
						East Indian Railway	...	7
						Bombay, Baroda and Central India Railway	...	2,519
						Indian Midland Railway	...	10,377
						Nizam's Guaranteed State Railway	...	50,127
						Bhopal State Railway—Construction of Carriages	...	34,763
						Khamgaon State Railway	...	7,224
						Amravati State Railway	...	13,414

47. The following are the principal irregular or exceptional items deserving or calling for notice:—

Railway.	Account.	Amount.	Particulars and Remarks.
Madras Railway	General averages	8,733	This represents an 18 per cent. contribution on the cargo of the "Hochheimer," which is under correspondence with a view to recovery.
	Traffic cash	3,928	Claim against Southern Mahratta Railway now under reference to the Government of India.
	Refunds	1,905	This is an amount deposited as security for purchase of rails and has lain in the Bank of Madras General Account for over twelve years; it should be paid into treasury.
	Bank of Madras General Account	77,229	Contains a large amount of Government and special funds, but the Company has been asked to discontinue the use of this account for any but private transactions.
Bombay, Baroda and Central India Railway.	Capital Advance Account	3,219	Cost of portable engines held in suspense pending receipt of the sanction of Government.
	"	632	Cost of trial pits held in suspense pending sanction to the construction of the general offices.
Great Indian Peninsula Railway	Southern Mahratta Railway Account	9,347	Claim against Southern Mahratta Railway for joint expenses at Poona for three half-years.
	Rajputana-Malwa Railway Account	103	Claim against Rajputana-Malwa Railway for interest on value of furniture, etc., for Khandwa Junction for half-year ended December 1890.
	Deposit account (Fine Fund)	5,663	Expenditure on account of Fine Fund (since recouped).
	Indian Midland Railway	1,00,000	Advances by these lines for the erection of rolling stock at Bombay.
	East Coast Railway	36,435	Receipts in advance from Indian Midland Railway for payment of freight.
	Indian Midland Railway Account	6,000	

OBJECTIONABLE OUTLAY.

48. In the matter of sanction of working estimates for works upon lines under construction, a large measure of decentralisation was introduced during the year by Public Works Department Circular No. 16 R. of 1891, now No. 6 R. of 1892. These orders afforded great facilities for the sanction of estimates and the reduction of objectionable items. They were, however, but very partially acted upon by Engineers-in-Chief.

49. The total outlay to 31st March 1892 on the undernoted railways, etc., was held as objectionable for want of Secretary of State's sanction to the estimates for the projects:—

East Coast Railway.
Mari-Attock Railway.
Mu Valley Railway—Kawlin-Choungzone and Choungzone-Mogaung Sections.
Godhra-Rutlam Railway.
Dharmavaram-Hindupur Railway.
Assam-Bengal Railway.
Mushkaf-Bolan Railway.
Mayavaram-Mutupet Railway.
Palanpur-Deesa Railway.
Hyderabad-Umarkot Railway.
Frontier Railway Reserve.

50. This objectionable outlay was specially brought to the notice of Government in my letters Nos. 481 R. and 1026 R., dated 8th December 1891 and 20th October 1892, respectively.

51. The estimates for the Mari-Attock, Dharmavaram-Hindupur, Mayavaram-Mutupet, Palanpur-Deesa, and Hyderabad-Umarkot Railways have since received the sanction of the Secretary of State, and the objections in connection with them have consequently been removed. The outlay on the remaining projects still continues objectionable. The Secretary of State has, however, intimated his approval to work being commenced in anticipation of the receipt of the estimates.

