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(3) Initials of the Referencer _____

MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	27 -	(Ry)	~~Press~~
~~B.P. No.~~			~~Mis.~~ <i>mis</i>
Dated	5-1-	1876	

Not to be folded or roughly handled

Railway.
No 107

Recd from Mr. H. W. Roberts
No. 63 of 10 June 75, & Endo:
Do. to Do. 18 Oct 1875.
Do. from Do. 19 Oct 1875.

India Office, London.

11 Nov. 1875.

My Lord

1. Herewith is transmitted for your Excellency's information a Copy of a Correspondence with the British Indian Railway Board, relative to the manner in which the item of "Capital subscribed in India" should be dealt with, and also the mode in which the adjustments in the Company's Accounts are rendered necessary in consequence of the retrospective effect given by the Act of Amalgamation to the revised rate of Exchange of 1/11. The paper attached is affected.

Excellency
Right Honorable
Governor General
India in Council

2. A Copy of a Report prepared in the Accounts Branch of this Office, on the same subject is also sent herewith.

3. This latter document explains the manner in which the item of "Capital subscribed in India" has been treated in the Books of this Office, and the Board in their Letter of the 19th Oct. 1852, agree in the course which has been followed by which a sum of £559.11 being the difference between 1/10th and 1/11th the price on £1220.19.11 the amount of the Capital so subscribed,

34.
is carried to the credit of Capital not bearing interest.

4. In the same report it is suggested in consequence of the difficulties which lie in the way of an adjustment of the India Account in accordance with the letter of the Agreement, that some arbitrary adjustment to be decided on in India should be adopted. The Board acquiesce in this view and if your Excellency sees no objection I authorize its being acted on.

5. The Government of Madras has been furnished with a Copy of this Despatch for its information and guidance.

I have &c
A. J. Dalrymple

No. 11.

Copy Despatch to the Govt of
India No. 107 dated 11 Nov/75
Enclosures.

Referred to Railway letter to
Madras No. 7 dated 11 Nov/75

Reg. No. 7/75

South Indian Rail^y Co^y

3 Leadenhall St.

London 10th June 1875.

E. C.

No. 93.

Sir,
I have the honor to enclose
copy of a Memo. by Mr. R. J.
Macdonald, Govt. Examiner
of Railway Accounts Madras
relative to adjusting entries
that will be necessary in the
accounts of this Company to
31st Dec: 1874 in consequence of
the retrospective effect given
by the Act of Amalgamation
(37 & 38 Vict. Ch. CXXII) to the
revised rate of exchange of
1/11² per rupee. I am desired
to request that the views &
instructions of the Sec^y of State
in Council in relation thereto,
may be communicated to the
Directors for their guidance.

I am &c.

(11/6) D. W. Notman
Man^y Director

Sec^y of State
for India
India Office

India Office
18th August 1875

Sir,
I am directed by the Marquess
of Salisbury to acknowledge receipt
of your letter of the 10th June, No 93,
relative to the adjustments which will
become necessary in the Accounts
of the South India Railway Company
in consequence of the retrospective effect
given by the Act of Amalgamation,
to the revised rate of exchange, viz 11¹/₂
the Rupee in reply I am instructed
to transmit for the Board's information
a copy of a memo on the subject
prepared in the Accounts Branch
of this Office, and to request to be
furnished with the Board's views
on the proposal therein made
for dealing with the item in the
Accounts of the Great Southern
Company, of Capital subscribed
in India. It will be further seen

A. W. Notman Esq that it is proposed, in consequence
of

of the great labour which would be involved in adjusting the store account according to the letter of the agreement that some arbitrary adjustment to be decided on in India, shall be adopted. On this point also Lord Salisbury will feel obliged by being informed of the Board's views.

I am etc
(S'd) Louis Mallet

N^o 132

South Indian Railway Company,
2, Leadenhall Street,
London. 19 Oct 1875
E.C

Sir, I am instructed by the Board to acknowledge receipt of Sir Louis Mallet's letter dated 18 August, transmitting copy of a memorandum prepared in the Account Branch of the India Office relative to the mode of dealing with the item of "Capital subscribed in India and also to the adjustments which will become necessary in the Accounts of the Company consequent upon the retrospective effect given by the Act of amalgamation to the revised rate of exchange of $7/11^d$ per rupee.

In reply I am now desired to state that the Directors acquiesce in the views expressed in the memorandum in question, and that they have given instructions that £55.9.11 being the difference between the

The Under Secretary of State for India
to the India Office

the equivalent of Rs 13319 / the
capital received in India / at 1/10
and at 1/11 per rupee respectively
shall be treated as Premium and
carried to the credit of "Capital not
bearing Interest"; and as regards
the second point they agree in the
expediency of making some arbitrary
adjustment, to be decided on in
India, so as to avoid the great
nuisance of labour which would
necessarily be entailed, were the
whole of the Accounts to be re-opened
in order to arrive at the actual
result according to the letter of the
Agreement.

