

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 518	Press
	Mis.
724-156	
Dated 25 3	1872.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
22nd March 1872.*

No. 524. Read the following Circular of the Government of India, Public Works Department, (Account—Railway,) dated Fort William, 2nd March 1872, No. 11 :—

Interest payable on the assets of the Special Funds of Guaranteed Railways.

Read again—

Note by the Accountant-General, Public Works Department, on the mode of calculating the interest payable on the assets of the Special Funds of Guaranteed Railways deposited in the Treasury,—No 371-R., dated 14th December 1871.

As it appears from certain correspondence* in this Office, that the Government Railway and Civil Account Officers hold contrary opinions in regard to the mode of calculating the interest

payable on the assets of the special funds of Guaranteed Railways deposited in the Treasury, I beg to refer the question for the consideration and orders of the Government of India.

The point in dispute is this. The interest allowed by Government on the assets of any fund are, as a rule, paid in to the credit of that fund, and the question has arisen whether interest should be paid on that portion of the assets which is made up of the interest of previous years so paid in to the credit of the fund, or not ; in other words, whether the special funds should be credited half-yearly with simple or compound interest.

The Comptroller General of Accounts, and the Accountant-General, Bombay, consider that only simple interest should be allowed, the special fund accounts being dealt with like the account of interest on revenue balances. On the other hand, the Consulting Engineer cannot see any analogy between the two accounts, and thinks that the compound interest ought certainly be allowed.

My own opinion is that the Consulting Engineer's view of the matter is the correct one, the interest paid in to the credit of the fund being as much an integral portion of the assets of the fund as the amounts periodically added thereto from other sources. The case of allowing interest on the revenue balances of the Companies in the hands of Government is quite distinct from the matter now under reference, for while no revenue balances remain in the hands of Government after the close of each half-year, the balances of these special funds remain in the Treasury from year to year. I beg, therefore, to suggest that the question may be referred to the Financial Department for consideration and orders.

Memorandum from the Government of India, Public Works Department, to the Secretary to the Government of India, Financial Department, dated 16th January 1872, No. 34-A.R.

The undersigned is directed to forward herewith the papers marginally noted,

Note by the Accountant-General, Public Works Department, 371-R., dated 14th December, and accompaniments.

Office Notes in the Public Works Department on the above.

Proceedings (Railway,) November 1868, Nos. 68—77, Part A.

on the subject of the mode in which the interest payable on the assets of the special funds of Guaranteed Railways deposited in the Treasury should be calculated, regarding which there appears to be some doubt, and to request that

the question may be considered in the Financial Department, and the necessary orders issued thereon.

2. The return of the papers now forwarded is requested.

*Proceedings of the Madras Government, Public Works Department,
22nd March 1872.*

Read also the following:—

RESOLUTION by the Government of India, Financial Department, dated 15th February 1872,
No. 1,179.

Read a communication from the Public Works Department, No. 34-A.R. of the 16th ultimo, referring for consideration and orders, the question as to the mode in which the interest payable on the assets of the special funds of Guaranteed Railways deposited in the Treasury should be calculated.

RESOLUTION.—The Governor-General in Council is pleased to decide that compound interest shall be credited half-yearly to the special funds of the Guaranteed Railways deposited in the Treasury.

ORDER.—Ordered that a copy of the foregoing Resolution be forwarded to the Public Works Department, and to the Comptroller-General, and that the original papers received from that department be returned.

Governments of Madras, and Bombay.
Consulting Engineer for Railways, Calcutta,
Lahore, and Lucknow.
Accountant-General, Public Works Department.

ORDERED.—Ordered that the foregoing be forwarded to the Local Governments and Officers named in the margin for information and guidance.

(Signed) C. H. DICKENS, Colonel, R.A.,
Secy. to the Govt. of India.

No. 525.

ORDER THEREON, 22nd March 1872, No. 818.

RAILWAY, No. 88.

COMMUNICATED to the Consulting
Engineer for Railways.

(True Extract.)

Colonel, R.E.,

Secretary to Government.

To the Acting Consulting Engineer for Railways.
,, Accountant-General.

P. W. 1872 *Chapman*
No 1273

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.
Railway.

To

THE GOVERNMENTS OF MADRAS AND BOMBAY; CONSULTING ENGINEERS FOR RAILWAYS, CALCUTTA, LAHORE AND LUCKNOW; AND ACCOUNTANT GENERAL, PUBLIC WORKS DEPARTMENT.

CIRCULAR NO. 11 RAILWAY.

Dated March 2, 1872.

Received *o 12*

Interest payable on the assets of the special funds of Guaranteed Railways.

P. W. D. Press—2-3-72—129.

No 818-22
With an order

On August 1
Received

Recd 25/5/72

10/5 Comm'd to the Comr Genl for Railways

Chd 818

H.

Oct. 12/93

Dept. of Public Works,
PUBLIC WORKS.

Mr. S. H. Greening
Eng'g. for Railways

22nd Dec. 1893.

No. 521 & 525

Guaranteed Railways. Cir.
Letter from the Govt of
India regarding interest
payable on the account
the Special Funds of
Guaranteed Ry. Co.
to the Govt.