52. The following list exhibits the items of expenditure reported as irregular at the close of the year:—

HEAD OF ACCOUNT.	NAME OF RAILWAY.	AMOUNT OBJECTIONABLE AND REASON FOR OBJECTION.									
		ABSENCE OF ESTIMATE.		EXCESS OVER ESTIMATE.		NO APPROPRIATION.		EXCESS OVER APPROPRIATION.		MISCELLANEOUS IRREGULARITIES.	
		Number of works.	Amount.	Number of works.	Amount.	Number of works.	Amount.	Number of works.	Amount.	Number of items.	Amount.
35.—State Railways—	Burma	1	Rs. 470	...	...	...	...	...	...	...	...
Working expenses .	North-Western	1	8,400	5	75,914	...	...	...	...	...	...
37 and 48.—State Railways—Construction	Rajputana-Malwa	7	85,023	2	17,921	...	...	...	...	...	...
	Stores	...	...	...	...	...	...	...	...	20,527	...
	Dhawal	...	...	1	11,682	...	...	2	7,114	...	...
	Mu Valley	36	12,14,404	31	64,722	...	...	...	...	...	...
	Assam-Bengal	15	81,009	...	...	...	...	...	...	3	8,99,635
	Oudh and Rohilkhand	...	...	1	27	...	...	...	...	...	...
	Bareilly-Rampur-Moradabad	...	...	2	12,902	...	...	1	27	...	...
	North-Western	18	70,325	14	1,50,607	...	...	1	1,305	12	1,23,479
	Chaman Extension	1	1,571	5	14,39,359	...	...	...	...	...	...
	Mushkaf-Bulan	11	2,25,130	...	...	...	...	...	...	1	1,77,962
	Mari-Attock	...	...	5	9,705	...	...	...	...	13	35,333
	South Indian	3	825	35	1,16,617	...	...	1	4,059	15	31,909
	Mayavaram-Mutpet	...	...	1	2,124	...	...	3	9,953	18	8,97,412
	East Coast	96	4,23,072	64	4,81,861	...	...	...	...	...	...
	Burma	...	...	6	15,432	1	1,058	13	37,220	...	18,106
	Eastern Bengal	2	568	17	31,906	...	...	...	...	...	9,121
	Tirhoot	9	13,127	8	5,663	2	5,878	15	36,158	...	...
	Umar Colliery	3	3,678	1	1,894	...	...	...	...	...	...
	Dharmavaram-Hindupur	...	...	...	...	...	...	4	1,35,500	...	...
40.—Subsidised Companies—Land.	Delhi-Umballa-Kalka	...	...	1	21,044	...	...	...	...	...	...
41.—Miscellaneous Railway Expenditure.	Kalka-Simla Survey	1	6,717	...	...	...	...	...	...	...	...
	Meiktila-Myingyan Survey	...	...	1	3,026	...	...	...	...	...	...
	Bexvada-Masulipatam	...	...	1	1,004	...	...	...	...	...	...
	Palghat-Cochin	...	...	1	5,365	...	...	...	...	...	...
Capital Account of Indian Railway Companies.	Bengal-Nagpur	119	4,29,130	88	6,05,378	33	1,61,594	103	7,27,764	...	31,052
	Indian Midland	8	35,908	24	5,71,339	...	...	2	306	...	...
	Southern Mahratta	2	4,038	29	1,12,537	2	1,553	4	16,801	199	13,47,903
	Mysore	1	225	6	23,108	...	...	...	...	...	...
	Lucknow-Bareilly	22	9,071	22	63,919	...	...	...	...	...	...

53. The following notes are explanatory of the principal irregularities noted in the above statement:—

38.—*State Railway—Working Expenses.*—The principal item in excess on the North-Western Railway is the estimate for the "Protective Works at Ferozepore," which will be regularised on sanction being given to the completion report.

48.—*State Railway—Construction—Rajputana-Malwa Railway.*—The most important item of objectionable outlay is the work "Additions and alterations to Delhi station-yard." An estimate for this had been submitted and sanction

to proceed with the work obtained, but the final sanction of the Government of India had not been received, the settlement of the distribution of outlay between the three railways at the Delhi junction being under consideration. The objections in connection with excesses over estimate had nearly all been subsequently removed by credits for material returned to store.

Mu Valley.—The items objectionable for want of estimates were mainly on works north of Kaulin, for which detailed estimates had not been sanctioned at the close of the year. A large amount of the objectionable outlay could have been regularised if the powers recently given to Engineers-in-Chief, noted in paragraph above, had been acted up to.

Chaman Extension.—Of the large amount of outlay in excess of estimate, over 13½ lakhs represent excesses on the Khojak Tunnel works, which will be regularised on the submission of the completion report, which is stated to have been under preparation.

East Coast Railway.—The bulk of the items noted as objectionable will be regularised on sanction being accorded to the revised estimate for the line which is under preparation. There has been much irregularity on this line in the direction of permitting outlay to proceed without sanctioning working estimates.

40.—*Subsidised Companies—Land.*—In Public Works Department letter No. 1065 R. C., dated 5th December 1891, sanction was accorded to an estimate, amounting to Rs. 5,06,433, of the cost of land taken up in British territory in connection with the Delhi-Umballa-Kalka Railway. The total outlay to end of 1891-92 on this account amounted to Rs. 5,27,477, or Rs. 21,044 in excess of the sanctioned estimate. This excess expenditure has not yet been regularised.

41.—*Miscellaneous Railway Expenditure.*—The expenditure on the Kalka-Simla Survey was regularised by the sanction of the Government of India to the estimate.

Capital Account of Indian Railway Companies—Bengal-Nagpur Railway.—The project estimates of this line having been closed during the year, the bulk of the amount noted as outlay without estimates is held objectionable pending sanction to the completion schedules; and almost the whole of the sum objectionable for excess over estimates will also be regularised on the acceptance of these completion schedules.

