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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

REVENUE DEPARTMENT

G.O. No. / ~~B.P. No.~~	1881	Press. / Mis.
Dated	2-8-1878 ~~197~~ .	

Not to be folded or roughly handled

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

12th July 1878, No. 567 I.

Irrigation Account.

Read the following papers :—

No. 49. Endorsement of the Chief Engineer for Irrigation, dated Ootacamund, 3rd July 1878, No. 199 I.

From Major P. LAMBERT, R.E., Examiner of Guaranteed Railway and Irrigation Accounts, to the Chief Engineer for Irrigation, dated Madras, 24th April 1878, No. 579 I.

I HAVE the honor to forward herewith an account current showing the net loss to Government at 30th June 1877 on account of cash advances for working expenses of the Madras Irrigation and Canal Company.

2. For reasons given in latter part of this office letter No. 1,392 I, dated 9th November 1877, no statement reconciling the difference between actual loss and the loss on working expenses as shown in the half-yearly Revenue Accounts up to 30th June 1877 is submitted.

ACCOUNT CURRENT showing the Receipts and Disbursements by Government, Fort St. George, on account of Revenue Operations of the Madras Irrigation and Canal Company from commencement up to 30th June 1877.

Receipts.	Amount.			Disbursements.	Amount.		
	Rs.	A.	P.		Rs.	A.	P.
Realisations of assessment of revenue on account of the Madras Irrigation and Canal Company from opening of canal up to 30th June 1877.	3,29,179	0	2	Disbursements from Government Treasuries on account of Revenue expenditure of the Madras Irrigation and Canal Company from commencement up to 30th June 1877	9,18,744	14	7
Miscellaneous collections, do do.	8,989	3	10				
	3,38,168	4	0				
Net loss to Government on account of cash advances for Revenue Working Expenses.	5,80,576	10	7				
Total ...	9,18,744	14	7	Total ...	9,18,744	14	7

MADRAS,
24th April 1878.

(Signed) P. LAMBERT, Major, R.E.,
Examiner of Guaranteed Railway
and Irrigation Accounts.

No. 49-A. From Lieutenant-Colonel J. MULLINS, R.E., Chief Engineer for Irrigation, to the Examiner of Guaranteed Railway and Irrigation Accounts, dated Fort St. George, 2nd May 1878, No. 73 I.C.C.

WITH reference to your letter, No. 579 I, of the 24th ultimo, and to the statement therewith forwarded, which shows an increase of loss to Government in the half-year up to 30th June 1877 of Rupees 88,572-13-7, I have the honor to say that as I am not able to explain how this increase has occurred notwithstanding that the orders of the Secretary of State were in force prohibiting further advances to the Company, I shall be glad of such information as will enable me to afford the requisite explanations in laying the statement before Government.

Rupees	5,80,576	10	7
"	4,92,003	13	0
Rupees	88,572	13	7

2. There were certain liabilities incurred before September 1876, which Government allowed to be met subsequently from Revenue advances, but beyond the amount of these I do not remember any transactions which would have tended to enhance the Government loss.

No. 49-B. From Major P. LAMBERT, R.E., Examiner of Guaranteed Railway and Irrigation Accounts, to the Chief Engineer for Irrigation, dated Madras, 9th May 1878, No. 682 I.

I HAVE the honor to acknowledge the receipt of your letter, No. 73 I.C.C., dated 2nd instant, and in reply to furnish the following explanation.