I am

(Sd)

Sir

Henry M. Norman

Man^r Director

Copy of a Report by the Accountant
of the Indian Office dated 21 July 1876

As stated in the Memorandum of
the Examiner of Railway Accounts,
Madras, forwarded with Mr. Norman's
letter of the 10th ultimo, an adjustment
appears to be necessary in the Indian
Books to give retrospective effect to the
revised rate of exchange.

By the 1st and 2nd Clause of the
Agreement for the amalgamation of
the Great Southern of India and
Caranatic Railway Companies it is
prescribed that in the making up
and settling all accounts between the
Secretary of State in Council and the
Great Southern of India Caranatic
Railway Companies respectively, in
every year in which it shall be or
shall have been necessary for any
purpose to fix a rate of exchange,
either in respect of past or present
transactions, such rate shall be
deemed

the
Cap deemed to have been and shall be at one
and fixed rate of $1/10$ per Government Paper
and in every case in which any transaction
may have taken place on the footing
of a different rate, such transaction shall
for this purpose be opened and the last
mentioned rate be substituted.

With respect to the Subscribed Capital
Account the only item requiring
adjustment appears to be the Receipts
in India on account of £1220:79:6 stock
of the Great Southern of India Railway
Company, which has been adjusted
in the following manner in the Home
Books. Return of Rs 13,319.10. was
received in India being the equivalent
at $1/10$ per Rupee of the above mentioned
£1220:79:6 share Capital; and these Rupees
converted into sterling at $1/10$ per Rupee
producing £1278:9:30 or £55.911 more
than that share Capital, the latter
sum of £55:9:11 has been treated as
Premium and carried to the credit of
Capital not bearing interest.

With regard to Disbursements
the

the items requiring adjustment appear
to be those brought on the Indian Books
in Rupees in respect of payments in
Sterling in this country, made for the
purchase of Stores for the parent to India,
or otherwise on Indian account; thus
£1000 having been paid in England
for stores for the Great Southern of India
Railway Company, Rs 10,909.1.5, the
equivalent of that amount at $1/10$ per
Rupee was debited to the Store Account in
India in respect of those Stores, and on
those Stores being used the account to which
they are appropriated has been or will be
charged with Rs 10,909.1.5 and on that item
being reconverted into Sterling at $1/10$ per
Rupee, that account would be charged
with £1045:9:1 for stores which only
cost £1000. Therefore in respect of £1000
paid in England for Stores for the
Great Southern of India Railway Company,
for Rs 10909:1:5 Rs 10454.12.6 should
be substituted.

Consequently in order to adjust
the store account according to the letter
of

of the agreement, it would be necessary
 not only to value in Rupees all stores
 purchased in England prior to the 30th
 June 1874 and remaining in stock in
 India at that date, but all stores purchased
 in England from the commencement
 of either undertaking and credit the
 several accounts chargeable with them.

This course, if not absolutely
 impossible, would involve so much labour
 that I consider it out of the question.
 It only remains therefore to adopt some
 arbitrary adjustment, which it appears
 to me can only be decided upon in India,
 and I would therefore recommend that
 the subject be referred for the consideration
 of the Government of India.

(Sd) E. R. Case Browne.

22 July 1875

Government of Madras P. W. Department

Railway Branch

Examiners Office

Memorandum

South Indian Railway Accounts for the
 31st Dec. 1874.

Adjustments giving retrospective effect
 accordance with the Act of Incorporation
 to the revised rate of exchange have now
 been made. Accordingly the receipts from stock
 are overstated by £ 55 the difference being
 of Rs 153.19.10. Capital of the Great Southern
 Company subscribed & paid into Treas.
 at 1/10 & 1/11 per Rupee. 4758-4-0
 And on the disbursement side 2527-4-0
 stated in pounds on adjustment of £ 295-8-0
 between the Act Capital Advances 804-0-0
 the 30th June 1874 at the rates of exch.
 to that date & at the revised rate 708-0-0
 The following would appear to be
 requiring adjustment.