Southern Mahratta Railway.—The bulk of the excess outlay over estimates will be regularised when sanction is accorded to the completion schedule for works on the Bellary-Kistna line, which was under preparation.

Mysore Railway.—The major portion of the irregular outlay has been since regularised by sanction to the completion schedule for the Gubbi-Harihara Extension.

Lucknow-Bareilly Railway.—Revised Estimates, which would apparently remove the irregularities shown in the preceding table, had been sent forward at the close of the year for sanction of Government. In addition to the objectionable outlay shown above, certain expenditure outstanding in the "Miscellaneous Advances" account and otherwise charged, incurred in connection with the opening ceremony of Gola-Pilibhit Extension was objectionable for want of Government of India sanction. Certain outlay outstanding under Workshop manufacture account also required Government sanction.

51. In addition to the above there was expenditure on the Bengal Nagpur Railway, amounting to Rs. 1,61,594, on 33 works, incurred without appropriations, due to the fact that in the absence of any sanctioned estimates for works for which the project estimates were closed, sanction to appropriations was withheld by the Consulting Engineer pending sanction to completion schedule.

FLOATING CHEQUES.

55. The following table exhibits the amounts of uncashed cheques at close of 1891-92 in comparison with 1890-91:—

RAILWAYS.	STATE RAILWAYS.	
	1891-92.	1890-91.
	Rs.	Rs.
Bengal Central	...	349
Bengal Nagpur	1,50,814	1,28,459
Bengal and North-Western and Tirhoot	11,211	3,680
Tirhoot-Darbhanga-Bairagnia Branch	...	6,007
Burma	65,691	74,559
Chaman Extension	4,789	33,938
East Indian	36,734	99,171
East Coast	6,83,745	1,87,298
Lucknow-Bareilly	4,420	4,46,704
Mayavaram-Mutupet	10,377	20,696
Mu Valley	37,963	54,948
North-Western	6,96,136	7,60,842
Southern Mahratta	69,995	1,09,554
Jammu-Kashmir	...	3,518
South Indian	1,22,798	1,44,781
State Railway Stores Branch	1,828	8,346
Petroleum Operations	578	661
Mianwali-Mari Branch	10,532	1,284
Mushkaf-Bolan	1,61,196	...
Hyderabad-Umarkot	57,806	...
Assam-Bengal	23,048	...
Mari-Attock	1,45,537	...
Kashmir Railway Survey	1,644	1,645
Zhob Valley Survey	...	23,156
Dharmavaram-Hindupur	42,685	...
Oudh and Rohilkhand	24,441	8,544
Bareilly-Rampur-Moradabad	56,621	...
Rajputana-Malwa	2,32,373	4,12,545
Godhra-Rutlam	76,326	92,449
Eastern Bengal	3,35,096	2,09,394
Lucknow-Rai Bareilly-Benares	35,507	...
Indian Midland	29,800	22,282
Jorhat	627	103
Cherra-Companyganj	317	...
Warora Colliery	3,107	...
Umaria	...	6,299
Moghal Serai-Howrah Survey	...	2,551
TOTAL	31,24,241	28,73,103

805. a
Recd. 26.6.93

56. There was an increase of Rs. 2,51,139 in the amount outstanding at the end of the year, as compared with 1890-91. A large increase appears against the East Coast Railway and some explanation of the fact is apparently necessary.

RESOLUTION.—The attention of the Local Governments and Administrations concerned is invited to paras. 11, 12, 18, 24, 25, 27, 28, 35, 39, 40, 45, 47, 52, 53, and 56 of the Accountant General's note.

The Governments of Madras and Bombay (Railway) Bengal, the North-Western Provinces and Oudh, and the Punjab.
The Chief Commissioners of the Central Provinces, Burma, and Assam.
The Resident at Hyderabad.
The Agents to the Governor General for Central India, Rajputana, and Baluchistan.
The Accountant General, Public Works Department.
The Director General of Railways.
The Consulting Engineers to the Government of India for Railways, Calcutta, Lucknow, Central Division, and Assam.

ORDER—Ordered, that the foregoing be communicated to the Local Governments, Administrations and Officers, noted in the margin, for information and guidance.

H. O. Callaghan
Secretary to the Government of India.
Documents accompanying.
Nil.

The Joint Secretary to the Govt of Madras
P.W. Department
Railways Branch

No. 998 R 7 5 5 July 1893.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following

From the Govt of India } No 433 AR 27-VI-93
1.4.93 pte

Communicated
to the Consulting Engineer
for Railways & the Exam.
of Railway Accts.

Thms
O.R.

DESPATCHED

To the Comy. for R. 100 3450 ✓
Exam. Accts. 100 680 ✓
8/7/93

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No. 998 R 27 5th July 1893

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No. 998 R 27 5-7-93.

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