2. The balance of the account current forwarded with this office No. 579 I, dated 24th ultimo, represents the actual cash outlay incurred by Government on account of the Revenue working expenses of the Madras Irrigation and Canal Company in excess of the cash receipts on account of the earnings of the Company from the opening of the canal up to the 30th June 1877. This balance does not show loss which is altogether irrecoverable, or not likely to be recovered, but merely the sum which has been paid by Government in excess of receipts. The balance of a similar statement prepared up to 30th June 1876 showed a net loss to Government at that date of Rupees 4,86,761-0-2, whereas the actual loss to Government on working expenses as per Revenue Account for half-year ending 30th June 1876 was shown to be only Rupees 4,14,349-13-11. The statement submitted with the account current reconciled the difference between these two sums. The net loss to Government has been increased during each of the two half-years ending 31st December 1876 and 30th June 1877, because, though the original system of making advances to the Company has been stopped, the system now in force of paying to the Company the amount of their Revenue earnings on demand statements modified by the result shown in the complete revenue return of these earnings for each season is virtually the same, with this important difference that, whereas formerly the advances made to the Company were limited only by the demands for working expenses, they are now limited by the amount of earnings. The increase in the loss to Government during the last half of 1876 is small, because no funds were given to the Company after 30th September 1876 beyond the small unspent balance in the treasury at that date. In the first half of 1877, however, the system of granting letters of credit on demand statements came into force, and as the earnings for the season 1876-77 had been exceptionally large the disbursements to the Company were large also. The collection of revenue, however, during the half-year had not increased much. The following statement will show this clearly:—

	Rs.	A.	P.
Realisations of revenue of Madras Irrigation and Canal Company during second half of 1876	37,932	1	5
Realisations of revenue of Madras Irrigation and Canal Company during first half of 1877	42,419	15	0
Excess in latter half-year ...	4,487	13	7

	Rs.	A.	P.
Disbursements from Government Treasuries to Madras Irrigation and Canal Company during second half of 1876 ...	43,689	7	9
Disbursements from Government Treasuries to Madras Irrigation and Canal Company during first half of 1877 ...	1,31,863	11	4
Excess in latter half-year ...	88,174	3	7

3. From the above remarks it will be seen that the entries in the account current submitted with this office No. 579 I, dated 24th ultimo, are not in any way affected by the result of the Company's revenue operations for the half-year, but show merely the result of financial operations on the part of Government in connection with the Company. The large increase in the balance to the debit of the account shows that the disbursements made by Government have been far in excess of the realisations of revenue, and this result is likely to continue during each half-year unless the realisations in the Revenue Department can be more promptly made than they are at present. The realisations on account of the earnings of the season of 1876-77, which aggregate Rupees 2,47,434-0-2, are not known in this office for any later month than April 1877 for Kurnool and December 1877 for Cuddapah District, and up to these months they had been Rupees 16,285-14-2 in the former and Rupees 30,166-8-5 in the latter.

No. 49-C. From Lieutenant-Colonel J. MULLINS, R.E., Chief Engineer for Irrigation, to the Examiner of Guaranteed Railway and Irrigation Accounts, dated Fort St. George, 21st May 1878, No. 90 I.C.C.

I HAVE the honor, in acknowledging the receipt of your letter of the 9th instant, No. 682 I, to say that the requirements of Government as stated in G.O., No. 92 I, of the 19th June 1877, are not met by the account current* transmitted with your letter No. 579 I, of the 24th ultimo. It was in that order desired that there should be a half-yearly statement showing the balance due by the Company on account of advances which have been made to meet working expenses. Besides this there was to be a statement showing the difference between the amounts credited to the Company as revenue and the realisations of revenue by Government. The account current referred to above gives the latter information up to the 30th June 1877, but the further information required is wanting. Government desire to know what the Company owe on account of working expenses, and at present it is only known that on the 30th June 1876 this amount was Rupees 4,14,349-13-11.† They further desire to know *the particulars of the difference* between the amounts credited to the Company as revenue and the realisations of revenue by Government, and it is of much importance that these particulars should be known, as action may require to be taken on the information thus given. On the 30th June 1876 the revenue uncollected amounted to Rupees 62,510-5-2. What the balance was on the 30th June 1877 has not been shown. The Examiner says in his last letter that the large balance to debit in the account current is likely to continue unless realisations of revenue can be more promptly made, and it is with a view to ensure attention to this matter that the instructions given in the latter part of paragraph 1 of G.O., No. 92 I, 19th June 1877, were issued.

* Up to 30th June 1877.

† Proceedings of the Madras Government, 23rd July 1877, No. 187 I.

No. 49-D. From Major P. LAMBERT, R.E., Examiner of Guaranteed Railway and Irrigation Accounts, to the Chief Engineer for Irrigation, dated Madras, 20th May 1878, No. 731 I.