Great Southern of India &

Net advances in India to 30 th June 1874	Rs 2-15-3
Govt Capital Account	Rs 7931.2
do ———— advances ap	127.24-8-0
Total Rs	8058.2
At 1/10 per Rupee	£ 738.69
At 1/11 ————	772.27

Increase to be made in disbursements — £ 33.54 4-1 3/4

Carnatic

Carnatic Railway

Net advances to 30 June 1874

Govt Capital Account
— advance a/c

Rs 545,537 - 0 - 2

11,298 - 10 - 4

Rs 556,835 - 10 - 6

(@ 2/- p Rupee ————

£ 55,682 - 11 - 3 1/4

(@ 1/11 ————

53,136 - 2 - 9 - 2

Decrease to be made ————

£ 2320 - 2 - 1 3/4

Net Result

Increase to be made in disbursements

Acct of G.S. of I. Co's transactions ———— £ 33,547 - 4 - 1 1/4

Decrease on Acct of Carnatic — do ———— 2,320 - 2 - 1 3/4

Amount requiring adjustment ———— £ 31,227 - 2 - 0

The Acct of the advances in India kept by the Sec^y of State would appear from the following to have been brought into account with the revised rate of exchange.

Advances in India to the 30th Nov^r 1874

as per Sec^y of State's return £ 904,801.

Add December transactions

& transfers from August not

included in the above ———— Rs 521

£ 904,521

Advances in India to the 31st

Dec^r 1874 as p. Company

Books.

Govt of India

Capital Acct. } ————

Rs 9,351,822 - 0 - 4

Govt Capital Advance } ————

86,659 - 13 - 10

(@ 1/11 p Rupee ————

Rs 9,438,481 - 14 - 5

£ 904,521

Difference

Nil

In the Comp^{ts} Accts kept in India modification is required in respect to the credits to the Board of Directors to the 30 June 1874 on Acct of Receipts of Stores & payment on Indian A/c &c.

The reduction to be made is thus deduced
Great Southern of India Rail^{ys}

Credits to Board to 30 June 1874

English advances account ————

Rs 13,873,858 - 4 - 10

(@ 1/10 p Rs ————

£ 1,180,103 - 13 - 4

(@ 1/11 ————

1,180,103 - 13 - 4

13,314,125 - 5 - 4

Reduction to be made in credit

on account of this Comp^{ts} ————

Rs 559,732 - 15 - 3

Carnatic Railway

Credits to Board to 30 June 1874

Board of Directors, London Acct. ————

Rs 80,475 - 4 - 0

— do of ————

Store Acct. ————

100,253 - 4 - 0

(@ 2/- p Rupee £ 18,1029 - 11 - 0 ————

18,1029 - 11 - 0 ————

Rs 1,810,295 - 8 - 0

(@ 1/11 ————

18,1029 - 11 - 0 ————

18,0904 - 0 - 0

Increase to be made in credit ————

Rs 78,708 - 0 - 0

Net Result

Reduction to be made on Acct of

transactions of G^o Southern

of India Comp^{ts} ————

Rs 559,732 - 15 - 3

Net Increase on account of the

Carnatic Comp^{ts} ————

78,708 - 0 - 0

Net reduction required ————

Rs 481,024 - 7 - 3

R. J. Macdonald

Ex^g of R^y Accts

Madras

ansd.

Railway.
N^o 7.

India Office, London.
11th November, 1875.

Sir,

I transmit herewith
for your Excellency's information
and guidance a copy of a
Despatch which I have
addressed to the Government
of India, together with
copies of its enclosures;
relative to the adjustment
of the Accounts of the
South Indian Railway Company,
rendered

His Excellency,
The Honorable
The Governor in Council
Fort St. George.

Railway. N^o 107, dated 11th Nov. 1875

Co. 30. 6. 74 No 635. 626
 " 6. 11. 74 -- 97. 98
 " 7. 8. 75 -- 146. 147
 " 5. 10. 75 -- 67. 68

J. W. 1875 Sept.
 No 10.

The Railway
 11th Nov 1875.
 No 22. Dear Sir
 Letter to Port St. George
 No 7.

2.1.

Transmit certain
 Correspondence relative
 to the adjustment of the
 Accts. of the S. I. Ry. Co.
 rendered necessary in con-
 sequence of the retrospective
 effect given by the Act of
 amalgamation to the re-
 vised rate of exchange of
 1/11 the Rupee

With order

5th Dec 76

Communicated to the Comptroller General for
 Railway and to the Examiners of Railway Accounts for
 information and guidance.

AMT

Attest
 J. W. 19.1.76

10/
Govt. of 1876 Madras.

PUBLIC WORKS.

To

*Consig. Eng. for
Rys*

Dated

Issued

Recd.

Encl.

G. O. 5 Jan'y 1876, No.

27

Nos.

53-54

of amalgamation to be
revised — Communic-
ated to the Com. Engrs & to
Examiner of Ry Accts.

Rate of exchange at 1 sh. 11d.
the Rupee. Despatch from
the Secy. of Ry. transmitting
certain correspondence re-
lative to the adjustment
of the Accts of the S. & Ry. Co.
considered necessary in con-
sequence of the retrospective
effect given by the Act

With Order