M.R.O. 1—77,005—8-6-37.

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(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Public works **DEPARTMENT.**

G.O. No. 571 Press ~~Mis.~~

377-78

Dated 19. 2 1870.

Not to be folded or roughly handled

Enclosure to Public Works Department No. 59—63 *A—R of* 1870.

No 95, dated 21st December, 1869.

From—The Secretary of State for India.
To—The Government of India.

Upon receipt of your Excellency's Despatch of the 31st August last, No. 95, relative to the manner in which the half-yearly accounts
Dated 30th October, 1869. of the guaranteed Railway Companies should be made up and laid before the shareholders, I caused a letter to be addressed to the several Railway Boards, of which a copy is transmitted herewith.

2. You will observe that I pointed out that it was "very desirable that the accounts should always be made public in a shape to shew that they have been approved and passed by Government;" that I requested the Board to instruct their Agents to adopt any measures in their power "for the submission of accounts to the Government, in the form prescribed by Government, at as early a date as possible, in order to obtain a settlement of them before they are transmitted Home;" and that I proposed that, where the approval of Government might be withheld from any doubtful or disputed item, "the amount should either be put to a suspense account, which shall be adjusted in the ensuing half-year, or that the circumstances should be explained to enable the Secretary of State and the Board to decide the matter in this country in time for settlement before the half-yearly accounts are published and put before the shareholders."

3. The Boards of all the Companies have expressed concurrence in these suggestions, and have instructed their Agents accordingly. I trust, therefore, that under the rules which have been established, and the understanding come to, there will in future be no delay or difficulty in the submission and passing of the accounts as soon as possible after the close of each half-year.

4. I would observe, however, that as it has been arranged that only so much of the earnings of a half-year as are realised within two months of its close shall be credited in that Half-yearly account, it is most desirable that the Companies should give as little credit as possible, and that all their claims against Government, in their capacity of carriers, should be settled within the prescribed period of two months.

Dated 30th October, 1869.

Circular from—M. E. GRANT DUFF, Esq., *Under Secy. of State for India,*
To—The Indian Railway Companies.

The Secretary of State had been informed by the Government of India, that the Agents of some of the Companies are in the habit of sending Home to their Boards accounts of earnings and liabilities which are represented to be the half-yearly revenue accounts, but which are not really such, since they are not prepared in accordance with the rule laid down by that Government, "that the profit derived from the half-yearly revenue accounts shall be based on the liabilities of the half-year, and the earnings of the same period which shall have been paid into the Government Treasury up to the end of the second month of the following half-year."

The Government further notice that "in the statements which are laid before the shareholders of the Guaranteed Railway Companies periodically, the amount of traffic earnings outstanding at the close of these periods is not shown on the face of the accounts, and the actual net profits, as determined by this rule, are not communicated to the shareholders."

The Board of Directors of the Railway Company will recollect that it was arranged that every half-yearly account before it is passed should be approved by the Government through the Government Consulting Engineer; that it should be verified by the Government Examiner of Accounts; and that there should be

a certificate attached to it from the Consulting Engineer, to the effect that the way and works have been properly maintained, and that the rolling-stock is in a state of efficiency. The Secretary of State believes that, in one or two instances, the accounts for a half-year have not been passed by Government in consequence of some disputed item. He is indeed aware, that under the constitution of the Company, it is necessary that the Board should lay before the shareholders an account of the half-yearly revenue within a specified period, and that, therefore, it is necessary for them to obtain from the Agent the result of the half-year's working. But the Board will probably agree with the Secretary of State that it is very desirable that these accounts should always be made public in a shape to show that they have been approved and passed by the Government. Its approval is, in fact, necessary before the profits can be declared.

The Duke of Argyll accordingly requests that, in order to avoid all future difficulty with respect to the closing of each half-yearly revenue account in due time, the Board of Directors of the
Railway Company will instruct their Agent to adopt any measure in his power for the submission of accounts to the Government, in the forms prescribed by Government, at as early a date as possible, in order to obtain a settlement of them before they are transmitted Home. In the event of the approval of the Government being withheld from any doubtful or disputed item, the Secretary of State would propose that the amounts should either be put to a suspense account, which shall be adjusted in the ensuing half-year, or that the circumstances should be so explained as t enable the Secretary of State and the Board to decide the matter in this country in time fo ttlement before the half-yearly accounts are published and put before the shareholders.

P.W. 671/70

From Govt to Govt.

3k

No. 57 A—R.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

Railway.

To THE SECY. TO THE GOVT. OF Madras.
IN THE P. W. DEPT., RAILWAY BRANCH.

FORT WILLIAM, FEBRUARY 7, 1870.

SIR,

I am directed to forward herewith, for information and guidance, copy of a Despatch from the Secretary of State, and its enclosure, regarding the Revenue Accounts of the Guaranteed Railway Companies, and to request that the Consulting Engineer may be directed to have these accounts duly audited in future with all possible promptitude, and copies at once forwarded to the Local Government for immediate transmission to the Government of India and Secretary of State.

2. It is very desirable that the Government of India should obtain the earliest possible intimation of the result of each half-year's working, and that the Secretary of State should receive these accounts without undue delay. In cases where items have not been finally disposed of, or have been struck out of the account, full particulars of the exact nature of such disputed or doubtful items should at the same time be sent forward. The Consulting Engineer should be specially instructed to give renewed attention to these orders, the desired promptitude and punctuality in closing the half-yearly accounts not having been hitherto fully accomplished every where.

3. I am to add that it is very desirable that steps should be taken to ensure the prompt settlement of the Railway Companies' claims against Government in their capacity of carriers. It would appear that an apparently needless delay sometimes occurs in these matters, and the Consulting Engineer should at once report any instance of such departmental delay to the Government.

I have the honour to be,

SIR,

Your most obedient Servant,

Geo. Freeney

Depy. Secretary to the Govt. of India.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.
Railway.

To

THE SECY. TO THE GOVT. OF
IN THE P. W. DEPT., RAILWAY BRANCH.

No. 69 A—R.

Dated February 7, 1870.

Received 18 "

Revenue Accounts of Guaranteed Railways to be audited with promptitude.

P. W. D. Press—7-2-70—52

P.W.D.
No 571
Proceedings of the Madras Govt.
dated the 19th Feby 1870
Read the following letter

From the Govt. of India (R.R. No 59 A.R.) 7th Feby 70

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

Major Rivers Stewart's particular attention will be drawn to the importance which the Govt. of India attach to the prompt and punctual submission of the Half yearly Revenue accounts, and he will adopt measures for giving immediate effect-

Enc 671

Govt. of {1870} Works.

PUBLIC WORKS.

To The Consulting Engrs for Railways

Dated

Recd. 1871

G. O., 19th July 1870, No. 571

Nos. 377-378

Revd Accounts (Ry) Letter from the Govt of India regarding the Revenue Accounts of the Guaranteed Railway Companies and other Offs concerned with the Remarks.