I HAVE the honor to forward herewith an account current showing the net loss to Government at 31st December 1877 on account of cash advances for working expenses of the Madras Irrigation and Canal Company.

2. For reasons given in latter part of this office letter No. 1,392 I, dated 9th November 1877, no statement reconciling the difference between actual loss and the loss on working expenses as shown in the half-yearly Revenue Accounts up to 31st December 1877 is submitted.

ACCOUNT CURRENT showing the Receipts and Disbursements by Government, Fort St. George, on account of Revenue Operations of the Madras Irrigation and Canal Company from commencement up to 31st December 1877.

Receipts.	Amount.	Disbursements.	Amount.
	RS. A. P.		RS. A. P.
Realisations of assessment of revenue on account of the Madras Irrigation and Canal Company from opening of canal up to 31st December 1877	3,88,870 13 10	Disbursements from Government Treasuries on account of Revenue expenditure of the Madras Irrigation and Canal Company from commencement up to 31st December 1877	9,94,001 13 11
Miscellaneous collections on account of the Madras Irrigation and Canal Company from opening of canal up to 31st December 1877 ...	9,750 10 2		
	3,98,621 8 0		
Net loss to Government on account of cash advances for Revenue Working Expenses.	5,95,380 5 11		
Total ...	9,94,001 13 11	Total ...	9,94,001 13 11

MADRAS,
20th May 1878.

(Signed) P. LAMBERT, Major, R.E.,
Examiner of Guaranteed Railway and Irrigation Accounts.

No. 49-E. — From Major P. LAMBERT, R.E., Examiner of Guaranteed Railway and Irrigation Accounts, to the Chief Engineer for Irrigation, dated Madras, 22nd June 1878, No. 919 I.

I HAVE the honor to acknowledge the receipt of your letter No. 90 I.C.C., dated 21st May 1878, and in reply to furnish the following information.

2. The account current submitted with this office No. 579 I, dated 24th April last, does not show the balance which is due by the Madras Irrigation and Canal Company to Government on account of advances for working expenses, but it shows the actual amount that Government has disbursed on account of working expenses of the Company in excess of realisations of revenue earned and of miscellaneous receipts paid in by the Company from the commencement of revenue operations up to 30th June 1877. The amount actually due by the Company to Government at that date is difficult to determine, because it depends upon the action which is intended to be taken by Government with reference to the net profits of the season of 1876-77. As far as is known in this office at present the Company is to be allowed to make use of these profits for the working expenses of the canal, and they cannot, therefore, be taken in reduction of the debt due by the Company.

3. The system of advances by Government for the working expenses of the canal irrespective of returns from irrigation came to an end at the 30th September 1876, and therefore the net result of the working expenses at that date would represent the debt due by the Company to Government on account of loss on working expenses. An account current has been prepared showing the realisations and disbursements by Government up to the 30th September 1876, and also a statement reconciling the net cash loss to Government at that date with the loss on working expenses at that date. These documents are herewith submitted, and it will be seen from the latter that the net loss on working expenses at 30th September 1876 was Rupees 4,63,504-12-10. In this result is included the credit to the Company on account of miscellaneous earnings for the quarter ending 30th September 1876, but no proportion of the earnings of the season of 1876-77 has been allowed, because credits have been afforded by Government to the Company to the full extent of the earnings of that season in addition to

the advances made during the quarter. In G.O., No. 119 I, dated 29th June 1877, sanction is accorded to the payment by the Company out of the balance of advances in their hands, and at their credit in Government Treasury at 1st October 1876 of liabilities belonging to the period prior to 30th September 1876, but not yet brought to account at that date. The total payments thus sanctioned to be made are Rupees 10,756-0-11, out of which Rupees 8,848-13-9 represent liabilities included in the sum of Rupees 4,63,504-12-10 shown as loss on working expenses at 30th September 1876, and the balance, Rupees 1,907-12-2, represents items subsequently brought into the accounts. This sum should, therefore, be added to Rs. 4,63,504-12-10 to show the actual debt due by the Company on account of working expenses under the old system of advances. The actual debt due by the Company is, therefore, Rupees 4,65,412-9-0. This figure will continue to represent the debt due by the Company to Government on account of working expenses as long as the present system of making advances covered by the earnings of the Company, and also allowing them net profits, continues. Those advances are understood to include miscellaneous as well as irrigation earnings, though up to the present time owing to the largely increased earnings of the Company from the latter source it has not been necessary to make advances beyond those covered by irrigation earnings, and therefore no credit can safely be allowed to the Company on account of miscellaneous earnings subsequent to 30th September 1876.

4. The statement showing the difference between the amounts credited to the Company as revenue and the realisations of revenue by Government at 30th June 1877 was forwarded with this office No. 768 I, dated 24th May 1878. The account current forwarded with this office No. 579 I, dated 24th April last, does not give this information, but only the difference between the cash disbursements and realisations by Government, and does not deal with any credits to the Company. The statement above referred to gives the particulars of the unrealised balance of assessments.

5. Statements will be submitted separately showing the reconciliation between the loss on working expenses and the loss to Government on account of cash advances at the 31st December 1876 and the 30th June 1877, respectively.

ACCOUNT CURRENT showing the Receipts and Disbursements by Government, Fort St. George, on account of Revenue Operations of the Madras Irrigation and Canal Company from commencement up to 30th September 1876.

Receipts.	Amount.	Disbursements.	Amount.
	RS. A. P.		RS. A. P.
Realisations of assessment of revenue on account of the Madras Irrigation and Canal Company from opening of canal up to 30th September 1876	2,76,728 8 2	Disbursements from Government Treasuries on account of Revenue Expenditure of the Madras Irrigation and Canal Company from commencement up to 30th September 1876	7,79,881 3 3
Miscellaneous collections do. do.	8,035 7 11		
	2,84,764 0 1		
Net loss to Government on account of cash advances for Revenue Working Expenses	4,95,117 3 2		
Total ...	7,79,881 3 3	Total ...	7,79,881 3 3

MADRAS,
22nd June 1878.

(Signed) P. LAMBERT, Major, R.E.,
Examiner of Guaranteed Railway and Irrigation Accounts.

STATEMENT reconciling the difference between Actual Loss to Government and the Loss on Working Expenses at 30th September 1876 as per the Accounts of the Madras Irrigation and Canal Company.

	Rs.	A.	P.	Rs.	A.	P.
Loss on working expenses at 30th September 1876 as per Loan and Revenue Balance Sheets for September 1876, Madras Irrigation and Canal Company				4,63,504	12	10
Add—						
Amount credited to the Company as receipts for the seasons of 1871-72 and 1872-73 in excess of those shown in the Register of Assessments	*118	8	8			
Amount of assessments unrealised by Collectors at 30th September 1876	34,608	12	9			
Balance of Revenue Advance Account at 30th September 1876	7,723	14	9			
Miscellaneous receipts credited to Company in September 1876, but not acknowledged by the Accountant-General till October 1876	10	0	0			
				42,461	4	2
				5,05,966	1	0
Deduct—						
Revenue liabilities at 30th September 1876 to be disbursed out of the balance of Revenue Advance Account	8,848	13	9			
Excess collections for season of 1867-68 ...	0	0	1			
Amount taken to debit by Company in September, but not advanced by Accountant-General till October 1876	2,000	0	0			
				10,848	13	10
				4,95,117	3	2

* The assessments shown in Revenue Form E for these two seasons were reduced by Rupees 56-8-8 and Rupees 62-0-2, respectively, after the half-yearly Revenue Accounts of the Company for 30th June 1872 and 1873, respectively, had been prepared.

MADRAS,
22nd June 1878.

(Signed) P. LAMBERT, Major, R.E.,
Examiner of Guaranteed Railway and Irrigation Accounts.

No. 49-F. From Major P. LAMBERT, R.E., Examiner of Guaranteed Railway and Irrigation Accounts, to the Chief Engineer for Irrigation, dated Madras, 22nd June 1878, No. 921 I.

IN continuation of this office letter No. 1,392 I, dated 9th November 1877, I have the honor to forward herewith a statement reconciling the difference between actual loss to Government and the loss on working expenses at 31st December 1876 inclusive of the Revenue transactions of the Madras Irrigation and Canal Company for half-year ended 31st December 1876.

STATEMENT reconciling the Difference between Actual Loss to Government and the Loss on Working Expenses at 31st December 1876, inclusive of the Revenue Transactions of the Madras Irrigation and Canal Company for Half-year ending 31st December 1876.

	Rs.	A.	P.
Loss on working expenses from commencement up to 30th June 1876 as per Revenue Account for half-year ending 30th June 1876	4,14,349	13	11
Deduct—			
Net earnings as per Revenue Account for half-year ending 31st December 1876	64,214	7	6
Balance net loss at 31st December 1876	3,50,135	6	5

	Rs.	A.	P.	Rs.	A.	P.
Add—						
Amount credited to the Company as receipts for the seasons of 1871-72 and 1872-73 in excess of those shown in the register of assessments	*118	8	8			
Amount of assessments unrealised by Collectors at 31st December 1876 ...	25,525	14	9			
Miscellaneous receipts included in Revenue Account for December 1876 not acknowledged by Accountant-General till January 1877	23	8	0			
Amount credited to the Company as part of receipts for the season of 1876-77 and included in the Revenue Account for half-year ended 31st December 1876, but excluded in the statement published with G.O., No. 378 I, dated 4th October 1877	1,49,517	4	10	1,75,185	4	3
Deduct—						
Revenue liabilities included in Revenue Account for half-year ended 31st December 1876 to be disbursed from funds drawn on Revenue Advance Account ...	14,126	3	10			
Credit balance of Revenue Advance Account	18,242	14	9			
Excess realisation for season of 1867-68 ...	0	0	1			
Do. do. in 1873-74 ...	230	19	5			
Realisation appertaining to the season of 1876-77 included in the statement published with G.O., No. 378 I, dated 4th October 1877	717	0	7			
				33,316	13	8
				4,92,003	13	0

* The assessments shown in Revenue Form E for these two seasons were reduced by Rupees 56-8-8 and Rupees 62-0-2, respectively, after the half-yearly Revenue Accounts of the Company for 30th June 1872 and 1873, respectively, had been prepared.

MADRAS,
22nd June 1878.

(Signed) P. LAMBERT, Major, R.E.,
Examiner of Guaranteed Railway and Irrigation Accounts.

No. 49-G. From Major P. LAMBERT, R.E., Examiner of Guaranteed Railway and Irrigation Accounts, to the Chief Engineer for Irrigation, dated Madras, 22nd June 1878, No. 922 I.

IN continuation of this office letter No. 579 I, dated 24th April last, I have the honor to forward herewith a statement reconciling the difference between actual loss to Government and the loss on working expenses at 30th June 1877 inclusive of the Revenue transactions of the Madras Irrigation and Canal Company for half-year ended 30th June 1877.

STATEMENT reconciling the Difference between Actual Loss to Government and the Loss on Working Expenses at 30th June 1877, inclusive of the Revenue Transactions of the Madras Irrigation and Canal Company for Half-year ending 30th June 1877.

	Rs.	A.	P.
Loss on working expenses from commencement up to 31st December 1876 as per Loan and Revenue Balance Sheets of Madras Irrigation and Canal Company for December 1876	3,50,135	6	5
Deduct—			
Net Earnings as per Revenue Account for half-year ending 30th June 1877	25,572	11	7
Balance Net Loss at 30th June 1877	3,24,562	10	10

Add—						
Amount credited to he Company as receipts for the seasons of 1871-72 and 1872-73 in excess of those shown in the register of assessments				RS.	A.	P.
Amount of assessments unrealised by Collectors at 30th June 1877				118	8	8*
Balance of Revenue Advance Account at 30th June 1877				2,30,778	2	7
Amount written off as irrecoverable as per G.O., No. 62 I. dated 7th June 1877				35,763	6	2
Miscellaneous receipts credited to Company in June 1877 but not acknowledged by Accountant-General till July 1877				149	15	5
Amount debited by Accountant-General under disbursements on Revenue Account not brought to account by the Company				31	15	3
				929	0	0
						2,67,774 0 1
						5,92,336 10 11
Deduct—						
Revenue liabilities at 30th June 1877 to be disbursed out of the balance of Revenue Advance Account.				10,491	12	10
Excess collections for season of 1873-74				1,268	3	6
						11,760 0 4
						5,80,576 10 7

* The assessments shown in Revenue Form E for these two seasons were reduced by Rupees 56-3-6 and Rupees 62-0-2, respectively, after the half-yearly Revenue Accounts of the Company for 30th June 1872 and 1873, respectively, had been prepared.

MADRAS,
22nd June 1878.

(Signed) P. LAMBERT, Major, R.E.,
Examiner of Guaranteed Railway and Irrigation Accounts.

SUBMITTED to Government.

The Examiner having with the first of the above letters transmitted an account current showing receipts and disbursements up to 30th June 1877 on account of the Madras Irrigation and Canal Company was asked for explanation as to the cause of the increase* of loss to Government as shown therein.

	RS.	A.	P.
*30th June 1876	4,86,761	0	2
30th June 1877	5,80,576	10	7

From the explanation given in the correspondence it appears that the sum due by the Company to Government on account of advances made on Revenue Account in excess of receipts is, as adjusted, Rupees 4,65,412-0-0, and that, so long as surplus revenue of one half-year is reserved to meet working expenses in subsequent half-years, no alteration in the amount is likely to take place. This sum includes the adjustments of charges incurred before the 30th September 1876, but paid subsequently under G.O., No. 119 I, dated 29th June 1877.

Vide paragraph 3 of letter, No. 919 I, 22nd June 1878.

2. The term loss applied to the balances shown in the successive accounts current is not strictly correct. The actual loss is a small item, viz., irrecoverable assessed revenue, and the balance is principally made up of—

(*1st*) advances to the Company.

(*2nd*) uncollected revenue.

The debit balance of the half-yearly account current may, it is thought, with advantage be shown for three items, viz.—

Revenue Advances to the Company unadjusted.
Assessment unrealised by the Revenue Officers.
Miscellaneous.

It will be noticed that the assessments unrealised amounted on the—

				RS.	A.	P.
30th June 1876 to				62,510	5	2
30th September ,, to				34,608	12	9
31st December ,, to				25,525	14	9
30th June 1877 to				2,30,778	2	7
31st December ,,				not yet stated.		

On the other hand the balances, or, as termed in the accounts current, the net loss were—

				RS.	A.	P.
30th June 1876				4,86,761	0	2
30th September ,, ...				4,95,117	3	2
31st December ,, ...				4,92,003	13	0
30th June 1877				5,80,576	10	7
31st December ,, ...				5,95,880	5	11

The large balances at the close of the last two half-years are due to uncollected revenue and appear to need attention in the Revenue Department.

(Signed) JOHN MULLINS, Lt.-Col., R.E.,
Chief Engineer for Irrigation.

No. 50. ORDER THEREON, 12th July 1878, No. 567 I.

ORDERED to be communicated to the Government of India and to the Secretary of State in continuation of G.O., No. 558 I, of the 1st December 1877.

2. Communicated also to the Revenue Department with a view to the issue of such orders as may be needed to ensure the prompt realisation of the revenue.

(True Extract.)

(Signed) JOHN MULLINS, Lt.-Col., R.E.,
Joint Secy. to Govt., P.W.D.,
Irrigation Branch.

(True Copy.)

Major, R.E.,
Under Secy. to Govt., P.W.D.,
Irrigation Branch.

To the Chief Engineer for Irrigation.
" Chief Engineer and Manager of the Madras Irrigation and Canal Company.
" Examiner of Irrigation Company's Accounts.
" Revenue Department, with copy of Note by the Hon. W. Hudleston.

Exd. T. D. Ryan.
20 Spare Copies.

Revenue 1878 Dept
No 3325.

Gobt. of 1878

PUBLIC WORKS.

No 1881

Communicated to the Board of Revenue who will call upon Mr Lister the Special Officer for Irrigation to report with reference to para 2 of the foregoing G.O.

2 + 31

JULY

Nos 49-50

2 August 1878

14 To the Board of Rev. dt 7 August

Vol. 1606/79

No 1881 - 2 August 1878

P. W. D.

1881
5

Note by the Honorable W. Hudleston.

Mr Lister should report.

(Initialled) W. H.